

**RSPO PRINCIPLE AND CRITERIA
2nd Annual Surveillance Assessment (ASA2_1)
Public Summary Report**

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|---|
| Keresia Plantations Sdn Bhd |
| Head Office: P.O. Box 2607 97008 Bintulu, Sarawak Malaysia |
| Keresia Palm Oil Mill and supply base Lot 1, Block 17, Lavang Land District 97000 Bintulu Sarawak, Malaysia |

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Section 1: Scope of the Certification Assessment

| 1. Company Details | | | |
|--------------------------------------|---|------------------|--|
| RSPO Membership Number | 1-0077-09-000-00 | Date | Member since: 2 June 2009 |
| Company Name | Keresia Plantations Sdn Bhd/Keresia Mill Sdn Bhd | | |
| Address | Head office : Level 6, Tun Jugah tower, 18, Jalan Tunku Abdul Rahman 93100 Kuching, Sarawak Certification Unit : Postal address : PO Box 2607 97008 Bintulu, Sarawak, Malaysia Location address : Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia | | |
| Subsidiary of (if applicable) | Not applicable | | |
| Contact Name | Mr Abdul Aziz Bin Zainal Abidin (Assistant General Manager) | | |
| Website | www.keresia.com.my | E-mail | aziz@keresia.com.my |
| Telephone | +6086 981105 | Facsimile | +6086 981106 |

| 2. Certification Information | | | |
|-------------------------------|--|---|-------------------------------------|
| Certificate Number | RSPO 559278 | Original Certificate Issued Date | 21/10/2010 |
| | | Expiry Date | 20/10/2020 |
| Scope of Certification | Palm Oil and Palm Kernel Production from Keresia Palm Oil Mill and Supply Base (Jiba Estate, Sujan Estate, Keresia Smallholder Group Scheme) | | |
| Other Certifications | | | |
| Certificate Number | Standard(s) | Certificate Issued by | Expiry Date |
| EU-ISCC-Cert-DE104-11421401 | ISCC | ISCC Gut Cert | 3/10/17 <i>(Renewal Process)</i> |
| MSPO 644920 | MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills | BSI Services (M) Sdn Bhd | 10/11/2020 |

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| 3. Location(s) of Mill & Supply Bases | | | |
|--|---|----------------|---------------|
| Name (Mill / Supply Base) | Location [Map Reference #] | GPS | |
| | | Easting | Northing |
| Keresa Palm Oil Mill (30 mt/hr) | Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia | 113° 35' 59.1" | 03° 09' 49.6" |
| Sujan Estate | Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia | 113° 36' 09.0" | 03° 10' 34.3" |
| Jiba Estate | Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia | 113° 33' 36.4" | 03° 09' 10.5" |
| Keresa Smallholder Group Scheme (KSGS) | Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia | 113° 33' 27.9" | 03° 12' 05.3" |

| 4. Description of Supply Base | | | | | | | |
|--------------------------------------|----------------|------------------|---------------------------|-------------|--------------------------|--------------------|-----------------|
| Estate | Mature (ha) | Immature (ha) | Infras & Other (ha) | HCV (ha) | Total Planted (ha) | Total Hectarage | % of Planted |
| Sujan Estate | 3,078.08 | 0 | 464.62 | 0 | 3,078.08 | 3,542.70 | 86% |
| Jiba Estate | 2,268.82 | 0 | 211.48 | 0 | 2,268.82 | 2,480.30 | 91% |
| KSGS | 101.71 | 0 | 0 | 0 | 101.71 | 101.71 | 100% |
| Total | 5,448.61 | 0 | 676.10 | 0 | 5,448.61 | 6,124.71 | 88% |

Note: Infras = infrastructure

**Certified area reduced due to exclusion of 16 members of KSGS. Additional 23 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 101.71 Ha from 357 ha in the previous RAV.*

| 5. Plantings & Cycle | | | | | | | | |
|---------------------------------|-------------|--------|----------|---------|---------|---------------------------------------|------------------------------------|--------------------------------------|
| Estate | Age (Years) | | | | | Tonnage / Year | | |
| | 0 - 3 | 4 - 10 | 11 - 20 | 21 - 25 | 26 - 30 | Estimated (Oct 2016- Sept 2017) | Actual (Oct 2016- Sept 2017) | Forecast (Oct 2017- Sept 2018) |
| Sujan Estate | 0 | 0 | 3,078.08 | 0 | 0 | 83,547.91 | 68,937.06 | 75,600.00 |
| Jiba Estate | 0 | 0 | 2,268.82 | 0 | 0 | 58,130.03 | 48,311.25 | 48,000.00 |
| KSGS | 0 | 0 | 101.71 | 0 | 0 | 800.00 | 1,122.13 | 1,800.00 |
| Total | 0 | 0 | 5,448.61 | 0 | 0 | 142,477.9 | 118,370.44 | 125,400.00 |

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| 6. Certified Tonnage of FFB (Own Certified Scope) | | | |
|--|---|--|--|
| Estate | Tonnage / year | | |
| | Estimated (Oct 2016-Sept 2017) | Actual (Oct 2016-Sept 2017) | Forecast (Oct 2017-Sept 2018) |
| Sujan Estate | 83,547.91 | 68,937.06 | 75,600.00 |
| Jiba Estate | 58,130.03 | 48,311.25 | 48,000.00 |
| KSGS | 800.00 | 1,122.13 | 1,800.00 |
| Total | 142,477.9 | 118,370.44 | 125,400.00 |

| 7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable | | | |
|---|---|--|--|
| Independent FFB Supplier | Tonnage / year | | |
| | Estimated (Oct 2016-Sept 2017) | Actual (Oct 2016-Sept 2017) | Forecast (Oct 2017-Sept 2018) |
| Non-certified FFB | 123,600 | 122,319.34 | 124,400 |

| 8. Certified Tonnage | | | | | | | | | |
|-----------------------------------|---|------------|-----------|--|------------|-----------|--|------------|-----------|
| Mill | Estimated (Oct 2016-Sept 2017) | | | Actual (Oct 2016-Sept 2017) | | | Forecast (Oct 2017-Sept 2018) | | |
| | FFB | CPO | PK | FFB | CPO | PK | FFB | CPO | PK |
| Keresia Palm Oil Mill (certified) | 142,477.90 | 27,070.80 | 5,699.12 | 118,370.44 | 22,509.76 | 4,738.90 | 125,400 | 23,829 | 5,016 |
| (non-certified) | 123,600.00 | 23,484.00 | 4,944.00 | 122,319.34 | 24,269.90 | 5,031.86 | 120,400 | 22,879 | 4,816 |

**Based on forecast OER:19% and KER:4%*

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
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Nicholas Cheong: Nicholas.Cheong@bsigroup.com
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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 ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia. BSI is accredited for RSPO Supply Chain Certification Systems (SCCS) and Principles & Criteria for Sustainable Palm Oil Production (P&C, Single Site & Group) certification Worldwide.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 3-6 October 2017. 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 (Sujan Estate & Jiba Estate). A range of environmental and social factors were covered. This includes 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 and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2014 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base. The estates sample were determined based on formula $N = 0.8\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the RSPO Certification Requirement for Group Certification Standard 2016. The sampling of smallholders were based on the formula $(0.8\sqrt{54}) \times (1)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder is listed in Appendix J. $Y=54$ smallholder, $Z = 1$ (low risk)

Meetings were held 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 these have been incorporated into the assessment findings.

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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 and the sampled smallholder (when applicable) is listed in Appendix J

All the previous nonconformities are remains closed. The assessment findings for the 2nd Annual Surveillance Assessment are detailed in Section 3.3.

This report is structured to provide a summary of assessment finding as attached in the Appendix A. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

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

| 1. Assessment Program | | | | | |
|--------------------------------------|-------------------------------------|-----------------------------|-----------------------------|-----------------------------|----------------------------|
| Name (Mill / Supply Base) | Year 1 (Recertification) | Year 2 (ASA 1_1) | Year 3 (ASA 2_1) | Year 4 (ASA 3_1) | Year 5 (ASA4_1) |
| Keresa Palm Oil Mill | √ | √ | √ | √ | √ |
| Sujan Estate | √ | √ | √ | √ | √ |
| Jiba Estate | √ | √ | √ | √ | √ |
| KSGS Smallholders | √ | √ | √ | √ | √ |

[Click here to enter a date.](#)

Tentative Date of Next Visit: July 3, 2018 – July 6, 2018

Total No. of Mandays: 10.5 mandays

BSI Assessment Team:

Mohd Hafiz Mat Hussain – Lead Auditor

He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an 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 2013, Endorsed RSPO P&C Lead Auditor Course in 2014 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since May 2013 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation.

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Revision 4 (November /2016)****Hafriazhar Mohd Mokhtar**

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.

Kelvin Lim – Team Member

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

Accompanying Persons: -

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following RSPO normative requirements. The assessment details are provided in Appendix A.

- Keresa Plantations Sdn Bhd Time Bound Plan
- RSPO Group Certification Standard 2016 Checklist
- RSPO P&C for Smallholders TH-WG 2012 Checklist
- RSPO P&C GN-NIWG 2010 Checklist
- RSPO P&C INA-NIWG 2016 Checklist
- RSPO P&C PNG-NIWG 2016 Checklist
- RSPO P&C SI-NIWG 2010 Checklist
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO P&C TH-WG 2011 Checklist
- RSPO Supply Chain Certification Checklist November 2014
- RSPO P&C 2013 Generic Checklist

3.2 Progress against Time Bound Plan

Keresa Plantations Sdn Bhd operates one palm oil mill and three estates. Palm Oil Mill, two estates and associated smallholder are certified since 2010. Kubud estate was planted in 2012 without prior HCV assessment. This issue was brought to RSPO voluntarily by the company to RSPO Technical Director on 17 September 2013. This area is under compensation mechanism and not certified. The timeline to certify Kubud Estate depends on the approval of the Keresa Plantations Sdn Bhd's compensation proposal by RSPO.

BSI has considered that Keresa Plantation Sdn Bhd still comply with the RSPO requirement for partial certification and has justified the delay in certifying the Kubud Estate due to waiting for the approval from RSPO. As it is:

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.

BSI has continued involvement with assessments of Keresa Plantations Sdn Bhd during the 2014/2015 period. During this recertification assessment, BSI has contacted stakeholders. BSI did not receive any information or feedback that need to further verify. Keresa Plantations Sdn Bhd consistently has kept BSI informed of any emerging issues. Other than the Kubud Estate, 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. Details of the TBP compliance can be found below:

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| Time Bound Plan | | |
|---|---|-------------------|
| Requirement | Remarks | Compliance |
| Summary of the Time Bound Plan | | |
| Does the plan include all subsidiaries, estates and mills? | Yes | Yes |
| Is the time bound plan challenging? <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. | The time bound plan is challenging enough. | Yes |
| Have there been any changes since the last audit? Are they justified? | As of this year, no changes as per submitted to ACOP. | Yes |
| If there have been changes, what circumstances have occurred? | No | Yes |
| Have there been any stakeholder comments? | No | Yes |
| Have there been any newly acquired subsidiaries? | No | Yes |
| Have there been any isolated lapses in implementation of the plan? | No | Yes |
| Un-Certified Units or Holdings | | |
| Did the company conduct an internal audit? If so, has a positive assurance statement been produced? | Yes. Internal audits are done by Group's internal audit team @ TQM. | Yes |
| No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. | Sg Kubud Estate – leased land belongs to community. As per HCV assessment report, HCV cleared. Keresa in discussion with RSPO on the liability issue. Not yet finalised. | No |
| Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure. | New plantings at Sg Kubud Estate completed NPP. | Yes |

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| | | |
|---|---|-----|
| Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6. | No land conflicts for Keresia Plantation | Yes |
| Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3. | No land conflicts for Keresia Plantation | Yes |
| Did the company conduct an internal audit? If so, has a positive assurance statement been produced? | Yes. Internal audits are done by Group’s internal audit team @ TQM. | Yes |
| Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2. | No non-compliances as of today for for Keresia Plantation | Yes |

3.3 Details of findings

The nonconformity is listed below. The summary report of the assessment by criteria is listed in Appendix A.

During the 2nd Annual Surveillance Assessment there were five (5) Major & two (2) Minor nonconformities raised. The Keresia Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted on 20/10/2017.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for it effectiveness and closed accordingly during Major close out visit on 6/11/2017.

| Non-Conformity | | |
|-------------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1534040-201709-M1 | <p>Requirements Indicator 4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> | Major |
| | <p>Evidence of Nonconformity The activities at Keres a POM and Sujan/Jiba Estate were not adequately identified in HIRARC register: 1. Construction of new/modification of sterilizer 2. Gasifier plant 3. Quarry activity 4. Evacuation of FFB using buffaloes</p> | |
| | <p>Statement of Nonconformity HIRARC was not adequately identify on the new activity involved in the mill/estate.</p> | |
| | <p>Corrective Actions Root cause: There are no consistently monitoring risk assessment of new activities at Keres a POM & Sujan/Jiba Estate.</p> <p>Correction: To conduct the HIRARC for activities below at Keres a POM and Sujan/Jiba Estate : 1. Construction of new/modification of sterilizer (POM) 2. Gasifier plant (POM) 3. Quarry activity (Sujan) 4. Evacuation of FFB using buffaloes (Jiba)</p> <p>Corrective Action: Monitoring the new job/activities at the estate/mill and conduct the risk assessment for the activities.</p> <p>Verification during Major Close Out: 1. Construction of new/modification of sterilizer (POM) was reviewed on 19/10/2017 2. Gasifier plant (POM) was reviewed on 16/10/2017 3. Quarry activity (Sujan) was reviewed on 17/10/2017 4. Evacuation of FFB using buffaloes (Jiba) was reviewed on 17/10/2017</p> | |
| | <p>Assessment Conclusion During Major Close Out visit, found that the management had taken necessary action to monitor the new job/activities. There is no new job/activities during major close out visit. HIRARC for Construction of new/modification of sterilizer (POM) was reviewed on 19/10/2017, Gasifier plant (POM) was reviewed on 16/10/2017, Quarry activity (Sujan) was reviewed on 17/10/2017 and evacuation of FFB using buffaloes (Jiba) was reviewed on 17/10/2017. Hence, the major NCR was closed on 6/11/17.</p> | |

| Non-Conformity | | |
|-------------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1534040-201709-M2 | <p>Requirements Indicator 2.1.1 Evidence of compliance with relevant legal requirements shall be available. Labour Ordinance (Sarawak CAP. 76)</p> | Major |
| | <p>Evidence of Nonconformity</p> <p>i) It was seen the employees ID: 11206 have not been paid with the overtime for working more than 8 hours per day. Based on the schedule of work on July & August 2017.</p> <p>ii) It was seen the company have a deduction of equipment from the workers and additional working hour for shift work (security guard) but with no approval from Labour department.</p> <p>iii) It was seen the Harvester was not being paid of 2 times of normal piece rated when working on off day/ public holiday for Employee: ID 11270</p> | |
| | <p>Statement of Nonconformity It was found partially failure in compliance with Sarawak Labour Ordinance.</p> | |
| | <p>Corrective Actions Root cause:</p> <ol style="list-style-type: none"> 1. There are no consistently monitoring of workers pay and wages 2. There are no approval of deduction equipment and additional hour for shift working for security guard 3. There are no consistently monitoring of workers pay and wages <p>Correction:</p> <ol style="list-style-type: none"> 1. To pay back the employee ID : 11206 - overtime for working more than 8 hours perday as on the schedule of work in July & August 2017 2. To get the approval from Labour department for deduction of equipment from the workers and additional working hour for shift work (security guard) 3. To pay back the employee ID : 11270 , harvester which that was not being paid of 2 times of normal piece-rated when working on off day/public holiday. <p>Corrective Action: Appoint a person in-charge to monitor the pay & wages of workers and do the monitoring job monthly to ensure the pay in accordingly with Labour Ordinance (Sarawak CAP, 76)</p> | |
| | <p>Assessment Conclusion During Major Close Out visit, found that the management had taken necessary action, eg: Appoint a person in-charge to monitor the pay & wages of workers and do the monitoring job monthly to ensure the pay in accordingly with Labour Ordinance (Sarawak CAP, 76) Hence, the major NCR was closed on 6/11/17.</p> | |

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| Non-Conformity | | |
|-------------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1534040-201709-M3 | <p>Requirements RSPO SCCS : E 3 Documented procedures 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> <ul style="list-style-type: none"> a) Complete and up to date procedures covering the implementation of all the elements in these requirements; 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. | Major |
| | <p>Evidence of Nonconformity</p> <ul style="list-style-type: none"> i) Description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations) for CPO sales ticket no.: 004674 dated: 25/9/2017 was wrongly written as CPO PQ and not included in rubber stamp. ii) Supply chain certificate number for PK sales ticket no.: 004692 dated: 29/9/2017 was wrongly written as SPO 559278. | |
| | <p>Statement of Nonconformity Implementation of supply chain procedure requirements not fully ensured</p> | |
| | <p>Corrective Actions Root cause: Lack of training of weighbridge operators regarding the ISCC/RSPO type of product between PK and CPO</p> <p>Correction:</p> <ol style="list-style-type: none"> 1. Amended CPO and PK despatch weighbridge ticket for CPO-MB and PK-MB 2. Supply chain training to weighbridge staff <p>Corrective Action: Give annually training to weighbridge operator or staff for Weighbridge ticket as per RSPO certification requirement</p> | |
| | <p>Assessment Conclusion During Major Close Out visit, found that the management had taken necessary action:</p> <ol style="list-style-type: none"> 1. Training related to Supply Chain was conducted on 14/10/2017 to the person in-charge at Keresa Palm Oil Mill by Sr. Sustainability Manager. <p>Hence, the major NCR was closed on 6/11/17.</p> | |
| | | |

| Non-Conformity | | |
|-------------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1534040-201709-M4 | <p>Requirements Indicator 5.1.1 An environmental impact assessment (EIA) shall be documented.</p> | Major |
| | <p>Evidence of Nonconformity Keresia Mill/Sujan Estate: Environmental Significant Aspect (E 4.3.3 .1 Env. Aspect Register V2; dated May 2010) – amended Sep 2011 – latest reviewed on Sep 2014</p> | |
| | <p>Statement of Nonconformity Documented environmental impact assessment for the installation of Gasifier Plant and Quarry activity was not available.</p> | |
| | <p>Corrective Actions Root cause: There are no competent person to do the EAI assessment</p> <p>Correction: To do the assessment for the installation of gasifier Plant and Quarry activity.</p> <p>Corrective Action: To send a person for EAI training in future and to do the assessment for all activities at the worksite</p> | |
| | <p>Assessment Conclusion During Major Close Out visit, found that the management had taken necessary action to monitored the new job/activities. There is no new job/activities during major close out visit. EIA for Gasifier was done and reviewed accordingly on 19/10/2017 which was reviewed by Deputy General manager and EAI for Quarry activity was done and reviewed accordingly on 19/10/2017 which was reviewed by Deputy General manager. Internal training was conducted by HSE officer to the TQM team and mill representative on 15/10/2017. Hence, the major NCR was closed on 6/11/17.</p> | |

| Non-Conformity | | |
|-------------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1534040-201709-M5 | <p>Requirements Indicator 4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated.</p> | Major |
| | <p>Evidence of Nonconformity Sujan/Jiba Estate: Traces of grass been applied with herbicide was found within buffer zone at River Water Sampling Point W3 (Sungai Semerah).</p> | |
| | <p>Statement of Nonconformity Protection of buffer zones not fully demonstrated</p> | |
| | <p>Corrective Actions Root cause: There are no proper training of awareness to protect buffer zones with workers</p> <p>Correction: To do the awareness training for all sprayer and manurer about the protection of buffer zone.</p> <p>Corrective Action: To monitoring and inspection monthly at buffer zone area and continually awareness training with workers.</p> | |
| | <p>Assessment Conclusion During Major Close Out visit, found that the management had taken necessary action:</p> <ol style="list-style-type: none"> 1. Training related to Riparian Zone was conducted on 20/10/2017 to the sprayers in Jiba Estate. The training was conducted by Deputy General Manager, TQM Manager and SHO Officer. 2. Monthly monitoring inspection was done accordingly on October 2017. <p>Hence, the major NCR was closed on 6/11/17.</p> | |

| Non-Conformity | | |
|-------------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1534040-201709-N1 | <p>Requirements Indicator 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).</p> | Minor |
| | <p>Evidence of Nonconformity Jiba Estate: Used oil (SW 305) and empty container of engine oil from workers vehicle was kept within workers housing compound same row with the crèche without proper handling.</p> | |
| | <p>Statement of Nonconformity Proper disposal of waste material procedures not fully demonstrated by workers</p> | |
| | <p>Corrective Actions Root cause: There are no briefing/training to workers regarding the proper disposal/handling of used oil from their own vehicle Correction: To conduct training, establish memo to all motorcycle owners regarding the proper disposal of waste material. Corrective Action: To conduct monthly inspection at housing area and periodically awareness training for workers/motorbike owners.</p> | |
| | <p>Assessment Conclusion Accepted on 20/10/17, the effectiveness of the corrective action will be verified during the next assessment.</p> | |

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| Non-Conformity | | |
|-------------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1534040-201709-N2 | Requirements Indicator 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 |
| | Evidence of Nonconformity Sujan & Jiba Estate: Records of drinking water sample analysis done on 23/8/2017 (Borang S1B Air Terawat; Station code: KKS75 for sample taken at S05 (Clinic) Sujan Estate shown high Total Coliform recorded as TNTC (Too numerous to count); sample taken at S05 (Canteen) Jiba Estate also shown high Total Coliform and letter by Pegawai Kesehatan Bahagian Bintulu ref.: PKBB/KMAM/600-2(165). | |
| | Statement of Nonconformity Water supplies were not according to national standards | |
| | Corrective Actions Root cause: Contamination from rain water/rain gutter. Correction: To disconnect the hose/separate the tank. Corrective Action: Quarterly monitoring by estate & mill and annually inspection by Pegawai Kesehatan Bahagian Bintulu. | |
| | Assessment Conclusion Accepted on 20/10/17, the effectiveness of the corrective action will be verified during the next assessment. | |

| Observation | |
|-------------|-------------|
| OBS # | Description |
| | Nil |

| Positive Findings | |
|-------------------|---|
| PF # | Description |
| 1 | External stakeholders for the mill and estates shown positive feedbacks towards the company. |
| 2 | Keresia management unit has maintained good relationship with the local community and other stakeholders. |

| 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 Keresia Palm Oil Mill 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>Issues: Creche Attendants: They informed that no any issues reported. They were understood on how to use first aid kit if there is any emergency happened and verified that they know how to contact MA or Assistant Manager if there was any emergency.</p> <p>Management Responses: The MA and management will closely monitor if there is any issue reported.</p> <p>Audit Team Findings: There was no any further issue that required further verification.</p> |
| 2 | <p>Issues: Workers' Representatives - The representatives highlighted that they are treated equally on use of the facilities. Housing provided is in good condition and the payment of salary was according to the requirement and so far no workers was complained to them.</p> <p>Management Responses: The management treats all employees equally with no discrimination. Management will continue to treat all workers equally without discrimination.</p> <p>Audit Team Findings: No complaints were highlighted by foreign workers during interviewed. Site visit to the housing area found out that is in good condition at the time of the visit. Verified that the mill has budgeted for building of new labour linesite for improvement on the condition of the mill labour line-site.</p> |
| 3 | <p>Issues: Gender Committee Chairman: No issue of sexual harassment and violence case reported thus far.</p> <p>Management Responses: Information noted by the management.</p> <p>Audit Team Findings: Document reviewed of the meeting minutes and interviewed with female workers confirmed that no issue on sexual harassment has reported.</p> |
| 4 | <p>Issues: KSGS Smallholders (Rumah Majang) – They informed that no land encroachment by the management. Payment was made according to MPOB daily price. Credit term for the fertilizer purchase and business opportunity as sundry shop owner has been provided</p> <p>Management Responses: The Management will continue support the smallholders whenever required.</p> |

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| | |
|---|--|
| | <p>Audit Team Findings: No further verification was required</p> |
| 5 | <p>Issues: Contractor (Road work) and CPO & PK Transporters: Contractor confirm payment is prompt as per agreed contract.</p> |
| | <p>Management Responses: Payment is made as per the agreed terms.</p> |
| | <p>Audit Team Findings: No other issues.</p> |
| 6 | <p>Issues: Medical Assistant: No issue reported by the MA. All the records were maintained.</p> |
| | <p>Management Responses: Information noted by the management.</p> |
| | <p>Audit Team Findings: No further issue.</p> |
| 7 | <p>Issues: JTK Officer: He explained that the management has complied with Sarawak Labour Ordinance.</p> |
| | <p>Management Responses The management will continue to comply with the Sarawak Labour Ordinance.</p> |
| | <p>Audit Team Findings No other issue.</p> |

3.3.1 Status of Nonconformities Previously Identified and Observations

| Non-Conformity | | |
|----------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M1 | <p>Requirements Indicator 4.7.1 A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>Evidence of Nonconformity Keresia POM i) There was no latest medical surveillance for 2016. Last monitoring was done on 12/4/15 and exceed 12 month period. ii) No latest LEV inspection conducted for 2016 and last monitoring was referred to report dated 18/5/15.</p> <p>Statement of Nonconformity Health and safety plan was not effectively implemented and monitored</p> <p>Corrective Actions 1. The management immediate send for medical check-up based on type of chemical they dealing with. The latest medical surveillance was conducted 28/10/16 by Dr Ling King Chuong (Medan Jaya Medical Clinic)-HQ/08/DOC/00/206. Verified USECHH 3 & 4 to the said mill workers. 2. Request a quotation from ESI sampling to organize LEV inspection. PO was issued to ESI sampling to conduct LEV inspection.</p> <p>The major NC was closed during onsite NC closure visit on 05/12/2016.</p> <p>Assessment Conclusion <u>Medical Surveillance</u> Medical surveillance was conducted accordingly to the lab operators (2 workers) on 13/7/2017 by Medan Jaya Medical Clinic (HQ/08/DOC/00/206). Based on the report, it was found that the lab operators (920119-13-5968 and 940705-13-6339) was found fit for work.</p> <p><u>Engineering Control Examination Report (LEV)</u> LEV was conducted on 12/6/2017 by ESI Sampling Sdn Bhd (JKKP HIE 127/171-3/1(212)). The management had been established the action plan based on the recommendation by the assessor.</p> <p>Hence, major NC raised during previous year was remain closed.</p> | Major |

| Non-Conformity | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|---|--------------------------|--------------|--------------------------|--------|--------------------------|--------|--------|----------|----------|-----|--------------|----------|-----|----------|-----|----------|-----|----------|---------|-----|-------------|----------|-----|----------|-----|
| NCR # | Description | | | Category (Major / Minor) | | | | | | | | | | | | | | | | | | | | | | |
| 1387081M2 | Requirements Indicator 4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. | | | Major | | | | | | | | | | | | | | | | | | | | | | |
| | Evidence of Nonconformity Sujan Estate No medical surveillance conducted for the sprayer gang at field S07K1 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Statement of Nonconformity Medical surveillance programme was not effectively demonstrated | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Corrective Actions The management immediate send for medical check-up. The latest medical surveillance was conducted 28/10/16 by Dr Ling King Chuong (Medan Jaya Medical Clinic)-HQ/08/DOC/00/206. Verified medical surveillance records (USECHH 3 and 4) for the said sprayers. The major NC was closed during onsite NC closure visit on 05/12/2016. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Assessment Conclusion Annual medical surveillance for sprayers and pesticide operators were demonstrated. Medical examination programme established for 5 group of sprayer team which conducted by Medan Jaya Medical Clinic-HQ/08/DOC/00/206. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1"> <thead> <tr> <th>ID No</th> <th>Date of Medical check up</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>AS625806</td> <td rowspan="4">27/10/16</td> <td>Fit</td> <td rowspan="4">Sujan Estate</td> </tr> <tr> <td>AT258215</td> <td>Fit</td> </tr> <tr> <td>AT728802</td> <td>Fit</td> </tr> <tr> <td>B4030205</td> <td>Fit</td> </tr> <tr> <td>AR823374</td> <td rowspan="3">29/9/16</td> <td>Fit</td> <td rowspan="3">Jiba Estate</td> </tr> <tr> <td>AP202569</td> <td>Fit</td> </tr> <tr> <td>AR791545</td> <td>Fit</td> </tr> </tbody> </table> | | | | ID No | Date of Medical check up | Result | Estate | AS625806 | 27/10/16 | Fit | Sujan Estate | AT258215 | Fit | AT728802 | Fit | B4030205 | Fit | AR823374 | 29/9/16 | Fit | Jiba Estate | AP202569 | Fit | AR791545 | Fit |
| | ID No | Date of Medical check up | Result | | Estate | | | | | | | | | | | | | | | | | | | | | |
| AS625806 | 27/10/16 | Fit | Sujan Estate | | | | | | | | | | | | | | | | | | | | | | | |
| AT258215 | | Fit | | | | | | | | | | | | | | | | | | | | | | | | |
| AT728802 | | Fit | | | | | | | | | | | | | | | | | | | | | | | | |
| B4030205 | | Fit | | | | | | | | | | | | | | | | | | | | | | | | |
| AR823374 | 29/9/16 | Fit | Jiba Estate | | | | | | | | | | | | | | | | | | | | | | | |
| AP202569 | | Fit | | | | | | | | | | | | | | | | | | | | | | | | |
| AR791545 | | Fit | | | | | | | | | | | | | | | | | | | | | | | | |
| Hence, major NC raised during previous year was remain closed. | | | | | | | | | | | | | | | | | | | | | | | | | | |

| Non-Conformity | | | | | | | | | | | | | | |
|---|--|--------------------------|--------------|--------------|--------------|--|--------|--------|-------------|---------------|---------------|--------------|---------------|---------------|
| NCR # | Description | Category (Major / Minor) | | | | | | | | | | | | |
| 1387081M3 | <p>Requirements Indicator 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.</p> | Major | | | | | | | | | | | | |
| | <p>Evidence of Nonconformity Sujan/Jiba Estate No evidence of Ai/Ha summary recorded as to date.</p> | | | | | | | | | | | | | |
| | <p>Statement of Nonconformity Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) was not available.</p> | | | | | | | | | | | | | |
| | <p>Corrective Actions Ai/Ha has been monitored on monthly basis for both estate Jiba and Sujan. Spreadsheet updated September 2016 was verified.</p> <p>The major NC was closed during onsite NC closure visit on 05/12/2016.</p> | | | | | | | | | | | | | |
| | <p>Assessment Conclusion Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications was maintained accordingly at estate office.</p> <table border="1"> <thead> <tr> <th></th> <th>As at Aug 17</th> <th>As at Aug 17</th> </tr> </thead> <tbody> <tr> <td></td> <td>Liquid</td> <td>Powder</td> </tr> <tr> <td>Jiba Estate</td> <td>0.59 % a.i/ha</td> <td>0.00 % a.i/ha</td> </tr> <tr> <td>Sujan Estate</td> <td>0.66 % a.i/ha</td> <td>0.01 % a.i/ha</td> </tr> </tbody> </table> | | | As at Aug 17 | As at Aug 17 | | Liquid | Powder | Jiba Estate | 0.59 % a.i/ha | 0.00 % a.i/ha | Sujan Estate | 0.66 % a.i/ha | 0.01 % a.i/ha |
| | | | As at Aug 17 | As at Aug 17 | | | | | | | | | | |
| | Liquid | Powder | | | | | | | | | | | | |
| Jiba Estate | 0.59 % a.i/ha | 0.00 % a.i/ha | | | | | | | | | | | | |
| Sujan Estate | 0.66 % a.i/ha | 0.01 % a.i/ha | | | | | | | | | | | | |
| <p>Hence, major NC raised during previous year was remain closed.</p> | | | | | | | | | | | | | | |

| Non-Conformity | | |
|----------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M4 | <p>Requirements Indicator 7.1.1 An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.</p> | Major |
| | <p>Evidence of Nonconformity No SEIA conducted for the new planting for KSGS smallholder (Rumah Majang and Rumah Ballrully)</p> | |
| | <p>Statement of Nonconformity SEIA was not prepared for the new planting</p> | |
| | <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008; Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016. The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP. The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> | |
| | <p>Assessment Conclusion Pending resolution by RSPO Secretariat to carry out the review specifically focused on simplification and inclusiveness of the NPP and to specifically include smallholder peculiarities and conditions in defining its applicability, exclusion of affected members of KSGS involved in new planting still maintained by Keresas with no evidence of certified FFB being supplied by them. Hence, major NC raised during previous year was remain closed.</p> | |

| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M5 | <p>Requirements Indicator 7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p> | Major |
| | <p>Evidence of Nonconformity No HCV assessment conducted prior to KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> | |
| | <p>Statement of Nonconformity No HCV assessment conducted prior to new planting</p> | |
| | <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> | |
| | <p>Assessment Conclusion Pending resolution by RSPO Secretariat to carry out the review specifically focused on simplification and inclusiveness of the NPP and to specifically include smallholder peculiarities and conditions in defining its applicability, exclusion of affected members of KSGS involved in new planting still maintained by Keresas with no evidence of certified FFB being supplied by them. Hence, major NC raised during previous year was remain closed.</p> | |

| Non-Conformity | | |
|----------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M6 | <p>Requirements Indicator 7.3.2 A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status.</p> <p>Evidence of Nonconformity No HCV assessment conducted prior to KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting including land use change analysis.</p> <p>Statement of Nonconformity No HCV assessment conducted prior to new planting</p> <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP. The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> <p>Assessment Conclusion Pending resolution by RSPO Secretariat to carry out the review specifically focused on simplification and inclusiveness of the NPP and to specifically include smallholder peculiarities and conditions in defining its applicability, exclusion of affected members of KSGS involved in new planting still maintained by Keresia with no evidence of certified FFB being supplied by them. Hence, major NC raised during previous year was remain closed.</p> | Major |

| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M7 | <p>Requirements Indicator 7.7.1 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.</p> | Major |
| | <p>Evidence of Nonconformity No evidence to show the method of land preparation for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> | |
| | <p>Statement of Nonconformity No evidence to show the method of land preparation.</p> | |
| | <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RSPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> | |
| | <p>Assessment Conclusion Pending resolution by RSPO Secretariat to carry out the review specifically focused on simplification and inclusiveness of the NPP and to specifically include smallholder peculiarities and conditions in defining its applicability, exclusion of affected members of KSGS involved in new planting still maintained by Keresas with no evidence of certified FFB being supplied by them. Hence, major NC raised during previous year was remain closed.</p> | |

| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M8 | <p>Requirements Indicator 7.8.1 The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> | Major |
| | <p>Evidence of Nonconformity Carbon stock assessment was not carried out for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> | |
| | <p>Statement of Nonconformity Carbon stock of the proposed development area was not identified and estimated.</p> | |
| | <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> | |
| | <p>Assessment Conclusion Pending resolution by RSPO Secretariat to carry out the review specifically focused on simplification and inclusiveness of the NPP and to specifically include smallholder peculiarities and conditions in defining its applicability, exclusion of affected members of KSGS involved in new planting still maintained by Keresia with no evidence of certified FFB being supplied by them. Hence, major NC raised during previous year was remain closed.</p> | |

| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M9 | <p>Requirements Indicator 7.2.1 Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations.</p> | Major |
| | <p>Evidence of Nonconformity No soil suitability maps and survey available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> | |
| | <p>Statement of Nonconformity Soil suitability maps and survey was not available</p> | |
| | <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> | |
| | <p>Assessment Conclusion There are no smallholders that open the new area for development. The smallholders that were still wanted to open the new area for development were excluded from KSGS due to non-active participation. Hence, major NC raised during previous year was remain closed.</p> | |

| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M10 | <p>Requirements Indicator 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.</p> | Major |
| | <p>Evidence of Nonconformity Keres a Mill and Jiba Estate: Document reviewed found that plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified with the consultation of affected parties, documented and timetabled, including responsibilities for implementation was not available.</p> | |
| | <p>Statement of Nonconformity Plan to mitigate the negative impacts and promotion of positive ones was not available.</p> | |
| | <p>Corrective Actions SIA management plan was established for Keres a Plantation and has incorporated input from stakeholders. The major NC was closed out 5/12/16</p> | |
| | <p>Assessment Conclusion Seen the action request plan of JCC 2017 & smallholder meeting has been established after the meeting and the status of action will be updated on the following meeting where some of the action has been completed and some of the action was still in- progress. Hence, major NC raised during previous year was remain closed.</p> | |

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|----------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M11 | <p>Requirements Indicator 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.</p> | Major |
| | <p>Evidence of Nonconformity All Operating Units: Interviewed with the TQM executives and Women and Children Committee Chairman found that reproductive rights policy was not available.</p> | |
| | <p>Statement of Nonconformity Policy to protect the reproductive rights of all, especially of women was not available.</p> | |
| | <p>Corrective Actions Reproductive rights policy will be established by Keresia Plantation's HR department. Final draft was approved on 30/11/16 by HR and still pending for endorsement by Managing Director. Verified endorsed version signed by Managing Director dated 7/12/2016 The major NC was closed during onsite NC closure visit on 05/12/2016.</p> | |
| | <p>Assessment Conclusion Policy to protect the reproductive rights of all, especially of women has been established dated 7/12/16. The policy was communicated to workers using displayed on the notice board and there been official refresher briefing to be conducted on the Oct 2017 which has been seen on the memo for Jiba estate, Sujana estate & Keresia Mill. Hence, major NC raised during previous year was remain closed.</p> | |

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|----------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M12 | <p>Requirements Indicator 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).</p> | Major |
| | <p>Evidence of Nonconformity All Operating Units: Interviewed the TQM executives and document reviewed found that policy to respect human rights was not available.</p> | |
| | <p>Statement of Nonconformity Policy to respect human rights was not available.</p> | |
| | <p>Corrective Actions Human rights policy will be established by Keresia Plantation's HR department. Final draft was approved on 30/11/16 by HR and still pending for endorsement by Managing Director Verified endorsed version signed by Managing Director dated 7/12/2016 The major NC was closed during onsite NC closure visit on 05/12/2016.</p> | |
| | <p>Assessment Conclusion Human Rights policy has been established dated 30/11/16. The policy was communicated to workers using displayed on the notice board and there been official refresher briefing to be conducted on the Oct 2017 which has been seen on the memo for Jiba estate, Sujana estate & Keresia Mill. Hence, major NC raised during previous year was remain closed.</p> | |

| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M13 | <p>Requirements Indicator 6.5.1 Documentation of pay and conditions shall be available.</p> | Major |
| | <p>Evidence of Nonconformity Sujan & Jiba Estate: Sampled piece-rated workers for both estates did not achieve the Minimum Wage Order 2016 of RM 920: a) Employee No.: 10687 for month June – August 2016 (Sujan Estate) b) Employee No.: 10726 for month July 2016 (Sujan Estate) c) Employee No.: 10084 for month July 2016 (Jiba estate) d) Employee No.: 07223 for month August 2016 (Jiba Estate) e) Employee No.: 10588 for month July and August 2016 (Jiba Estate)</p> | |
| | <p>Statement of Nonconformity Sujan estate did not comply with Minimum Wage Order 2016.</p> | |
| | <p>Corrective Actions Verified manual calculation based on November 2016 check roll for the said workers. All workers salary exceeded the Sarawak minimum wages of RM920. The major NC was closed during onsite NC closure visit on 05/12/2016</p> | |
| | <p>Assessment Conclusion Sampled payslips for direct employment have sighted as below: a) Employment No.: E0716 (mill)- Mudham b) Employment No.: E0709 (mill)- Muhamad Jamroni c) Employment No.: E0723 (mill)- Zakaria d) Employment No.: E0643 (mill)- Ahmad e) Employment No.: 10942 (Sujan estate)- Melianus Banamtuan f) Employment No.: 11406 (Sujan estate)- Ayub Mellu g) Employment No.: 11266 (Sujan Estate)- Asmayanti h) Employment No.: 81961 (sujan Estate)- Adi bin Malo i) Employment No.: 11133 (Sujan Estate)- Wati j) Employment No.: 11270 (Jiba estate)- Sukanto k) Employment No.: 11309 (Jiba estate)- Aplonia l) Employment No.: 11110 (Jiba estate)- Rostin m) Employment No.: 10554 (Jiba estate)- Sunni n) Employment No.: 11206 (Jiba estate)- Hendra Saputra</p> | |
| | <p>The sampled mill and estates workers above have achieved Minimum Wage Order 2016 for July and August 2017 of RM 920 including for piece-rated workers. Hence, major NC raised during previous year was remain closed.</p> | |

| Non-Conformity | | |
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| NCR # | Description | Category (Major / Minor) |
| 1387081M14 | <p>Requirements 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>Evidence of Nonconformity Sujan & Jiba Estate: Old version of worker’s contract has been utilized where under Section 3.2 public holiday entitlement was only 17 days instead of 16 days, Section 4.1 Pay was RM 31.00/ day instead of RM 35.38/ day and Section 8.2 Sick leave pay was still RM 31.00/ day. Sampled workers as below: a) Employee No.: 10687 (Sujan estate) b) Employee No.: 10849 (Sujan estate) c) Employee No.: 10726 (Sujan estate) d) Employee No.: 10866 (Jiba estate) e) Employee No.: 10608 (Jiba estate) f) Employee No.: 10527 (Jiba estate)</p> <p>Jiba Estate: Worker’s contracts of employment sampled below found that the employment contract for those worked more than 2 years were expired. Extension contracts were not available. a) Employee No.: 10387 (Jiba estate) b) Employee No.: 10201 (Jiba estate)</p> <p>In addition, worker’s contract of employment for the sampled workers below was not available: a) Employee No.: 12189 who joined on 11/12/2011 b) Employee No.: 10084 who joined on 27/2/2010</p> <p>Statement of Nonconformity Worker's contract that has been utilized was not updated according to the new regulations. Contracts and extended contracts of employment for workers employed and extended 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.) was not available.</p> <p>Corrective Actions Verified the latest contract (main contract and contract extension) signed by the said workers. The major NC was closed during onsite NC closure visit on 05/12/2016.</p> <p>Assessment Conclusion The contracts were signed by the workers and explained to the workers in the languages understand by them. Sampled mill and estates workers’ contracts as below:</p> | Major |

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|--|--|
| <p>a) Employee No.: E0716 (mill)- contract 3/1/17- 3/1/19 b) Employee No.: E0709 (mill)- contract 6/11/16- 6/11/18 c) Employee No.: E0723 (mill) – contract 20/3/17- 20/3/19 d) Employee No E0643 (mill) – contract 17/11/15- 17/11/17 e) Employee No.: 10942 (Sujan estate) – contract 28/09/16- 28/09/18 f) Employment No.: 11406 (Sujan estate) – contract 13/07/17 – 13/07/19 g) Employment No.: 11266 (Sujan Estate) – contract 17/05/2017 – 17/05/19 h) Employment No.: 81961 (sujan Estate) – contract 1/8/17 – 1/8/18 (extension) i) Employment No.: 11133 (Sujan Estate) – contract 31/12/16 – 31/12/2018 j) Employment No.: 11270 (Jiba estate)- contract 26/5/17 – 26/5/19 k) Employment No.: 11309 (Jiba estate)- Contract 13/07/17 – 13/07/19 l) Employment No.: 11110 (Jiba estate)- Contract 3/12/16 – 3/12/18 m) Employment No.: 10554 (Jiba estate)- contract 01/04/17 – 01/04/18 (extension) n) Employment No.: 11206 (Jiba estate)- Contract 7/3/17 – 7/3/19</p> <p>Hence, major NC raised during previous year was remain closed.</p> | |
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| Non-Conformity | | |
|----------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M15 | <p>Requirements Indicator 6.12.1 There shall be evidence that no forms of forced or trafficked labour are used.</p> | Major |
| | <p>Evidence of Nonconformity In Sujan and Jiba Estate, sampled workers who were on vacation leave at their home country were sighted a security bond of RM 500 paid to the company. They were signed on a consent letter before on leave. Sampled workers as below: a) Employee No.: 10037 (signed the letter on 27/8/2016) and received the security deposit on 5/10/2016 from the company after vacation leave. (Sujan Estate) b) Employee No.: 20171 (signed the letter on 13/7/2016) and received the security deposit on 19/8/2016 from the company after vacation leave. (Sujan Estate) c) Employee No.: 10053 (signed the letter on 10/6/2016) and received the security deposit on 23/8/2016 from the company after vacation leave. (Jiba Estate) The submission of security deposit indirectly restrict the workers from accessing their passport. Consent letter to surrender passport voluntarily was not available for all the foreign workers.</p> | |
| | <p>Statement of Nonconformity The workers are requested by the company to pay deposit RM500 for accessing their passport when they apply for vacation leave at their home country. No evidence of the workers surrendered their passport voluntarily.</p> | |
| | <p>Corrective Actions i) Consent letter provided to voluntarily surrender the passport available for the said workers. ii) Memo circulated to all managers (estates and mill) of the restriction of security deposit collection. The major NC was closed during onsite NC closure visit on 05/12/2016.</p> | |
| | <p>Assessment Conclusion Consent letter provided to voluntarily surrender the passport available and further verified through interview with workers that no deposit was required for accessing the passport. Hence, major NC raised during previous year was remain closed.</p> | |

| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M16 | <p>Requirements Indicator 4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented</p> | Major |
| | <p>Evidence of Nonconformity During the reviewing of the Environment Impact & Aspect assessment and mitigation, the document was found not a controlled document. The date and version of the number could not be identified. Furthermore the document reviewed was not approved by management. During the review of document Water Management Plan (KP 2-201), it was identified that the plan shall be reviewed every 3 years. Since the document was dated June 2010, there shall be 2 reviewed since June 2010. However, such reviewed was not identified.</p> | |
| | <p>Statement of Nonconformity The organization could not demonstrate documentation management systems and internal control procedure.</p> | |
| | <p>Corrective Actions The document will be a controlled document and water Management Plan will be reviewed every 3 years The major NC was closed during onsite NC closure visit on 05/12/2016.</p> | |
| | <p>Assessment Conclusion Keresa has established Standard Operating Procedures (SOPs) for mill and estates covering all the relevant operations dated 21/8/2011. Inspection to the field and mill confirm that the SOPs are implemented. Assistant Managers and staff monitor the implementation. The procedure for "Environment Impact & Aspect assessment and mitigation" (KPSB 1/2012 dated 1/1/2012) was found controlled after the finding raised during previous assessment. The Water Management Plan (KP 2-201) was reviewed since 5/9/17.</p> | |
| | <p>Hence, major NC raised during previous year was remain closed.</p> | |

| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M17 | <p>Requirements Indicator 4.6.6 Storage of all pesticides shall be according to recognized best practices. All pesticide containers shall be properly disposed of and not used for other purposes.</p> | Major |
| | <p>Evidence of Nonconformity During the field assessment at the Jiba Estate’s Linesite, it has identified improper storage of pesticide containers at 3 locations. Those containers were painted and classified as poison containers.</p> | |
| | <p>Statement of Nonconformity The organization should ensure that the workplace, machinery, equipment, transport and processes under their control are safe and without undue risk to health.</p> | |
| | <p>Corrective Actions All pesticide containers stored properly in the store and the suppliers will take the pesticide containers to dispose. Photo of pesticides containers stored properly in the store with the red mark was verified. Awareness training was given to all workers 10/11/16.</p> | |
| | <p>The major NC was closed during onsite NC closure visit on 05/12/2016.</p> | |
| | <p>Assessment Conclusion 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 both it was found that the stocks of pesticides were store in the store appropriately at both estates. The chemical store was securely locked and complies with regulation. Hence, major NC raised during previous year was remain closed.</p> | |

| Non-Conformity | | |
|----------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081M18 | <p>Requirements Indicator 5.3.2 All chemicals and their containers shall be disposed of responsibly.</p> | Major |
| | <p>Evidence of Nonconformity The following were identified at the mill operations:</p> <ol style="list-style-type: none"> 1. At the scrap yard, wastes contaminated with grease or lubricant were identified. 2. The workshop and the diesel engine room are considered potential areas that spillage of grease / lubricant / diesel could occur. As such, complete spill kits shall be available. During the assessment, spill kits could not be identified. 3. In the diesel engine room, it was identified that spend oil are found in disposal bin. <p>The following were identified at the laboratory:</p> <ol style="list-style-type: none"> 1.The laboratory use hexane. However the disposal of hexane residue was not classified as scheduled. <p>The following were identified at the Jiba / Sujan estate:</p> <ol style="list-style-type: none"> 1. The clinical wastes were not properly contained and store in secured location prior disposal. 2. The schedule waste store of Sujan Estate was not locked and secured for unauthorized personnel to assess. 3. At the fertilizer and chemical store of Sujan, there were no rinsing and/or premix area. Those rinsed chemical container are not properly secured while it is being dried. 4. The schedule wastes were not identified according to date of first generated. 5. At the diesel engine room of Jiba Estate, 4 empty lubricant drum was identified sitting on the empty land next to the engine room. 6. It was found that a trap was installed at the premix and washing area of Jiba estate. However the trap would not be able to trap those mixed chemical. Hence, if there were any spillage and/or washing residue of the chemical, will be directed directly open drain. 7. During the assessment at the Jiba Estate’s workshop, it was found that Drip Trays (PCD) were not sufficient as compare to the amount of parked vehicles. 8. At the Drinking water treatment plant, it was identified that there are chemical waste (e.g. chlorine drum, soda ash bags). However this waste are not properly disposed. | |
| | <p>Statement of Nonconformity The organization could not demonstrate the managing and disposal of hazardous chemicals and their containers.</p> | |

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| | <p>Corrective Actions</p> <p>Keresia Mill</p> <ol style="list-style-type: none"> 1. Contaminated scrap iron will be remove from scrap iron yard and will be store in a drum which label as 'contaminated waste storage' and will be kept at schedule waste store 2. Emergency spill kit will be provided location with proper signage 3. Spend oil which found in disposal bin will be clean using fibre. A proper drum will be providing to throw any contaminated waste. Those drum and bin will be label properly. 4. A proper drum will be providing throw any hexane residue. Those drum will be label properly. <p>Jiba/Sujan Estate</p> <ol style="list-style-type: none"> 1. Request a quotation from Trieneken to collect clinical waste 2. Make sure the schedule waste store locked everytime to prevent the unauthorized personnel to assess 3. In planning (budget next year) for the new rinsing/premix area 4. The schedule wastes should be updated accordingly 5. 4 empty lubricant drum will be move to schedule waste store 6. To monitor and check back premix area 7. To provide more drip trays 8. The chemical waste will be dispose properly <p>The major NC was closed during onsite NC closure visit on 05/12/2016.</p> <p>Assessment Conclusion</p> <p>No evidence of recurrence of nonconformities sighted during on-site visit which confirmed that the CAP taken effective. Hence, major NC raised during previous year was remain closed.</p> | |
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| Non-Conformity | | |
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| NCR # | Description | Category (Major / Minor) |
| 1387081N1 | <p>Requirements Indicator 4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> | Minor |
| | <p>Evidence of Nonconformity Keresas POM Observed at boiler station, adequate and appropriate protective equipment was not worn by the fireman while doing clinkers raking activity. Sujana Estate PPE used by manurer was not DOSH approved respirator and just using normal cotton handkerchief/mouth cover. Furthermore, cotton glove was used not rubber gloves as per recommendation. Jiba Estate During the field assessment at the Jiba Estate Diesel Engine room, it was found that no signage to inform the operators that ear protection shall be use when operating the diesel engine. It was identified at the Jiba Estate Diesel Engine room, one of the diesel engine was dismantled for maintenance. However, the cable of that engine was not properly isolated. It was found the cable was laying on the floor.</p> | |
| | <p>Statement of Nonconformity Adequate and appropriate protective equipment was not made available to all workers at the place of work to cover all potentially hazardous operations</p> | |
| | <p>Corrective Actions 1. Appropriate PPE will give based on Risk Assessment 2. DOSH approved respirator and rubber glove will be provided to all manurer 3. Signage will be provided and cable was properly isolated</p> | |
| | <p>Assessment Conclusion <u>Keresas POM and supply bases</u> Observed at sterilizer station, engine room and boiler station, spraying activity, manuring activity and harvesting activity, adequate and appropriate protective equipment was provided. Latest PPE issuance was provide on 19/9/17 for Safety Shoes, hand gloves. Hence, the Minor NC was closed on 6/10/2017.</p> | |

| Non-Conformity | | | | | | | | | | | | | | | | | | | | | | | |
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| NCR # | Description | Category (Major / Minor) | | | | | | | | | | | | | | | | | | | | | |
| 1387081N2 | <p>Requirements Indicator 4.7.6 All workers shall be provided with medical care, and covered by accident insurance.</p> | Minor | | | | | | | | | | | | | | | | | | | | | |
| | <p>Evidence of Nonconformity Noted worker under passport# A8751147 was found expired on 5/10/16</p> | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Statement of Nonconformity Accident insurance coverage was not comprehensive include all workers</p> | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Corrective Actions All worker insurance should be renewed after first insurance been expired and will be monitored by TQM and administrative executive.</p> | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Assessment Conclusion All workers provided with medical care, and covered by accident insurance. Sample insurance policies checked:</p> | | | | | | | | | | | | | | | | | | | | | | |
| | <p>Keresia POM and supply bases</p> <table border="1"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>SOCSCO</td> <td>July 17, Aug 17 (Keresia POM)</td> <td>880816135097, 901130135711, 920119135968, 920930135609</td> </tr> <tr> <td>FWCS (Allianz) 17PKU5004913-00, 17PKU5004915-00</td> <td>13/6/17-12/1/19 (Keresia POM)</td> <td>B1910063, B4643027, B4435103, B4435497</td> </tr> <tr> <td>SOCSCO</td> <td>July 17, Aug 17 (Sujan Estate)</td> <td>891215136653, 960107135668,</td> </tr> <tr> <td>FWCS (Allianz) 17PKU5004905-00, 17PKU5004146-00</td> <td>21/3/17-22/3/19, 25/5/17-30/3/19 (Sujan Estate)</td> <td>B5317484, B5317486, B0345388, B0345352, B0345383, A8751147</td> </tr> <tr> <td>SOCSCO</td> <td>July 17, Aug 17 (Jiba Estate)</td> <td>891215136653, 960107135668, 820718136307, 931111135588</td> </tr> <tr> <td>FWCS (Allianz) 17PKU5004131-00, 17PKU5004092-00</td> <td>25/5/17-2/1/19, 24/5/17-5/2/19</td> <td>AR791537, AR786579, AR786542, A3150042, AR530598</td> </tr> </tbody> </table> | | Insurance | Period | Remark | SOCSCO | July 17, Aug 17 (Keresia POM) | 880816135097, 901130135711, 920119135968, 920930135609 | FWCS (Allianz) 17PKU5004913-00, 17PKU5004915-00 | 13/6/17-12/1/19 (Keresia POM) | B1910063, B4643027, B4435103, B4435497 | SOCSCO | July 17, Aug 17 (Sujan Estate) | 891215136653, 960107135668, | FWCS (Allianz) 17PKU5004905-00, 17PKU5004146-00 | 21/3/17-22/3/19, 25/5/17-30/3/19 (Sujan Estate) | B5317484, B5317486, B0345388, B0345352, B0345383, A8751147 | SOCSCO | July 17, Aug 17 (Jiba Estate) | 891215136653, 960107135668, 820718136307, 931111135588 | FWCS (Allianz) 17PKU5004131-00, 17PKU5004092-00 | 25/5/17-2/1/19, 24/5/17-5/2/19 | AR791537, AR786579, AR786542, A3150042, AR530598 |
| | Insurance | | Period | Remark | | | | | | | | | | | | | | | | | | | |
| | SOCSCO | | July 17, Aug 17 (Keresia POM) | 880816135097, 901130135711, 920119135968, 920930135609 | | | | | | | | | | | | | | | | | | | |
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| <p>All the policies were found valid. Hence, Minor NC raised during previous assessment was closed on 6/10/2017.</p> | | | | | | | | | | | | | | | | | | | | | | | |

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| NCR # | Description | Category (Major / Minor) |
| 1387081N3 | <p>Requirements Indicator 2.1.2 A documented system, which includes written information on legal requirements, shall be maintained</p> | Minor |
| | <p>Evidence of Nonconformity New legal requirements were not incorporated in the legal register pertaining to:</p> <ul style="list-style-type: none"> i) Minimum Wages Order 2016 ii) Factory Machinery Act 1970, Person In-Charge Regulations Amendment 2014 iii) Environment Quality, Clean Air Regulation 2014 | |
| | <p>Statement of Nonconformity Written information on legal requirements was not effectively maintained</p> | |
| | <p>Corrective Actions To ensure new legal requirements were documented in the legal register and monitored by TQM</p> | |
| | <p>Assessment Conclusion A Legal Compliance procedure has been established (KP 16 Mechanism for ensuring legal compliance dated 15 Mar 2010). All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. TQM sustainability department have reviewed and updated the LORR at both mill and estates on 7/6/2017. All the new legal requirements were include in the legal register accordingly:</p> <ul style="list-style-type: none"> i) Minimum Wages Order 2016 ii) Factory Machinery Act 1970, Person In-Charge Regulations Amendment 2014 iii) Environment Quality, Clean Air Regulation 2014 | |
| | <p>Hence, the minor NC was closed on 6/10/2017.</p> | |

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| NCR # | Description | Category (Major / Minor) |
| 1387081N4 | <p>Requirements Indicator 7.1.2 Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.</p> | Minor |
| | <p>Evidence of Nonconformity No evidence of SEIA and management plan to include the KSGS smallholder new planting area (Rumah Majang and Rumah Ballrully)</p> | |
| | <p>Statement of Nonconformity Appropriate management planning and operational procedures has not been developed.</p> | |
| | <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> | |
| | <p>Assessment Conclusion Pending resolution by RSPO Secretariat to carry out the review specifically focused on simplification and inclusiveness of the NPP and to specifically include smallholder peculiarities and conditions in defining its applicability, exclusion of affected members of KSGS involved in new planting still maintained by Keresas with no evidence of certified FFB being supplied by them. Hence, major NC remained closed during the on-site visit dated 6/10/2017.</p> | |
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|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081N5 | <p>Requirements Indicator 7.3.3 Dates of land preparation and commencement shall be recorded.</p> | Minor |
| | <p>Evidence of Nonconformity Information of land preparation and commencement for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting was not clearly recorded.</p> | |
| | <p>Statement of Nonconformity No clear dates of land preparation and commencement recorded.</p> | |
| | <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> | |
| | <p>Assessment Conclusion There are no smallholders that open the new area for development. The smallholders that were still wanted to open the new area for development were excluded from KSGS due to non-active participation. Thus, the minor NC was closed on 6/10/2017.</p> | |
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| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081N6 | <p>Requirements Indicator 7.3.4 An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures (see Criterion 5.2).</p> | Minor |
| | <p>Evidence of Nonconformity No HCV assessment action plan developed for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting</p> | |
| | <p>Statement of Nonconformity HCV action plan was not developed</p> | |
| | <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for ‘Review and amendment of the updated NPP process as applied to smallholders’ submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> | |
| | <p>Assessment Conclusion Pending resolution by RSPO Secretariat to carry out the review specifically focused on simplification and inclusiveness of the NPP and to specifically include smallholder peculiarities and conditions in defining its applicability, exclusion of affected members of KSGS involved in new planting still maintained by Keresas with no evidence of certified FFB being supplied by them. Hence, major NC remained closed during the on-site visit dated 6/10/2017.</p> | |
| | | |

| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081N7 | <p>Requirements Indicator 7.3.5 Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2).</p> <p>Evidence of Nonconformity No HCV assessment and management plan for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting</p> <p>Statement of Nonconformity Areas required by affected communities was not identified and incorporated into HCV assessments and management plans</p> <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> <p>Assessment Conclusion Pending resolution by RSPO Secretariat to carry out the review specifically focused on simplification and inclusiveness of the NPP and to specifically include smallholder peculiarities and conditions in defining its applicability, exclusion of affected members of KSGS involved in new planting still maintained by Keresas with no evidence of certified FFB being supplied by them. Hence, major NC remained closed during the on-site visit dated 6/10/2017.</p> | Minor |

| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081N8 | <p>Requirements Indicator 7.4.1 Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided</p> | Minor |
| | <p>Evidence of Nonconformity No maps available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> | |
| | <p>Statement of Nonconformity Maps identifying marginal and fragile soils, including excessive gradients and peat soils, was not available</p> | |
| | <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> | |
| | <p>Assessment Conclusion There are no smallholders that open the new area for development. The smallholders that were still wanted to open the new area for development were excluded from KSGS due to non-active participation. Hence, minor NC remained closed on 6/10/2017.</p> | |

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| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081N9 | <p>Requirements Indicator 7.4.2 Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts</p> | Minor |
| | <p>Evidence of Nonconformity No plans available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> | |
| | <p>Statement of Nonconformity Plans were not available to protect fragile and marginal soils without incurring adverse impacts</p> | |
| | <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> | |
| | <p>Assessment Conclusion There are no smallholders that open the new area for development. The smallholders that were still wanted to open the new area for development were excluded from KSGS due to non-active participation. Hence, the minor NC was closed on 6/10/2017.</p> | |
| | | |

| Non-Conformity | | |
|----------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081N10 | <p>Requirements Indicator 7.7.2 In exceptional cases where fire has to be used for preparing land for planting, 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.</p> <p>Evidence of Nonconformity No evidence of prior approval of the controlled burning was used for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> <p>Statement of Nonconformity No evidence of prior approval of the controlled burning was used.</p> <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> <p>Assessment Conclusion There are no smallholders that open the new area for development. The smallholders that were still wanted to open the new area for development were excluded from KSGS due to non-active participation. Hence, the minor NC was closed on 6/10/2017.</p> | Minor |

| Non-Conformity | | |
|--|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081N11 | <p>Requirements Indicator 7.8.2 There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options.</p> | Minor |
| | <p>Evidence of Nonconformity There was no plan to minimise net GHG emissions established for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> | |
| | <p>Statement of Nonconformity Plan to minimize GHG emission was not planned effectively</p> | |
| | <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> | |
| | <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> | |
| | <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> | |
| | <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are relieved from the submission of the NPP.</p> | |
| <p>The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate).</p> | | |
| <p>Assessment Conclusion Pending resolution by RSPO Secretariat to carry out the review specifically focused on simplification and inclusiveness of the NPP and to specifically include smallholder peculiarities and conditions in defining its applicability, exclusion of affected members of KSGS involved in new planting still maintained by Keresas with no evidence of certified FFB being supplied by them. Hence, the minor NC was closed on 6/10/2017.</p> | | |

| Non-Conformity | | |
|----------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081N12 | <p>Requirements Indicator 7.2.2 Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations.</p> | Minor |
| | <p>Evidence of Nonconformity No topographic information available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> | |
| | <p>Statement of Nonconformity Topographic information to guide the planning of drainage and irrigation systems, roads and other infrastructure was not available</p> | |
| | <p>Corrective Actions</p> <p>i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha.</p> <p>ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible.</p> <p>RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP. The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate)</p> <p>The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate)</p> | |
| | <p>Assessment Conclusion There are no smallholders that open the new area for development. The smallholders that were still wanted to open the new area for development were excluded from KSGS due to non-active participation. Hence, the minor NC was closed on 6/10/2017.</p> | |

| Non-Conformity | | |
|----------------|---|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081N13 | <p>Requirements Indicator 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.</p> | Minor |
| | <p>Evidence of Nonconformity All Operating Units: Document verification found policy committing to a code of ethical conduct and integrity in all operations and transactions was not available.</p> | |
| | <p>Statement of Nonconformity Policy committing to a code of ethical conduct and integrity in all operations and transactions was not available.</p> | |
| | <p>Corrective Actions Policy of code of ethical conduct will be made available and approved by HQ. Corrective action plan is accepted.</p> | |
| | <p>Assessment Conclusion The Policy dated 30/11/16 has been established and have been briefed to all level of workers. Seen the policy was displayed at notice board at the mill and estate office. Hence, the minor NC was closed on 6/10/2017.</p> | |
| | | |

| Non-Conformity | | |
|----------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081N14 | <p>Requirements Indicator 4.4.1 An implemented water management plan shall be in place</p> | Minor |
| | <p>Evidence of Nonconformity The assessment team had reviewed the Water Management Plan. The water management plan has stated the commitments of Keresia Plantation towards water quality management to ensure water quality are safe for usage. During the field assessment at the water catchment area at Jiba Estate, it was identified that there was no signage to inform the stakeholders that the water catchment area is a protected water course as the water is utilized to produce drinking water. As such, the water quality shall be monitored by frequent analysis. However, during the assessment, the water quality analysis for the Drinking Water Treatment Plan at Jiba Estate is not available. During the field assessment at Linesite, it was identified that the clean water and water harvesting tanks are connected prior channel into the main pipe of the quarters/houses. As a results the waters are mixed prior being used or consumed.</p> | |
| | <p>Statement of Nonconformity The organization could not demonstrate the assurance that adequate clean water for drinking, cooking, bathing and cleaning purposes are provided to the local communities, workers and their families.</p> | |
| | <p>Corrective Actions The signage will be provided to ensure the stakeholders that the water catchment area is a protected water and to monitor water quality analysis will be analyzed by monthly. Corrective action plan is accepted.</p> | |
| | <p>Assessment Conclusion No evidence of recurrence of nonconformities sighted during on-site visit which confirmed that the CAP taken effective. Hence, the minor NC was closed on 6/10/2017.</p> | |

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| Non-Conformity | | |
|----------------|--|--------------------------|
| NCR # | Description | Category (Major / Minor) |
| 1387081N15 | Requirements Indicator 4.8.2 Records of training for each employee shall be maintained | Minor |
| | Evidence of Nonconformity During the onsite assessment at the Jiba estate drinking water treatment plant, the operator was interviewed with regards if he has received training on how to operate the water treatment plant. He was able to inform the assessment team on what and how to be done. He was trained by the operator who was previously operating the water treatment plant. Since the Drinking Water Treatment Plan is a critical location, the operator is required to be properly trained. The training records for this operator was not available. | |
| | Statement of Nonconformity The training records for the Jiba Estate Drinking Water Treatment Plan operator was not available. | |
| | Corrective Actions The WTP operator will be trained on Standard Operation Procedure (SOP) and Material Safety Data Sheet (MSDS). Corrective action plan is accepted. | |
| | Assessment Conclusion Training for WTP operators was conducted accordingly at Keres POM and Jiba Esate on 2/8/17 and 15/9/17. Hence, the minor NC was closed on 6/10/2017. | |
| | | |

| Observation | |
|-------------|-------------|
| OBS # | Description |
| 1 | nil |
| | |

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3.3.2 Summary of the Nonconformities and Status


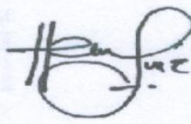
| CAR Ref. | CLASS | ISSUED | STATUS |
|--------------------|-------|------------|-------------------------------|
| CR01 | Minor | 18/6/2010 | Closed on 13/10/2011 |
| CR02 | Minor | 18/6/2010 | Closed on 13/10/2011 |
| CR03 | Minor | 18/6/2010 | Closed on 13/10/2011 |
| CR04 | Minor | 18/6/2010 | Closed on 13/10/2011 |
| CR05 | Minor | 18/6/2010 | Closed on 13/10/2011 |
| CR06 | Minor | 18/6/2010 | Closed on 13/10/2011 |
| CR07 | Minor | 18/6/2010 | Closed on 13/10/2011 |
| CR01-1 | Minor | 13/10/2011 | Closed on 06/09/2012 |
| CR02-1 | Minor | 13/10/2011 | Closed on 06/09/2012 |
| CR03-1 | Minor | 13/10/2011 | Closed on 06/09/2012 |
| CR04-1 | Minor | 13/10/2011 | Closed on 06/09/2012 |
| CR05-1 | Minor | 13/10/2011 | Closed on 06/09/2012 |
| CR01-2 | Minor | 6/9/2012 | Closed on 29/08/2013 |
| CR01-3 | Minor | 29/8/2013 | Closed on 24/10/2013 |
| CR02-3 | Minor | 29/8/2013 | Closed on 24/10/2013 |
| CR03-3 | Minor | 29/8/2013 | Closed on 23/9/2014 |
| CR04-3 | Minor | 29/8/2013 | Closed on 23/9/2014 |
| CR05-3 | Minor | 29/8/2013 | Closed on 23/9/2014 |
| 1097198M1 | Minor | 26/9/2014 | Closed on 25/11/2014 |
| 1097198M2 | Minor | 26/9/2014 | Closed on 25/11/2014 |
| 1097198N1 | Minor | 26/9/2014 | Closed on 22/7/2015 |
| 1097198N2 | Minor | 26/9/2014 | Closed on 22/7/2015 |
| 1213818N1 – 6.10.3 | Minor | 25/7/2015 | “Open” - upgraded to Major NC |
| 1387081M1 – 4.7.1 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M2 – 4.6.11 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M3 – 4.6.2 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M4 – 7.1.1 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M5 – 7.3.1 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M6 – 7.3.2 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M7 – 7.7.1 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M8 – 7.8.1 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M9 – 7.2.1 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M10 – 6.1.3 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M11 – 6.9.2 | Major | 7/10/2016 | Closed on 5/12/16 |

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| | | | |
|------------------------------|-------|-----------|-------------------|
| 1387081M12 – 6.13.1 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M13 – 6.5.1 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M14 – 6.5.2 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M15 – 6.12.1 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M16 – 4.1.1 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M17 – 4.6.6 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081M18 – 5.3.2 | Major | 7/10/2016 | Closed on 5/12/16 |
| 1387081N1 – 4.7.3 | Minor | 7/10/2016 | Closed on 6/10/17 |
| 1387081N2 – 4.7.6 | Minor | 7/10/2016 | Closed on 6/10/17 |
| 1387081N3 -2.1.2 | Minor | 7/10/2016 | Closed on 6/10/17 |
| 1387081N4 – 7.1.2 | Minor | 7/10/2016 | Closed on 5/12/16 |
| 1387081N5 – 7.3.3 | Minor | 7/10/2016 | Closed on 5/12/16 |
| 1387081N6 – 7.3.4 | Minor | 7/10/2016 | Closed on 5/12/16 |
| 1387081N7 – 7.3.5 | Minor | 7/10/2016 | Closed on 5/12/16 |
| 1387081N8 – 7.4.1 | Minor | 7/10/2016 | Closed on 5/12/16 |
| 1387081N9 – 7.4.2 | Minor | 7/10/2016 | Closed on 5/12/16 |
| 1387081N10 – 7.7.2 | Minor | 7/10/2016 | Closed on 5/12/16 |
| 1387081N11 – 7.8.2 | Minor | 7/10/2016 | Closed on 5/12/16 |
| 1387081N12 – 7.2.2 | Minor | 7/10/2016 | Closed on 5/12/16 |
| 1387081N13 – 1.3.1 | Minor | 7/10/2016 | Closed on 6/10/17 |
| 1387081N14 – 4.4.1 | Minor | 7/10/2016 | Closed on 6/10/17 |
| 1387081N15 – 4.8.2 | Minor | 7/10/2016 | Closed on 6/10/17 |
| 1534040-201709-M1- 4.7.2 | Major | 6/10/2017 | Closed on 6/11/17 |
| 1534040-201709-M2- 2.1.1 | Major | 6/10/2017 | Closed on 6/11/17 |
| 1534040-201709-M3- SCCS E3.1 | Major | 6/10/2017 | Closed on 6/11/17 |
| 1534040-201709-M4- 5.1.1 | Major | 6/10/2017 | Closed on 6/11/17 |
| 1534040-201709-M5-4.4.2 | Major | 6/10/2017 | Closed on 6/11/17 |
| 1534040-201709-N1-4.6.10 | Minor | 6/10/2017 | “Open” |
| 1534040-201709-N2-6.5.3 | Minor | 6/10/2017 | “Open” |

Assessment Conclusion and Recommendation:

Based on the findings during the assessment Keresia Palm Oil Mill Certification Unit and supply base comlies with the RSPO P&C Malaysian National Interpretation (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of KeresiaPalm Oil Mill Certification Unit is approved and continued.

| Acknowledgement of Assessment Findings | Report Prepared by |
|--|---|
| Name : Mr Abdul Aziz B Zainal Abidin | Name: Mr Mohd Hafiz Mat Hussain |
| Company name : Keresia Plantation Sdn bhd | Company name : BSI Services Malaysia Sdn Bhd |
| Title: Assistant General Manager | Title: Lead auditor |
| Signature:  Date: 14/11/2017 | Signature:  Date: 15/11/2017 |

Appendix A: Summary of Findings

| Criterion / Indicator | | Assessment Findings | Compliance |
|---|--|---|------------|
| Principle 1: Commitment to Transparency | | | |
| Criterion 1.1: 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 - | Interview with the Mill operators & employees and smallholders has shown that the organization has provided adequate information on environment, social and/or legal which relevant to RSPO Criteria. | Complied |
| 1.1.2 | Records of requests for information and responses shall be maintained. -Major compliance | Records of request for information maintained under file Action Request. Most of the requests are internal i.e. housing repair request by the workers raised during JCC Meeting. In general all the documents are available upon request. | Complied |
| Criterion 1.2: 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: • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). - Major compliance – | Documents related to Environment Plans & Impact assessment and Pollution Prevention & reduction plans were cited at the mill, Sujan Estate and Jiba Estate. The completed set of documents is also kept at the Main Office and the Head office in Kuching. The following sample documents were cited: 1. Land title:H16-10 (5.2) & BP 9/12B- Keresa Plantations Sdn Bhd (Lease 99 years, 6,023 Ha) 2. The environment impact and aspect assessment including pollution plans and reductions. 3. The mitigation plans and monitoring of the mitigations. 4. Standard operating procedures. 5. Human Right Policy, dated 30/11/2016 by Managing Director. 6. Records of request | Complied |
| Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions. | | | |

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| 1.3.1 | <p>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</p> <p>The Policy dated 30/11/16 has been established and have been briefed to all level of workers. Seen the policy was displayed at notice board at the mill and estate office.</p> <p>The policy should include as a minimum:</p> <ul style="list-style-type: none"> • A respect for fair conduct of business; • A prohibition of all forms of corruption, bribery and fraudulent use of funds and resources; • A proper disclosure of information in accordance with applicable regulations and accepted industry practices. | Complied |
| Principle 2: Compliance with applicable laws and regulations | | |
| Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations. | | |

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|---|--|-----------------------------|
| <p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p> | <p>Legal register covering the applicable local and international laws and regulations are available. Compliance to each applicable law and regulation is monitored by the operating units and TQM sustainability team.</p> <p>Sample permits and license checked:</p> <ul style="list-style-type: none"> i. MPOB license # 510557004000; validity period 01/4/2017 to 31/3/2018 for 275,000MT per year ii. Mill DOE license and compliance schedule #003095; validity 1/7/2017 to 30/6/2018 for 60 MT FFB/hr and method of POME discharge on waterways. (BOD below 50ppm). iii. UPV and Certificate of fitness validity <ul style="list-style-type: none"> • SW PMT 1945 valid until 13/3/18 • SW PMT 1947 valid until 13/3/18 • SW PMT 1953 valid until 13/3/18 • SW PMT 1956 valid until 23/11/18 • SW PMT 1954 valid until 20/9/18 • SW PMD 469 valid until 13/3/18 • SW PMD 1131 valid until 7/12/17 iv. Latest mill inspection dated 28/9/17. List of machineries inspected: SW PMT 3665, SW PMT 1955. v. Fire Certificate, serial# 295461, No. JBPM:SK/7/33/2015 valid until 12/12/2017. <p><u>Sujan/Jiba Estate</u></p> <ul style="list-style-type: none"> i) MPOB license #503656102000 under Keresa Plantations Sdn Bhd. License valid until 28/2/18. ii) MPOB license (Nursery) #516060011000 under Keresa Plantations Sdn Bhd. License valid until 31/10/18. iii) Diesel license (15,000 Ltr), BTU.P.33/2007(D), serial# Q007046 valid until 26/10/17. iv) Storage of petroleum license# SPL000005 valid until 31/12/17 granted by Bintulu Development Authority (BDA). <p>However, it was found partially failure in compliance with Sarawak Labour Ordinance:</p> <ul style="list-style-type: none"> i) It was seen the employees ID: 11206 have not been paid with the overtime for working more than 8 hours per day. Based on the schedule of work on July & August 2017. ii) It was seen the company have a deduction of equipment from the workers and additional working hour for shift work (security guard) but with no approval from Labour department. iii) It was seen the Harvester was not being paid of 2 times of normal piece rated when working on off day/ public holiday for Employee: ID 11270. <p>Thus, the Major NCR was raised.</p> | <p>Major nonconformance</p> |

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| 2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance - | A Legal Compliance procedure has been established (KP 16 Mechanism for ensuring legal compliance dated 15 Mar 2010). All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. TQM sustainability department have reviewed and updated the LORR at both mill and estates on 7/6/2017. All the new legal requirements were include in the legal register accordingly: i. Minimum Wages Order 2016 ii. Factory Machinery Act 1970, Person In-Charge Regulations Amendment 2014 iii. Environment Quality, Clean Air Regulation 2014 | Complied |
| 2.1.3 A mechanism for ensuring compliance shall be implemented. - Minor compliance - | The license compliance and validity are monitored. The list of license and its validity are recorded on a board in the mill office. Latest evaluation compliance was last done on 23/9/16. | 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 Group Head Office. | Complied |
| Criterion 2.2: 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 - | Keresia Estate operation is on lease land. There are documents in place showing legal ownership or lease and a history of land tenure. As reported during the last assessment, estate was developed on State Lease Land, issued by Department of Land and Survey; Bintulu Division dated 28 December 1996 for 99 years (between 01 January 1981 and 01 January 2080) over an area of 6,023 ha in Lot No. 1 Block 17 Lavang Land District, Bintulu Sarawak. <u>KSGS smallholder</u> All KSGS smallholder land categories are Native Customary Rights (NCR) land the legal ownership is verified based on license granted from MPOB. 5 long houses members participated in KSGS smallholder programme. Sample of license and title area for Rumah Majang as follows: i)MPOB L1 316752-001000, total area: 19.77 Ha (Ramba Ak Amal) ii)MPOB L1 316744-901000, total area: 4.61 Ha (Naun Ak Jampang) iii)MPOB L1 316759-701000, total area: 6.76 Ha (Angkin Ak Jampang) iv)MPOB L1 316750-301000, total area: 5.77 Ha (Abang Ak Belawan) v) MPOB L1 468552-901000 , total area: 7.83 Ha (Libau Ak Mapang) All MPOB Licence were found valid. | Complied |

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| 2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance - | Field visit to estates noted that boundaries are visibly maintained and verified during the visit. Legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill is located inside Sujan Estate and sharing the estate boundary. All the boundaries are visibly maintained as per company SOP. | 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 leased by Keresia and 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 leased by Keresia and 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 leased by Keresia and land ownership documents verified. | Complied |
| 2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance | There is no land dispute in the certification unit and supply base at the time of audit. The land leased by Keresia and land ownership documents verified. | Complied |
| Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent. | | |
| 2.3.1 Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance - | The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no disputes. | Complied |

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|---|--|------------|
| 2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance - | The estate lands are legally owned by the company and no other users were identified within the land area. | 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 | The estate lands are legally owned by the company and no other users were identified within the land area. | Complied |
| 2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance | The estate lands are legally owned by the company and no other users were identified within the land area. | Complied |
| Principle 3: Commitment to long-term economic and financial viability | | |
| Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability. | | |

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|---|--|------------|
| 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. It also includes environment, social (workers and staffs welfare), and health and safety component and associated capital expenditure for improvement of smallholder schemes. CAPEX gazetted for 2017: i) Sterilizer (inclusive hydraulic system) ii) Turbine dresser rand 1800 KW 2500 Amp iii) Upgrading the capacity of sludge tank iv) Boiler feed water pump v) Labour quarter at Jiba Estate vi) Farm tractor with trailer Water pump at Jiba estate | 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 - | As reported during last assessment, the management plan to replant field 1997 (148.27 Ha) in 2019. After 2019, there is no requirement for an annual replanting programme. | Complied |
| <p>Principle 4: Use of appropriate best practices by growers and millers</p> <p>Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.</p> | | |
| 4.1.1 Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance - | Keresas has established Standard Operating Procedures (SOPs) for mill and estates covering all the relevant operations dated 21/8/2011. Inspection to the field and mill confirm that the SOPs are implemented. Assistant Managers and staff monitor the implementation. The procedure for "Environment Impact & Aspect assessment and mitigation" (KPSB 1/2012 dated 1/1/2012) was found controlled after the finding raised during previous assessment. The Water Management Plan (KP 2-201) was reviewed since 5/9/17. Thus, a major NC was remain closed. | Complied |
| 4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance - | External Mill Advisor and TQM department inspect and report on the operations on annual basis. Latest mill advisor visit was on 10/7/17. The on-site managers develop Action Plans from the Advisory Reports for improvement of the operations. Review of Advisory Reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs. During mill visit it was noted that that operating parameters were consistently recorded by the operators. | Complied |
| 4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance - | Records of monitoring by TQM were checked. Internal audit by TQM was carried out in April 2017 (Keresas Mill: 17/4/17, Sujan Estate: 18/4/17, Jiba Estate: 19/4/17). KSGS audit by TQM was planned twice per year for KSGS smallholder. Latest visit at sampled KSGS member dated 14/6/17. Good agricultural practice and ESH elements were audited. Follow-up audit is required if the non-compliances issued to the respective smallholder for improvement. | Complied |

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|--|--|------------|
| 4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance - | Keresas mill kept the List of Stakeholders which includes a total of 109 FFB Suppliers (Smallholder) sample of FFB suppliers among all as following: - Aji Anak Jampi - Bakat Anak Jampang - Hau Luhah - Yuk Hok Plantation Sdn Bhd - Keresas Scheme Group Smallholder (KSGS) – Total 14 members | Complied |
| Criterion 4.2: 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 Keresas manual contains Standard Operating and Procedures (version:2, dated 1/1/2009) to ensure soil fertility is managed to a level that ensures optimal and sustained yield. The Smallholders Coordinator (TQM) has carried out training on Best Practice including safe use of chemical, MPOB training, soil training, best management practice on agronomic (harvesting, fertilizer application, and pesticide application); block maintenance, and social related training. Regular field to every member block visit was carried out to monitor the best practice implementation at least once every two years. Audit finding was presented in the longhouse. During the past years, all smallholders’ blocks have been visited. Latest training and visit was conducted on 14/6/17 for smallholders sampled. | Complied |
| 4.2.2 Records of fertiliser inputs shall be maintained. - Minor compliance - | Fertilizers are applied as per external agronomist recommendation (by CCF Agro Services). Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators. All the records were maintained and available at estate office.i.e. field 06K3 applied with ERP fertilizer, (2/10/2017) at the rate of 2kg/palm. | Complied |
| 4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance - | <u>Sujan/Jiba Estate</u> External Agronomist from CCF Agro Services visited estates on 4-5/10/2016 to carry out physical observation prior to the fertilizer recommendation for 2017. The foliar sampling exercise was conducted on accordingly during the external agronomist visit. The visual analysis and the leaf analysis result which shows the nutrient level was used as guidance for the fertilizer recommendation. The foliar analysis result and fertilizer recommendation [Report: Agronomist Report 2016] was sighted. Soil sampling was carried out in on 10 - 20 June 2015 and is scheduled to be repeated every 5 years. Sighted the Report on Soil Sampling Report dated September 2015 for Keresas Plantations Sdn Bhd which was tested by UPM Laboratory. This analysis was carried out by Dr Susilawati Kassim, Senior Lecturer, Department of Crop Science in UPM, Bintulu. | Complied |

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|---|---|--|------------|--------------|---------|--------------------------|---------|----------------------------|--------|-----------------------------|----------|---------------------------|---|-------------------------|----------|
| 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 at the estates. The rate is 40mt/ha EFB applied. Noted that EFB was also applied by KSGS smallholder which supplied by Keresas POM. Sighted the records for application of EFB : <table border="1"> <thead> <tr> <th>Month</th> <th>Sujan Estate</th> </tr> </thead> <tbody> <tr> <td>June 17</td> <td>2,033.04 mt</td> </tr> <tr> <td>July 17</td> <td>1,868.16 mt</td> </tr> <tr> <td>Aug 17</td> <td>1,830.67 mt</td> </tr> </tbody> </table> | Month | Sujan Estate | June 17 | 2,033.04 mt | July 17 | 1,868.16 mt | Aug 17 | 1,830.67 mt | Complied | | | | |
| Month | Sujan Estate | | | | | | | | | | | | | | |
| June 17 | 2,033.04 mt | | | | | | | | | | | | | | |
| July 17 | 1,868.16 mt | | | | | | | | | | | | | | |
| Aug 17 | 1,830.67 mt | | | | | | | | | | | | | | |
| Criterion 4.3: Practices minimise and control erosion and degradation of soils. | | | | | | | | | | | | | | | |
| 4.3.1 | Maps of any fragile soils shall be available. - Major compliance - | Map of fragile soil available, refer to soil map under Preliminary EIA study dated September 1996, there is 5 major soil series at Keresas Plantations Sdn Bhd. <table border="1"> <thead> <tr> <th>No</th> <th>Type of Soil</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Merit/Bekenu Association</td> </tr> <tr> <td>2</td> <td>Bekenu/Sarikei Association</td> </tr> <tr> <td>3</td> <td>Silantek/Nyalau Association</td> </tr> <tr> <td>4</td> <td>Bekenu/Nyalau Association</td> </tr> <tr> <td>5</td> <td>Tukau/Lupar Association</td> </tr> </tbody> </table> No problematic or fragile soil noted. | No | Type of Soil | 1 | Merit/Bekenu Association | 2 | Bekenu/Sarikei Association | 3 | Silantek/Nyalau Association | 4 | Bekenu/Nyalau Association | 5 | Tukau/Lupar Association | Complied |
| No | Type of Soil | | | | | | | | | | | | | | |
| 1 | Merit/Bekenu Association | | | | | | | | | | | | | | |
| 2 | Bekenu/Sarikei Association | | | | | | | | | | | | | | |
| 3 | Silantek/Nyalau Association | | | | | | | | | | | | | | |
| 4 | Bekenu/Nyalau Association | | | | | | | | | | | | | | |
| 5 | Tukau/Lupar Association | | | | | | | | | | | | | | |
| 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 - | Sighted slope map (Terrain analysis of project area at Keresas Plantations Sdn Bhd). Slope area constructed with terrace and side drainage. Planting terraces had been constructed where slope >10°. Fields are established with cover crops such as muccuna and soft grasses and ferns. | Complied | | | | | | | | | | | | |
| 4.3.3 | A road maintenance programme shall be in place. - Minor compliance - | Estates has implemented annual road maintenance programme. Example of programme checked at Sujan and Jiba estates shows the file road programme indicating road repairs and maintenance for the whole estate roads includes grading, compacting and hard soil topping to strengthen the road surface, Culvert maintenance and bridge maintenance. | 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 were no peat soils at both visited estates. | 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 were no peat soils at both visited estates. | | | | | | | | | | | | | |
| 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 were no peat soils at both visited estates. | Complied | | | | | | | | | | | | |
| Criterion 4.4: Practices maintain the quality and availability of surface and ground water. | | | | | | | | | | | | | | | |

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|---|---|-----------------|-------------|-------------|-----------|-----------------|-----------|-----------------|-----------|----------------|-----------|------------|----------|-----------------------------|
| <p>4.4.1</p> <p>An implemented water management plan shall be in place. - Minor compliance -</p> | <p>Keresia Plantations Sdn Bhd – Keresia Mill Sdn Bhd Water Management Plan (WMP) dated 5/9/2017. Including specific parameters for WMP to promote efficient use of water and meet water conservation requirements under Sarawak Water Resource Enactment 1998 and Interim National Water Standards for Malaysia.</p> <p>Water management plan (KP 2-201 dated June 2010) involved water consumption management and quality monitoring which inclusive of drinking water monitoring and discharge water monitoring. Drinking water monitoring was done as per National Water Quality Standard Malaysia (NWQSM) by Kementerian Kesihatan Malaysia through its Pejabat Kesihatan Bahagian Bintulu. Latest sample analysis done on 23/8/2017 (Borang S1B Air Terawat; Station code: KKS75). Results shown 4 samples taken from station S01 (intake – raw) S02 (TPO – Treatment plant – under treatment); S03 (SRO – After Reservoir – under treatment); S04 (Station 1 – Canteen - treated) & S05 (Station 2 – Clinic - Treated) shown bacteria content (e. coli) was all below 1 cfu/100ml. However sample taken at S05 Sujan Estate shown high Total Coliform recorded as TNTC (Too numerous to count) and letter (ref.: PKBB/KMAM/600-2(165) was sent by Pegawai Kesihatan Bahagian Bintulu to instruct the treatment to increase dosage of disinfectant (chlorine). Mill need to respond accordingly the request by Pejabat Kesihatan. Sample taken at S05 (Canteen) Jiba Estate also shown high Total Coliform content for treated water based on latest sample analysis done on 23/8/2017 (Borang S1B Air Terawat; Station code: KKS75).</p> | <p>Complied</p> | | | | | | | | | | | | |
| <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>Documented as a guideline entitled Riparian Zone Establishment (Ref. # E 4.5.3; Chapter 4; Issue date Jan 2010; Version 1.0). Buffer zones established as following:</p> <table border="1" data-bbox="660 1341 1299 1525"> <thead> <tr> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>> 40 meters</td> <td>50 meters</td> </tr> <tr> <td>20 to 40 meters</td> <td>40 meters</td> </tr> <tr> <td>10 to 20 meters</td> <td>20 meters</td> </tr> <tr> <td>5 to 10 meters</td> <td>10 meters</td> </tr> <tr> <td>< 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>Both Sujan Estate and Jiba Estate implemented the river water monitoring by taking water samples from 7 sampling points of river and streams running through both estates including Sg. Jiba, Sg. Semerah, Sg. Jampang and Sg. Besal. Sample analyses were done every 3 months by ESI Sampling Sdn. Bhd. Sampled analysis report (Report period of April – Jun 2017; Ref. # NREB/6-1/2G/6); dated 19/4/2017) shown that analysis were done against Class IIA of NWQSM and the results were in-compliance with the standard.</p> <p>However, during the on-site visit at Sujan/Jiba Estate field, it was sighted that there are traces of grass been applied with herbicide was found within buffer zone at River Water Sampling Point W3 (Sungai Semerah).</p> | River width | Buffer zone | > 40 meters | 50 meters | 20 to 40 meters | 40 meters | 10 to 20 meters | 20 meters | 5 to 10 meters | 10 meters | < 5 meters | 5 meters | <p>Major nonconformance</p> |
| River width | Buffer zone | | | | | | | | | | | | | |
| > 40 meters | 50 meters | | | | | | | | | | | | | |
| 20 to 40 meters | 40 meters | | | | | | | | | | | | | |
| 10 to 20 meters | 20 meters | | | | | | | | | | | | | |
| 5 to 10 meters | 10 meters | | | | | | | | | | | | | |
| < 5 meters | 5 meters | | | | | | | | | | | | | |

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| 4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance - | Palm Oil Mill Effluent (POME) treated through anaerobic pond treatment system where the licensed limit for final discharge BOD was increased by DOE from 20mg/l to 50mg/l for latest issued license. Regular monitoring was conducted by the mill by taking the sample of waste water in final discharge point and water at the upstream and downstream of the river. Latest sample analyses results for the month of June, July and August 2017 shown that the mill has consistently met the requirement for BOD limit (Sample: ESI Laboratory Sdn. Bhd. Certificate of analysis ref. # KMSB/15-08/238 dated 23/9/2017 for sample taken on 15/8/2017) Result: BOD ₃ final discharge = 20mg/l BOD ₃ river (Sungai Sujan) upstream = <2mg/l BOD ₃ river (Sungai Sujan) downstream = <2mg/l | Complied | | | | |
| 4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance - | Water consumption (KM 4-13) were monitored and measured individually for mill processing, boiler, firefighting and housing. Mill water consumption for the month of Jan – Aug 2017 = 0.71 m ³ /FFB processed. Rainfall at Sujan Estate recorded at 3605mm for period from Jan-Sep 2017. 2016 rainfall was recorded at 3844mm. | Complied | | | | |
| Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques. | | | | | | |
| 4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance - | The implementation on biological method of controlling pest in the plantation through IPM such as Beneficial plants <i>Cassia cobanensis</i> , <i>Turnera subulata</i> and <i>Antigonon leptopus</i> as a preventive measure to control leaf eating pest were planted in all the estates. For 2016- Sept 2017, there is no outbreak of pest and disease occurred at Keresia Plantations Sdn Bhd. | Complied | | | | |
| 4.5.2 Training of those involved in IPM implementation shall be demonstrated. - Minor compliance - | Training for those involve with IPM implementation was conducted accordingly. <table border="1" data-bbox="660 1496 1216 1559"> <thead> <tr> <th>Date</th> <th>Topic</th> </tr> </thead> <tbody> <tr> <td>20/10/16</td> <td>Pesticide operator</td> </tr> </tbody> </table> | Date | Topic | 20/10/16 | Pesticide operator | Complied |
| Date | Topic | | | | | |
| 20/10/16 | Pesticide operator | | | | | |
| Criterion 4.6: 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 - | Justification of pesticides applied is available in the standard operation and procedure. Refer to as per SOP under Weeding procedure, SOP# 4.iv. Justification takes consideration to minimize effect on non-target species. | Complied | | | | |

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|---|---|---------------|--------------|--------------|--|--------|--------|-------------|---------------|---------------|--------------|---------------|---------------|----------|
| 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. <table border="1" data-bbox="660 506 1297 689"> <thead> <tr> <th data-bbox="660 506 874 551"></th> <th data-bbox="874 506 1086 551">As at Aug 17</th> <th data-bbox="1086 506 1297 551">As at Aug 17</th> </tr> <tr> <th data-bbox="660 551 874 595"></th> <th data-bbox="874 551 1086 595">Liquid</th> <th data-bbox="1086 551 1297 595">Powder</th> </tr> </thead> <tbody> <tr> <td data-bbox="660 595 874 640">Jiba Estate</td> <td data-bbox="874 595 1086 640">0.59 % a.i/ha</td> <td data-bbox="1086 595 1297 640">0.00 % a.i/ha</td> </tr> <tr> <td data-bbox="660 640 874 689">Sujan Estate</td> <td data-bbox="874 640 1086 689">0.66 % a.i/ha</td> <td data-bbox="1086 640 1297 689">0.01 % a.i/ha</td> </tr> </tbody> </table> Thus, major NC raised during previous year was remain closed. | | As at Aug 17 | As at Aug 17 | | Liquid | Powder | Jiba Estate | 0.59 % a.i/ha | 0.00 % a.i/ha | Sujan Estate | 0.66 % a.i/ha | 0.01 % a.i/ha | Complied |
| | As at Aug 17 | As at Aug 17 | | | | | | | | | | | | |
| | Liquid | Powder | | | | | | | | | | | | |
| Jiba Estate | 0.59 % a.i/ha | 0.00 % a.i/ha | | | | | | | | | | | | |
| Sujan Estate | 0.66 % a.i/ha | 0.01 % a.i/ha | | | | | | | | | | | | |
| 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 Keresia SOP. The implementation in the field is consistent with the SOP. | 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 - | Paraquat was eliminated. At the time of assessment there were no class 1a or 1b pesticides. Alternatives such as Glyphosate were used with the elimination of Paraquat. | 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 | | | | | | | | | | | | |
| 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 found that the stocks of pesticides were store in the store appropriately. The chemical store was securely locked and complies with regulation. Thus, major NC raised during previous year was remain closed. | Complied | | | | | | | | | | | | |

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|---|---|----------------------|--------------------------|--------|--------|----------|----------|-----|--------------|----------|-----|----------|-----|----------|-----|----------|---------|-----|-------------|----------|-----|----------|-----|----------|
| 4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance - | Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off. | 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 at Keresia Plantations Sdn Bhd Certification unit. | 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 - | Employees handling pesticide given knowledge and skill required by the TQM to cover safe handling practices and standard operating procedures. As for the KSGS smallholders, the TQM executives have provided training and conduct regular inspection to check the implementation which was last conducted on 14/6/17. Interview with the smallholders found that they were able to demonstrate safe handling of pesticide. | 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 - | Disposal method of all identified waste was already identified, where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company within estates. However, at Jiba Estate Used oil (SW 305) and empty container of engine oil from workers vehicle was kept within workers housing compound same row with the crèche without proper handling. Thus, minor NCR was raised during this audit. | Minor nonconformance | | | | | | | | | | | | | | | | | | | | | | |
| 4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance - | Annual medical surveillance for sprayers and pesticide operators were demonstrated. Medical examination programme established for 5 group of sprayer team which conducted by Medan Jaya Medical Clinic-HQ/08/DOC/00/206. <table border="1" data-bbox="660 1451 1313 1753"> <thead> <tr> <th>ID No</th> <th>Date of Medical check up</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>AS625806</td> <td rowspan="4">27/10/16</td> <td>Fit</td> <td rowspan="4">Sujan Estate</td> </tr> <tr> <td>AT258215</td> <td>Fit</td> </tr> <tr> <td>AT728802</td> <td>Fit</td> </tr> <tr> <td>B4030205</td> <td>Fit</td> </tr> <tr> <td>AR823374</td> <td rowspan="3">29/9/16</td> <td>Fit</td> <td rowspan="3">Jiba Estate</td> </tr> <tr> <td>AP202569</td> <td>Fit</td> </tr> <tr> <td>AR791545</td> <td>Fit</td> </tr> </tbody> </table> Thus, major NC raised during previous year was remain closed. | ID No | Date of Medical check up | Result | Estate | AS625806 | 27/10/16 | Fit | Sujan Estate | AT258215 | Fit | AT728802 | Fit | B4030205 | Fit | AR823374 | 29/9/16 | Fit | Jiba Estate | AP202569 | Fit | AR791545 | Fit | Complied |
| ID No | Date of Medical check up | Result | Estate | | | | | | | | | | | | | | | | | | | | | |
| AS625806 | 27/10/16 | Fit | Sujan Estate | | | | | | | | | | | | | | | | | | | | | |
| AT258215 | | Fit | | | | | | | | | | | | | | | | | | | | | | |
| AT728802 | | Fit | | | | | | | | | | | | | | | | | | | | | | |
| B4030205 | | Fit | | | | | | | | | | | | | | | | | | | | | | |
| AR823374 | 29/9/16 | Fit | Jiba Estate | | | | | | | | | | | | | | | | | | | | | |
| AP202569 | | Fit | | | | | | | | | | | | | | | | | | | | | | |
| AR791545 | | Fit | | | | | | | | | | | | | | | | | | | | | | |

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| 4.6.12 | No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance - | 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. Monthly check by estate Medical Assistant is being conducted for all female sprayers to determine pregnancy and breast- feeding. | | | | Complied |
| | | ID No | Date of last check up | Result | Estate | |
| | | AS625806 | 14/8/17 | Not pregnant | Sujan Estate | |
| | | AT258215 | | Not pregnant | | |
| | | AT728802 | | Not pregnant | | |
| | | B4030205 | | Not pregnant | | |
| | | AR823374 | 18/8/17 | Not pregnant | Jiba Estate | |
| | | AP202569 | | Not pregnant | | |
| | | AR791545 | | Not pregnant | | |

Criterion 4.7:
An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:

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| <p>4.7.1</p> <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. - Major compliance -</p> | <p>Keresas OHS Policy which was reviewed on 19/5/2016 and signed by the top management provides guidance for all OSH related matters. This policy communicated to all employees onsite during safety meeting and morning briefing. OSH plan dated 10/3/2017 covering in-house training, audit and inspection, OSH meeting and fire drill was plan throughout the year. OSH programme conducted for 2017:</p> <p><u>Chemical Health Risk Assessment</u> CHRA was conducted on 13/7/2017 at Keresas POM by DOSH registered assessor, JKPP KIM127/453/6(33). Recommendation for specific work unit :</p> <p>i) Lab – LEV monitoring, PCEM (n-hexane) and medical surveillance ii) Workshop – PCEM (welding fumes)</p> <p>CHRA was conducted on 25th June until 20th September 2012 by DOSH registered assessor, JKPP HIE 127/171-2(164). The latest CHRA was planned to be conducted in October 2017. Sighted Local Purchase Order, #14695 dated 25/9/2017 to ESI Sampling Sdn Bhd.</p> <p><u>Audiometric Testing</u> Baseline & annual audiogram was conducted on 20/10/2016 for 21 workers from the operation by Global Green OSH Services Sdn Bhd. For 2017, the management just sent the workers for audiometric test on 8/9/2017 for 30 workers. The result shown that 2 workers was found STS and need to be retest within 3 months. Testing result was reviewed by OHD, HQ/08/DOC/00/427.</p> <p><u>Personal Chemical Exposure Monitoring (PCEM)</u> PCEM was last conducted on 27/3/2017 covering 3 work units(WTP, Lab and workshop) by ESI Sampling Sdn Bhd (JKPP HIE 127/171-3/1(212)). Based on the assessment, result of chemical exposure was not subjected to exposure of n-Hexane, welding fume and chlorine respectively.</p> <p><u>Engineering Control Examination Report (LEV)</u> LEV was conducted on 12/6/2017 by ESI Sampling Sdn Bhd (JKPP HIE 127/171-3/1(212)). The management had been established the action plan based on the recommendation by the assessor.</p> <p><u>Medical Surveillance</u> Medical surveillance was conducted accordingly to the lab operators (2 workers) on 13/7/2017 by Medan Jaya Medical Clinic (HQ/08/DOC/00/206). Based on the report, it was found that the lab operators (920119-13-5968 and 940705-13-6339) was found fit for work.</p> <p>Thus, major NC raised during previous year was remain closed.</p> | <p>Complied</p> |

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| 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>The management continued to maintained HIRARC guideline, dated August 2014. The HIRARC last was reviewed on 10/8/2017. Risk assessment sampled department Reception, Sterilizer, Boiler, Oil clarification station,CPO despatch bay, Kernal Silo, Harvesting, Manuring, Spraying and etc. Noted activities, Hazard, risk analysis been adequately covered. However, the HIRARC for construction of new/modification of sterilizer, gasifiers plant, quarry activity and evacuation of FFB using buffalo is yet to be identified.</p> <p>Thus, the Major NCR was raised.</p> | Major nonconformance |
| 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><u>Keresas POM and supply bases</u></p> <p>Observed at sterilizer station, engine room and boiler station, spraying activity, manuring activity and harvesting activity, adequate and appropriate protective equipment was provided. Latest PPE issuance was provide on 19/9/17 for Safety Shoes, hand gloves.</p> <p>The training was conducted accordingly at mill and estates. Cross refer indicator #4.8.1</p> <p>Thus, the Minor NC was closed.</p> | Complied |
| 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>The responsible persons are the Deputy General Manager, Manager, Assistant Manager & SHEO of the respective operating units. SHE committee meeting members consist of employer & employee representatives. Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to be satisfactory. Refer OHS meeting minutes :</p> <ol style="list-style-type: none"> OHS meeting at Keresas POM – #2:dated 16/6/17, #1: dated 21/6/17. All the agenda was discussed accordingly during OHS meeting, eg: HSE accidents statistics, HSE target, HSE training, HSE promotion, Inspection and walkabout pre-audit, subcommittee report etc. OHS meeting at Sujan Estate and Jiba Estate – #3:dated 17/7/17, #2: dated 17/6/17, #1:dated 26/1/17. All the agenda was discussed accordingly during OHS meeting, eg: HSE accidents statistics, HSE target, HSE training, HSE promotion, Inspection and walkabout pre-audit, subcommittee report etc. | Complied |

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|--|--|---------------|---------------------|-------------|---|--------------|---|-------------|--|-----------------|
| <p>4.7.5</p> <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. - Minor compliance -</p> | <p>The management continued to maintained Emergency Response procedure, dated 23/8/2011 . The procedure was communicated accordingly to all workers. Fire drill been conducted on yearly basis, which the last was conducted on 30/11/2017 and 6/10/2017 (Keresas POM and estates) . ERP organization chart, assembly area and location of fire extinguishers and contact numbers available and displayed at relevant locations. First aid equipment available at worksites e.g. at Sterilizer station, Boiler Station. First aiders competency certificate available e.g. for office operator</p> <table border="1" data-bbox="660 763 1289 1032"> <thead> <tr> <th data-bbox="660 763 778 824">Estate / Mill</th> <th data-bbox="783 763 1289 824">First Aider/Station</th> </tr> </thead> <tbody> <tr> <td data-bbox="660 824 778 913">Keresas POM</td> <td data-bbox="783 824 1289 913">Suring Laruh (Boiler), Jeffry Jangan (Sterilizer), Welly Suma (Lab)- Last first aid inspection on 3/8/17.</td> </tr> <tr> <td data-bbox="660 913 778 974">Sujan Estate</td> <td data-bbox="783 913 1289 974">Constantino (Spraying), Marten (harvesting), Iqbal (manuring)</td> </tr> <tr> <td data-bbox="660 974 778 1032">Jiba Estate</td> <td data-bbox="783 974 1289 1032">Rifan (Harvesting), Daha (Spraying), Irma (Manuring)</td> </tr> </tbody> </table> <p>Records of incident were available, using internal reporting system.</p> <p><u>STPOM</u> JKKP 8 was sent to DOSH on 18/1/2017. Refer accident dated 27/7/17 at sterilizer station (B532685). Investigation was done internally by SHEO. JKKP 6 was sent to DOSH on 1/8/2017.</p> <p><u>Sujan & Jiba Estate</u> JKKP 8 was sent to DOSH on 12/1/2017.</p> | Estate / Mill | First Aider/Station | Keresas POM | Suring Laruh (Boiler), Jeffry Jangan (Sterilizer), Welly Suma (Lab)- Last first aid inspection on 3/8/17. | Sujan Estate | Constantino (Spraying), Marten (harvesting), Iqbal (manuring) | Jiba Estate | Rifan (Harvesting), Daha (Spraying), Irma (Manuring) | <p>Complied</p> |
| Estate / Mill | First Aider/Station | | | | | | | | | |
| Keresas POM | Suring Laruh (Boiler), Jeffry Jangan (Sterilizer), Welly Suma (Lab)- Last first aid inspection on 3/8/17. | | | | | | | | | |
| Sujan Estate | Constantino (Spraying), Marten (harvesting), Iqbal (manuring) | | | | | | | | | |
| Jiba Estate | Rifan (Harvesting), Daha (Spraying), Irma (Manuring) | | | | | | | | | |

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| <p>4.7.6</p> <p>All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -</p> | <p>All workers provided with medical care, and covered by accident insurance. Sample insurance policies checked:</p> <p>Keresia POM and supply bases</p> <table border="1" data-bbox="660 495 1289 1368"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>SOCSCO</td> <td>July 17, Aug 17 (Keresia POM)</td> <td>880816135097, 901130135711, 920119135968, 920930135609</td> </tr> <tr> <td>FWCS (Allianz) 17PKU5004 913-00, 17PKU5004 915-00</td> <td>13/6/17- 12/1/19 (Keresia POM)</td> <td>B1910063, B4643027, B4435103, B4435497</td> </tr> <tr> <td>SOCSCO</td> <td>July 17, Aug 17 (Sujan Estate)</td> <td>891215136653, 960107135668,</td> </tr> <tr> <td>FWCS (Allianz) 17PKU5004 905-00, 17PKU5004 146-00</td> <td>21/3/17- 22/3/19 , 25/5/17- 30/3/19 (Sujan Estate)</td> <td>B5317484, B5317486, B0345388, B0345352, B0345383, A8751147</td> </tr> <tr> <td>SOCSCO</td> <td>July 17, Aug 17 (Jiba Estate)</td> <td>891215136653, 960107135668, 820718136307, 931111135588</td> </tr> <tr> <td>FWCS (Allianz) 17PKU5004 131-00, 17PKU5004 092-00</td> <td>25/5/17- 2/1/19, 24/5/17- 5/2/19</td> <td>AR791537, AR786579, AR786542, A3150042, AR530598</td> </tr> </tbody> </table> <p>All the policies were found valid. Thus, Minor NC raised during previous assessment was closed.</p> | Insurance | Period | Remark | SOCSCO | July 17, Aug 17 (Keresia POM) | 880816135097, 901130135711, 920119135968, 920930135609 | FWCS (Allianz) 17PKU5004 913-00, 17PKU5004 915-00 | 13/6/17- 12/1/19 (Keresia POM) | B1910063, B4643027, B4435103, B4435497 | SOCSCO | July 17, Aug 17 (Sujan Estate) | 891215136653, 960107135668, | FWCS (Allianz) 17PKU5004 905-00, 17PKU5004 146-00 | 21/3/17- 22/3/19 , 25/5/17- 30/3/19 (Sujan Estate) | B5317484, B5317486, B0345388, B0345352, B0345383, A8751147 | SOCSCO | July 17, Aug 17 (Jiba Estate) | 891215136653, 960107135668, 820718136307, 931111135588 | FWCS (Allianz) 17PKU5004 131-00, 17PKU5004 092-00 | 25/5/17- 2/1/19, 24/5/17- 5/2/19 | AR791537, AR786579, AR786542, A3150042, AR530598 | <p>Complied</p> |
| Insurance | Period | Remark | | | | | | | | | | | | | | | | | | | | | |
| SOCSCO | July 17, Aug 17 (Keresia POM) | 880816135097, 901130135711, 920119135968, 920930135609 | | | | | | | | | | | | | | | | | | | | | |
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| SOCSCO | July 17, Aug 17 (Jiba Estate) | 891215136653, 960107135668, 820718136307, 931111135588 | | | | | | | | | | | | | | | | | | | | | |
| FWCS (Allianz) 17PKU5004 131-00, 17PKU5004 092-00 | 25/5/17- 2/1/19, 24/5/17- 5/2/19 | AR791537, AR786579, AR786542, A3150042, AR530598 | | | | | | | | | | | | | | | | | | | | | |
| <p>4.7.7</p> <p>Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -</p> | <p><u>Mill & Estates</u> Records of incident was available, using internal reporting system. Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory. Sample of accident statistic as shown below :</p> <table border="1" data-bbox="660 1621 1216 1738"> <thead> <tr> <th>Year</th> <th>KPOM</th> <th>Sujan & Jiba Estate</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>46</td> <td>72</td> </tr> <tr> <td>2017 (as at Sep 17)</td> <td>31</td> <td>84</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days</p> | Year | KPOM | Sujan & Jiba Estate | 2016 | 46 | 72 | 2017 (as at Sep 17) | 31 | 84 | <p>Complied</p> | | | | | | | | | | | | |
| Year | KPOM | Sujan & Jiba Estate | | | | | | | | | | | | | | | | | | | | | |
| 2016 | 46 | 72 | | | | | | | | | | | | | | | | | | | | | |
| 2017 (as at Sep 17) | 31 | 84 | | | | | | | | | | | | | | | | | | | | | |
| <p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p> | | | | | | | | | | | | | | | | | | | | | | | |

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|---|---|--------------|----------|--------|---------|-------------------|------------|--------|-----|--------|---------------------------|--------|------------------------|--------|------------|--------------|---------|----------|---------|----------------|----------|----------|--------|------------|-------------|---------|-----|---------|-----------------|---------|----------------|---------|-----|----------|
| 4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance - | A formal training programme on all aspects of RSPO Principles and Criteria has been established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied. Training programme planned for year 2017 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to: - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers | Complied | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4.8.2 Records of training for each employee shall be maintained. - Minor compliance - | The records of training were available at mill and estate office. Sample training checked: <table border="1" data-bbox="662 943 1295 1424"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>27/9/17</td> <td>Working at height</td> <td rowspan="4">Keresa POM</td> </tr> <tr> <td>2/8/17</td> <td>WTP</td> </tr> <tr> <td>1/8/17</td> <td>Sterilizer and Laboratory</td> </tr> <tr> <td>2/8/17</td> <td>EFB and Boiler Station</td> </tr> <tr> <td>8/9/17</td> <td>Harvesting</td> <td rowspan="4">Sujan Estate</td> </tr> <tr> <td>19/4/17</td> <td>Manuring</td> </tr> <tr> <td>23/2/17</td> <td>Tractor driver</td> </tr> <tr> <td>20/10/16</td> <td>Spraying</td> </tr> <tr> <td>2/5/17</td> <td>Harvesting</td> <td rowspan="5">Jiba Estate</td> </tr> <tr> <td>15/9/17</td> <td>WTP</td> </tr> <tr> <td>10/8/17</td> <td>Scheduled waste</td> </tr> <tr> <td>26/6/17</td> <td>Triple rinsing</td> </tr> <tr> <td>15/3/17</td> <td>GAP</td> </tr> </tbody> </table> Training for WTP operators was conducted accordingly at Keresa POM and Jiba Estate on 2/8/17 and 15/9/17. Thus, the Minor NC was closed | Date | Training | Remark | 27/9/17 | Working at height | Keresa POM | 2/8/17 | WTP | 1/8/17 | Sterilizer and Laboratory | 2/8/17 | EFB and Boiler Station | 8/9/17 | Harvesting | Sujan Estate | 19/4/17 | Manuring | 23/2/17 | Tractor driver | 20/10/16 | Spraying | 2/5/17 | Harvesting | Jiba Estate | 15/9/17 | WTP | 10/8/17 | Scheduled waste | 26/6/17 | Triple rinsing | 15/3/17 | GAP | Complied |
| Date | Training | Remark | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 27/9/17 | Working at height | Keresa POM | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2/8/17 | WTP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1/8/17 | Sterilizer and Laboratory | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2/8/17 | EFB and Boiler Station | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8/9/17 | Harvesting | Sujan Estate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 19/4/17 | Manuring | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 23/2/17 | Tractor driver | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 20/10/16 | Spraying | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2/5/17 | Harvesting | Jiba Estate | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15/9/17 | WTP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10/8/17 | Scheduled waste | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 26/6/17 | Triple rinsing | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 15/3/17 | GAP | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criterion 5.1:

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.

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| <p>5.1.1 An environmental impact assessment (EIA) shall be documented. - Major compliance -</p> | <p>Sighted the documented environmental impact assessment established based on Procedure Manual Ref. No.: 1/20012; Doc. No.: Aspect Impact 1/2012; Identification of Environmental Aspects and Evaluation of Environmental Impacts. It was sighted for Keresa mill, the Mill Environmental Significant Aspect (E 4.3.3 .1 Env. Aspect Register V2; dated May 2010) amended Sep 2011 was last reviewed on Sep 2014. The documented environmental impact assessment for the installation of Gasifier Plant not available for mill. Hence, a major nonconformity has been raised.</p> <p>Estate – The Environmental Aspect & Impact assessment has been reviewed. The assessment is conducted according to the Procedure Manual – Identification of Environmental Aspects and Evaluations of Environmental Impacts Ref: KPSB 1/2012 dated 01/01/2012. The scoring and evaluation criteria provided in this Manual.</p> <p>Sample of assessment reviewed:</p> <ul style="list-style-type: none"> • Manuring which covers the activity • Disposal of empty fertilizer bags (both inorganic and organic) will impact on depletion of natural resources • Heavy Rain that causes fertilizer washed off and impact on water pollution • Over dosage of fertilizer causes toxicity to the plant and that impact on business • Extreme drought <p>The mitigation plans related to the sample assessed above, has been reviewed and found satisfactory. Mitigation plans includes work Procedures and Training has been provided to the operators.</p> | <p>Major nonconformance</p> |
| <p>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 -</p> | <p>Except for the missing item in indicator 5.1.1 above, The impacts has been identified and documented in KM 4-1 EIA Reports/Assessments. No changes are required in current practices based on the environmental aspects and impacts identified.</p> <p>According to the EIA approval dated 20/11/2016, progressive Environmental Monitoring Reports are required to be submitted to the authority. The latest Environmental Monitoring Report (EMR) Ref NREB6-1/2G/6 dated 27/4/2016 was reviewed to confirm Keresa are meeting the legal requirements. The EMR has reported the mitigation plans results. As such has been reported, it is deemed that a management plan is in place to monitor the effectiveness of the mitigation plan. By reviewing this report, it is confirm that there are no changes required for the current mitigation practices.</p> <p>The responsible personnel appointed by the management includes management staff from central office and operation units including Assistant General Manager, Total Quality Management Manager, Estate Managers, Safety Officer, Estate Executives and administrative staff.</p> | <p>Complied</p> |

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| 5.1.3 | <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>The monitoring of mitigation to those identified environmental impacts and aspects are reported in the monthly progress report. The cited monthly report dated August 2016 and December 2015 has reported the monitoring of the Environmental Safety and Health implementation.</p> <p>As according to the EIA approval, the Environmental Management Report is required to be submitted to the Natural Resources & Environmental Board of Sarawak 3 times a year. The report has been reviewed. The monitoring of the mitigations and its effectiveness are reported in the report. Hence, it is deemed that the plan has been reviewed on a frequent basis for any operational changes.</p> <p>The assessment team had reviewed the 2016 Budget Report. The report has reported budget has been allocated for operations improvement.</p> | Complied |
| <p>Criterion 5.2: 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> | | | |
| 5.2.1 | <p>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).</p> <p>- Major compliance -</p> | <p>Environmental and Biodiversity Review was conducted by Wild Asia & Integrated Environmental Consultants Sdn Bhd. Sighted report ref.: M672/10/E&BioD; review: V5; Dated: May 2010. Noted in the report that there is no HCV in the areas apart from riparian zones around the various rivers running through the estate. The riparian areas have been identified and the signposted have been observed during field assessment.</p> <p>The Smallholders were interviewed during the field assessment to confirm about their awareness towards restrictions of the riparian zones.</p> <p>During the field assessment, there were no HCV areas being overserved at smallholder' blocks. No hunting was observed during this audit. Communities recognize the company's policy on no hunting in the property. There were no protected, rare and endangered species observed.</p> <p>Additionally, there was a study of Bird Life Assessment in Keresa Plantation conducted on 15 Jul – 31 Aug 2010 by Keresa Sustainability team together with a France internship student.</p> | Complied |
| 5.2.2 | <p>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.</p> <p>- Major compliance -</p> | <p>There were no protected, rare or threatened species identified and reported at the Keresa areas.</p> <p>The interview with the smallholders (who are also the local communities), had confirmed that there are no RTEs observed at the adjacent areas.</p> | Complied |

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| 5.2.3 | <p>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.</p> <p>- Minor compliance -</p> | Complied |
| 5.2.4 | <p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • 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. <p>- Minor compliance -</p> | Complied |
| 5.2.5 | <p>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.</p> <p>- Minor compliance -</p> | Complied |
| <p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p> | | |
| 5.3.1 | <p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p> | Complied |
| 5.3.2 | <p>All chemicals and their containers shall be disposed of responsibly.</p> <p>- Major compliance -</p> | Complied |

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| <p>5.3.3</p> <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p> | <p>Documented pollution prevention plan (KM 4-1) was emphasized in the pollution prevention plan where the site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company mill and estates.</p> <p>Method of handling the domestic/general wastes are segregation at the collection point from offices and housing area before being disposed through landfill.</p> <p>For scheduled wastes, the handling was done according to the legal requirement where a scheduled waste store was constructed in each operating unit for storage. A company registered with DOE, E-Concern (M) Sdn. Bhd. was appointed to collect the scheduled waste from all the scheduled waste storage facilities within the company. Latest disposal was done on 13/7/2017 for SW305; Consignment note (C/N) # G02157; SW410 (C/N # G02159) & SW409 (C/N # G02158).</p> <p>Clinical waste from the clinic was disposed through Bintulu Specialist Hospital Sdn. Bhd. as the authorised clinical waste collection and disposal contractor appointed by the company. Latest disposal was done on 11/8/2017.</p> | <p>Complied</p> |
| <p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p> | | |
| <p>5.4.1</p> <p>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> | <p>Utilization of fossil fuels (diesel for genset) was monitored and control through stores stocks and materials checking reported on monthly basis. Effective maintenance plan and productive operation plan for genset including regular servicing of gensets as well as efficient operation of FFB process to fully utilize the free source of fuel i.e. biomass (fiber and shell) were implemented. The quantity of biomass also monitored to achieve the expected percentage of fiber (60 – 70%) and shell (3%) quantities being consumed.</p> | <p>Complied</p> |
| <p>Criterion 5.5: 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.</p> | | |
| <p>5.5.1</p> <p>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 -</p> | <p>Keresa Plantations has established and implemented Best Management Practice (KP 2) approach through its standard operations and procedures (KP2-4 SOPs –Field Policy Manual).</p> <p>Under its conservation measures chapter entitled Environment Conservation (SOP # 7.iii; version 2 dated 1 Jan 2009), all mitigations measures for plantation activities including land preparation or replanting shall be in compliance with the approved Environment Impact Assessment (EIA) by Natural Resource and Environmental Board of Sarawak.</p> <p>This is including Zero Open Burning practices where the visit to the field and facilities confirm that the company are in compliance of its Zero Open Burning policy.</p> | <p>Complied</p> |

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| 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 - | There's no any evidence of fire has been used for preparing land for replanting during the visit. Complied |
| Criterion 5.6: 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 - | Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment (KM 4-1 Baseline Waste ID), identified source was boiler chimney. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler stack monitoring of dust particulate. Sampled monitoring report latest done on 14/9/2017 by ESI Sampling Sdn. Bhd. (Report ref. # KMSB/ST-B2/2017/1; dated 4/10/2017) for boiler chimney no. 2. Result shown the stack emissions are within limit at 0.382 g/Nm ³ . Complied |
| 5.6.2 | Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance | Based on KM 4-1 Baseline Waste ID, main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH ₄) emission through POME treatment. The company are in process of obtaining proposals to construct methane capture facilities in POME treatment pond. Received one proposal from Konpro Consultant. Expected to complete the construction of the biogas plant by 2017. Other less significant GHG emissions identified including CO _x , SO _x and NO _x from various sources including fossil fuel, chemical and fertilizer consumptions. Complied |
| 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 - | Monitoring of the GHG quantity was previously done through its licensed GHG calculator, Neste Oil where annual quantification of all GHG sources was input into the calculator. Default values of emissions factor Calculation of the GHG emissions were derived from the RES-directive Annex V, table D as estimated by BioGrace project. These calculations were then checked against the calculations through ENZO. The GHG calculations were done separately between the mill and estates. The latest 2016 GHG was calculated through PalmGHG Ver. 3.01 calculator. The final figure shown total emissions was 1.79 tCO ₂ e/mt products (CPO & PK). Major source of emissions were from the estate field activities (80.95%) and mill (18.38%). Complied |
| Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers. | | |
| Criterion 6.1: 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. | | |

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| 6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance - | SIA was conducted on 31/7/2014 for the mill by TQM and 2-5/8/2011 for Sujan & Jiba Estate by Wild Asia and an employee satisfaction survey on 16/12/2015 by TQM team with participation of internal stakeholders to survey on three categories which related to terms and conditions of work, social provision and safety & health. The methodology of the assessment was by given questionnaire to the stakeholders. Seen the Social Impact Assessment of Keresia Plantation which involved small holders & Workers has been conducted on 2017. Worker survey (75 participants- Overall Keresia Plantation) has been conducted on 30/05/17 and small holders survey on June to July 2017 from 3 long houses that involved 21 participants. | Complied |
| 6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance - | The assessment was conducted with the participation of affected parties such as employees from different work stations for the worker assessment survey and small holders on work term & condition, social provision, environmental, safety and Health. | 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 - | Seen the action request plan of JCC 2017 & smallholder meeting has been established after the meeting and the status of action will be updated on the following meeting where some of the action has been completed and some of the action was still in- progress. Seen the action request of Sujan estate was updated monthly through workers monthly dialogue, JCC meeting and muster call. Seen the plan has been followed up accordingly Seen the action plan of the smallholder survey has been documented and implemented accordingly i.e. Construct pond for Rumah Majang that has been done for laundry and bathing. As for the workers survey, action being established and implemented i.e. monthly inspection to monitoring quality of good & raw material, briefing on canteen operator on cleanliness and safety dated 14/7/2017. | 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 - | Seen the plan has been reviewed on yearly basis on 2017 that involved smallholders and workers. | Complied |
| 6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance - | Seen the contribution by Keresia on technical support and fertilizer sold in cost rate to reduce burden on small holders and supply smallholders. Furthermore, TQM department executives are the responsible persons to identify and assist the smallholder scheme. Meeting with smallholders were conducted to discuss issues related to the smallholders. Latest meeting was carried out on 23/2/2017 with 13 participants. | |

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| Criterion 6.2: 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 - | The Mill and Estate has communicated with local communities and interested parties through two-way communication. Through interviewed with the stakeholders, they were understood and aware of the ways of communication with the management. | Complied |
| 6.2.2 | A management official responsible for these issues shall be nominated. - Minor compliance - | Safety & Health Officer (for mill) and AGM of Keresa Group Plantation (for estates) have been nominated as communication officer to handle any social related issues. | Complied |
| 6.2.3 | A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance - | Stakeholder list has been developed for the estates. A combined meeting with head of longhouses (smallholders) for both estates was conducted on 23/2/2017 with 13 participants. Mill has generated a stakeholder list 2017 where all the relevant stakeholders such as contractors and suppliers, government authorities, smallholders and etc. has been included into the list. | Complied |
| Criterion 6.3: 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 - | Keresa Plantations Sdn. Bhd. has established a Complaints & Grievance Procedure with ref. no. SOC 3.2 dated December 2009. Any complaints can be lodged through complaint box, email or in writing or reported to supervisor/manager directly. The procedure has briefed to the internal workers 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 - | Complaint form has been developed and implemented. A summary of complaint and grievances records has been developed and maintained up to date. Most of the complaints were related to housing repair and cleanliness. All the complaints have been resolved accordingly. The estate has conducted workers monthly dialogue with workers to discuss any complaint regarding housing, pay and condition and etc. | Complied |
| Criterion 6.4: 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 - | Keresa Plantations Sdn. Bhd. has developed a procedure for identification of customary land rights & compensation procedure with ref. no. SOC 3.3 dated December 2009. The procedure detailing the procedure when there is any land acquisition of customary land. A compensation will be conducted once license surveyor has conducted the survey. The value of the land was based on the prevailing market value and crop compensation based on present Land and Survey Department rates. | Complied |

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| 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 transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance - | The SOP has been established and implemented i.e. procedure for identification of customary land rights & compensation procedure with ref. no. SOC 3.3 dated December 2009 | Complied |
| 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 |
| Criterion 6.5: 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 - | The mill and estates consist of local workers and foreign workers which were under direct employment. The payslip for direct employment has included income, deduction, employer contributions, overtime and etc. Sampled payslips for direct employment have sighted as below: a) Employment No.: E0716 (mill)- Mudham b) Employment No.: E0709 (mill)- Muhamad Jamroni c) Employment No.: E0723 (mill)- Zakaria d) Employment No.: E0643 (mill)- Ahmad e) Employment No.: 10942 (Sujan estate)- Melianus Banamtuan f) Employment No.: 11406 (Sujan estate)- Ayub Mellu g) Employment No.: 11266 (Sujan Estate)- Asmayanti h) Employment No.: 81961 (sujan Estate)- Adi bin Malo i) Employment No.: 11133 (Sujan Estate)- Wati j) Employment No.: 11270 (Jiba estate)- Sukanto k) Employment No.: 11309 (Jiba estate)- Aplonia l) Employment No.: 11110 (Jiba estate)- Rostin m) Employment No.: 10554 (Jiba estate)- Sunni n) Employment No.: 11206 (Jiba estate)- Hendra Saputra The sampled mill and estates workers above have achieved Minimum Wage Order 2016 for July and August 2017 of RM 920 including for piece-rated workers | Complied |

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| <p>6.5.2</p> <p>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>- Major compliance -</p> | <p>Mill and estates has recruited local workers and Indonesian workers. The contract has stated the following information and terms:</p> <p>a) Position b) Period of contract c) Salary d) Working hours and OT e) Rest day and work on rest day f) Public Holiday and Annual leave g) And etc.</p> <p>The contracts were signed by the workers and explained to the workers in the languages understand by them. Sampled mill and estates workers' contracts as below:</p> <p>a) Employee No.: E0716 (mill)- contract 3/1/17- 3/1/19 b) Employee No.: E0709 (mill)- contract 6/11/16- 6/11/18 c) Employee No.: E0723 (mill) – contract 20/3/17- 20/3/19 d) Employee No E0643 (mill) – contract 17/11/15- 17/11/17 e) Employee No.: 10942 (Sujan estate) – contract 28/09/16- 28/09/18 f) Employment No.: 11406 (Sujan estate) – contract 13/07/17 – 13/07/19 g) Employment No.: 11266 (Sujan Estate) – contract 17/05/2017 – 17/05/19 h) Employment No.: 81961 (sujan Estate) – contract 1/8/17 – 1/8/18 (extension) i) Employment No.: 11133 (Sujan Estate) – contract 31/12/16 – 31/12/2018 j) Employment No.: 11270 (Jiba estate)- contract 26/5/17 – 26/5/19 k) Employment No.: 11309 (Jiba estate)- Contract 13/07/17 – 13/07/19 l) Emplment No.: 11110 (Jiba estate)- Contract 3/12/16 – 3/12/18 m) Emplment No.: 10554 (Jiba estate)- contract 01/04/17 – 01/04/18 (extension) n) Employment No.: 11206 (Jiba estate)- Contract 7/3/17 – 7/3/19</p> | <p>Complied</p> |
| <p>6.5.3</p> <p>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.</p> <p>- Minor compliance –</p> | <p>Housing of adequate quality is provided to the workers where maximum 4 persons in a house with 3 or 4 bedrooms. Houses are equipped with electricity, treated piped water, waste collection service and etc. Medical facilities and services are provided to the workers.</p> <p>Sujan & Jiba Estate, records of drinking water sample analysis done on 23/8/2017 (Borang S1B Air Terawat; Station code: KKS75 for sample taken at S05 (Clinic) Sujan Estate shown high Total Coliform recorded as TNTC (Too numerous to count); sample taken at S05 (Canteen) Jiba Estate also shown high Total Coliform and letter by Pegawai Kesihatan Bahagian Bintulu ref.: PKBB/KMAM/600-2(165). The water supplies were not according to national standards.</p> <p>Thus, the minor NC was raised.</p> | <p>Minor nonconformance</p> |

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| Criterion / Indicator | Assessment Findings | Compliance | |
|--|---|--|----------|
| 6.5.4 | <p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p> | <p>Accesses to food for the workers are considered adequately and sufficiently. There are sundry shops and restaurants within the vicinity. Goods and foods price were displayed on the item itself. Interviewed with the workers shown that they were satisfied with the price of goods and foods sold at the sundry shops. Further verified, that the price was monitored by Growers and millers from time to time.</p> | Complied |
| <p>Criterion 6.6: 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.</p> | | | |
| 6.6.1 | <p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance -</p> | <p>The management has implemented a freedom of association policy dated 1/12/2009. The policy has been briefed to the workers and displayed at the compound's notice board. The workers were understood about the policy through interview.</p> | Complied |
| 6.6.2 | <p>Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>- Minor compliance -</p> | <p>The mill management has established a Joint Consultative Committee as a channel of communication between management and employees. The issues discussed during meeting would be issues related to working arrangements, terms and conditions of employment, welfare and housing amenities and etc. The management has developed an action request for the issues raised during the meeting. JCC for mill has been conducted on 5/4/17 & 6/9/17.</p> <p>Combined JCC meeting for both estates has been conducted on 21/7/2017 with 27 participants. Issues raised during meeting were under monitoring and on-going process to solve the issues.</p> | Complied |
| <p>Criterion 6.7: Children are not employed or exploited.</p> | | | |
| 6.7.1 | <p>There shall be documentary evidence that minimum age requirements are met.</p> <p>- Major compliance -</p> | <p>Minimum age policy has been developed and implemented on 1/12/2009. The management has committed not to recruit workers younger than 18 years old. Document reviewed through the master list of employee noted that no child labour been used in the operating units.</p> | Complied |
| <p>Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p> | | | |
| 6.8.1 | <p>A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>- Major compliance -</p> | <p>Equal rights/ opportunity policy has been implemented on 1/12/2009 and displayed at the notice board at the compound.</p> | Complied |
| 6.8.2 | <p>Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.</p> <p>- Major compliance -</p> | <p>The workers were given equal opportunities on the job offered. They have recruited female workers, local communities, and foreign workers to work in the mill and estates. They offered the jobs based on capabilities and medical fitness. They were provided with basic facilities such as housing without any discrimination.</p> | Complied |

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| Criterion / Indicator | Assessment Findings | Compliance |
|---|--|--|
| 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 |
| Criterion 6.9: 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 - | Sexual harassment and violence policy dated 1/12/2009 has been implemented. The policy was communicated to workers using displayed on the notice board and there been official refresher briefing to be conducted on the Oct 2017 which has been seen on the memo for Jiba estate, Sujan estate & Keres Mill. Complied |
| 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 - | Policy to protect the reproductive rights of all, especially of women has been established dated 7/12/16. The policy was communicated to workers using displayed on the notice board and there been official refresher briefing to be conducted on the Oct 2017 which has been seen on the memo for Jiba estate, Sujan estate & Keres Mill. 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 - | Mill and estates have established Women & Children Association to discuss issues related to women and children. The management has developed a complaint procedure with ref. no. 3.2 as a mechanism to solve the issues. The last meeting was conducted on 14/2/2017 and 06/06/2017 for mill, Sujan estate and Jiba estate respectively. Attendant list is sighted. So far, there was no sexual harassment cases reported. Committee of Sujan estate, Jiba estate and Keres Mill has organized activities such as sexual harassment talk on 26/04/2017, Aerobic session/ Zumba on 10/2/2017, badminton tournament on 27-30-/3/2017 and etc. Complied |
| Criterion 6.10: 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 - | The mill has displayed the FFB pricing daily at the weighbridge area according to the MPOB guideline price. 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 - | FFB pricing is based on MPOB pricing. The company has a standard calculation of FFB price given by the head office. The management has explained the terms and condition of the contract prior to sign by the smallholders or dealers. Latest meeting minutes with smallholders dated 23/2/2017 found the FFB pricing has been explained again to the smallholders by the TQM executives. Contractor meeting was conducted on quarterly basis. Where latest conducted on 25/09/17 Complied |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|---|------------|
| 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 have signed on a contract agreement before commenced to work. The agreement has detailing the rate of work, payment of work and etc. The payment will be made once every month after Mill Manager has approved. Sampled of contract as below: a) Contract No.: 2016/SMARTHUB/01 – EFB Transporter valid from 1/12/2016 which have no validity. b) Contract No.: KPSB/2017FERT-AGRIFERT – supply of fertilizers valid from 1/1/17 to 31//12/17. | Complied |
| 6.10.4 | Agreed payments shall be made in a timely manner. - Minor compliance - | i) Seen the tax Invoice of transport charges of EFB (Contractor: Smart Hub) Inv# 1708/014 dated 31/08/17 which payed by 15/9/17 as the term was 1 month. ii) Seen the payment of the fertilizer payment (Supplier Agrifert) Inv# 8050005946 received on 28/8/17 and payment on 25/9/17 (term is 60 days) | Complied |
| Criterion 6.11: 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 – | The management has provided transport to send students to government school outside the compound for free, donation to gender committee for activities such as sport day for children and volleyball competition for women. Besides, the estate also made contribution to longhouse for festival celebration. | 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 – | The management has conducted an assessment for smallholders to understand problems faced by them. Besides, TQM team has meeting with the smallholders whenever necessary. The smallholders were invited to join any training relevant to them as well. Besides, the management has provided advice to the smallholders on fertilizer and chemical usage to increase productivity. Through interview with the smallholders to confirm that they were provided training on the best management practices. | Complied |
| Criterion 6.12: No forms of forced or trafficked labour are used. | | | |
| 6.12.1 | There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance - | Local workers and foreign workers are legal where they possess of valid identification card and passport during the employment with Keresa Plantations Sdn. Bhd. The workers had signed on the contract of employment. No evident of trafficked labour was sighted. | Complied |
| 6.12.2 | Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance – | No contract of substitution is sighted. | 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 |
| Criterion 6.13: Growers and millers respect human rights. | | | |

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| Criterion / Indicator | | Assessment Findings | Compliance |
|--|---|---|------------|
| 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 - | Human Rights policy has been established dated 30/11/16. The policy was communicated to workers using displayed on the notice board and there been official refresher briefing to be conducted on the Oct 2017 which has been seen on the memo for Jiba estate, Sujan estate & Keres a Mill. | 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. | There was no foreign workers' children in Keres a operating units reached the study age of 7 where there was plan to established continuous learning centre with Indonesian consulate | Complied |
| <p>Principle 7: Responsible development of new plantings Keres a 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 annual surveillance assessment. The immature areas are replanted area.</p> <p>Refer previous NC above, pending resolution by RSPO Secretariat to carry out the review specifically focused on simplification and inclusiveness of the NPP and to specifically include smallholder peculiarities and conditions in defining its applicability, exclusion of affected members of KSGS involved in new planting still maintained by Keres a with no evidence of certified FFB being supplied by them, no other NPP identified or has been carried out.</p> | | | |
| <p>Principle 8: Commitment to continual improvement in key areas of activity</p> | | | |
| <p>Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p> | | | |
| 8.1.1 | <p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p> | <p>Mill:</p> <ul style="list-style-type: none"> - Installation of mill gasifier plant - Modification of oil room vertical clarifier - Modification of sterilizer <p>Sujan:</p> <ul style="list-style-type: none"> - Appointment of additional MA <p>Jiba:</p> <p>Construction of premix area with triple rinsing facilities and workers wash room</p> | Complied |

Appendix B: Approved Time Bound Plan

Keresia Plantations Sdn Bhd operates one palm oil mill and three estates. Palm Oil Mill, two estates and associated smallholder are certified since 2010. Kubud estate was planted in 2012 without prior HCV assessment. This issue was brought to RSPO voluntarily by the company to RSPO Technical Director on 17 September 2013. This area is under compensation mechanism and not certified. The timeline to certify Kubud Estate is depends on the approval of the Keresia Plantations Sdn Bhd’s compensation proposal by RSPO.

| No. | Production Units | Location | Status | TBP | Remark |
|-----|---------------------------|--|---|--|---|
| 1 | Keresia Plantation | | | To be completed by 2020 based on ACOP 2015 | Company leased land from community and developed into oil palm Sg Kubud Estate to help the community. The land was opened by community since early 1900 through shifting cultivation. Kubud Estate yet to be included in the TBP because the community developed the land without prior HCV. This case was voluntarily reported to RSPO by Keresia and we are in the process of getting exemption from RSPO due to the land was originally cleared through shifting cultivation in early 1990s by the community and belongs to the community through Native Customary Right. Pending resolution by RSPO. |
| | Sujan Estate | Lavang Land District, Bintulu, Sarawak | Certified in 2010 | | |
| | Jiba Estate | Lavang Land District, Bintulu, Sarawak | Certified in 2010 | | |
| | Sg Kubud Estate | Lavang Land District, Bintulu, Sarawak | Pending for compensation proposal by RSPO | | |

Appendix C: Certification Unit RSPO Certificate Details

Keresia Plantations Sdn Bhd
Lot 1, Block 17, Lavang Land District
97000 Bintulu
Sarawak, Malaysia
RSPO membership number: 1-0077-09-000-00

BSI RSPO Certificate No. : RSPO 559278
Date of Initial Certificate Issued: 21/10/2010
Date of Expiry: 20/10/2020
Applicable Standards: RSPO P&C MYNI-2014; RSPO Supply Chain Certification Standard November 2014 Module E – CPO Mills: Mass Balance)

| Keresia Palm Oil Mill and Supply Base | | | | | |
|--|--|---------------|----------------|--|----------------------------|
| Location Address | Keresia Plantations Sdn Bhd, Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia | | | | |
| GPS Location | 113° 35' 59.1 E ; 03° 09' 49.6" N | | | | |
| CPO Tonnage Total | 23,829 mt | | | | |
| PK Tonnage Total | 5,016 mt | | | | |
| CPO Claimed for Certification* | 23,829 mt | | | | |
| PK Claimed for Certification * | 5,016 mt | | | | |
| Own estates FFB Tonnage | 123,600 mt | | | | |
| Scheme Smallholder FFB Tonnage | 1,800 mt | | | | |
| Estates | Production Area | | Other use (ha) | Certified Area / Total land lease (ha) | Annual FFB Production (mt) |
| | Mature (ha) | Immature (ha) | | | |
| Sujan Estate | 3,078.08 | 0 | 464.62 | 3,542.70 | 75,600.00 |
| Jiba Estate | 2,268.82 | 0 | 211.48 | 2,480.30 | 48,000.00 |
| Estate Total | 5,346.90 | 0 | 676.10 | 6,023.00 | 123,600.00 |
| KSGS | 101.71 | 0 | 0 | 101.71 | 1,800.00 |
| Grand Total | 5,448.61 | 0 | 676.10 | 6,124.71 | 125,400.00 |

Appendix D: Assessment Plan

| Date | Time | Subjects | Hafiz | Hafri | Kelvin |
|-------------------------|------------------------|---|-------|-------|--------|
| Monday, 02/10/2017 | 05.30pm - 07.35 pm | Audit Team travelling to Bintulu via MH 2746 Check in hotel at Bintulu | √ | √ | √ |
| Tuesday, 03/10/2017 | 06.30 am | Audit team travel from Bintulu to Keresia Plantation | √ | √ | √ |
| | 08.30 am | Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). Verification on previous audit findings | √ | √ | √ |
| | 09.00 am – 12.00 pm | Keresia Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc. | √ | √ | √ |
| | | RSPO Supply Chain for CPO mill, weighbridge and storage area. | - | √ | - |
| | 12.00 pm – 01.00 pm | LUNCH | | | |
| | 01.00 pm – 04.30 pm | Keresia Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities. | √ | √ | √ |
| | 04.30 pm – 05.00 pm | Interim Closing Briefing | √ | √ | √ |
| Wednesday 04/10/2017 | 08.30 am – 12.00 pm | Sujan Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc. | √ | √ | √ |
| | 09.30 am – 12.00 pm | Meeting with stakeholders (Government, village rep,smallholders, Union Leader, contractor etc.) | - | - | √ |
| | 12.00 pm – 01.00 pm | LUNCH | | | |

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| Date | Time | Subjects | Hafiz | Hafri | Kelvin |
|------------------------|---------------------|--|-------|-------|--------|
| | 01.00 pm – 04.30 pm | Sujan Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc). | √ | √ | √ |
| | 04.30 pm – 05.00 pm | Interim Closing Briefing | √ | √ | √ |
| Thursday 05/10/2017 | 08.30 am – 12.00 pm | Jiba Estate & KSGS Smallholders 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 pm – 01.00 pm | LUNCH | | | |
| | 01.00 pm – 04.30 pm | Jiba Estate & KSGS Smallholders 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). | √ | √ | √ |
| | 04.30 pm – 05.00 pm | Interim Closing Briefing | √ | √ | √ |
| Friday 06/10/2017 | 08.30 am – 10.30 pm | KSGS Smallholders Document audit continues for KSGS Smallholders | √ | √ | √ |
| | 10.30 am – 11.30 am | Verify any outstanding issues & Preparation for closing meeting | √ | √ | √ |
| | 11.30 am – 12.00 pm | Closing meeting | √ | √ | √ |
| | 12.00 pm | Lunch and travelling back to Bintulu | √ | √ | √ |
| | 08.10 pm | Audit team travel back to KL via MH 2747 | √ | √ | √ |

Appendix E: Stakeholders Contacted

Internal Stakeholders

| | | |
|---|--|--|
| <ul style="list-style-type: none"> - Keresia Plantations Sdn. Bhd. management team - TQM Executives - Medical Assistant - Crèche Attendants - Female worker - Gender committee chairman - Foreign worker’s representatives | <ul style="list-style-type: none"> - Quarry contractor - CPO & PK transporters | |
|---|--|--|

External Stakeholders

| | | |
|---|-------------------------------|--|
| <p>Government Departments</p> <ul style="list-style-type: none"> - Jabatan Tenaga Kerja Officer | <p>NGOs and others</p> | <p>Local Communities</p> <p>TR Majang KSGS Smallholder</p> <ul style="list-style-type: none"> - Ramba Ak Amal - Naun Ak Jampang - Angkin Ak Jampang - Abang Ak Belawan - Libau Ak Mapang |
|---|-------------------------------|--|

Appendix F: CPO Mill Supply Chain Assessment Report (Module E: Mass Balance)

| Requirements | Compliance |
|--|---|
| E.1 Definition | |
| <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>Keresia Palm Oil Mill receives and process both certified and noncertified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&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> |
| E.2 Explanation | |
| <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&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>Sample contract Palm kernel/RSPO MB Purchase Client PGEO Marketing Sdn Bhd Commodity Palm Kernel/RSPO MB, In Bulk Buyer Bintulu Edible Oils Sdn Bhd</p> <p>Contract no.: BEO/36P1708/0062L Date: 22/8/2017</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> |
| E.3 Documented procedures | |
| <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>Keresia mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to verify the receiving documents to differentiate the certified and non-certified FFB received. The person in charge is the mill manager assisted by assistant mill manager and weighbridge clerk.</p> <p>Sighted from file KMSB ISCC/RSPO/MSPO SOP, the procedures detailing the processes as following:</p> <ul style="list-style-type: none"> - Internal Audit - Management Review - Mass Balance - GHG Calculation - Traceability - 1) Mass Balance Procedure (CPO) - 2) Mass Balance Procedure (PK) |
| <p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p> | <p>Keresia 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. However, the implementation of supply chain procedure requirements not fully ensured. The following was sighted:</p> <p>i) Description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations) for CPO sales ticket no.: 004674 dated: 25/9/2017 was</p> |

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| | |
|---|--|
| | <p>wrongly written as CPO PQ and not included in rubber stamp. ii) Supply chain certificate number for PK sales ticket no.: 004692 dated: 29/9/2017 was wrongly written as SPO 559278.</p> <p>Hence, a major noncompliance has been raised.</p> |
| E.4 Purchasing and goods in | |
| E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received. | Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and noncertified FFB. Records verified by internal and external audit. |
| E.4.2 The site shall inform the CB immediately if there is a projected overproduction. | The facilities aware of this procedure. |
| E.5 Record keeping | |
| 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.(ie product can be sold before it is in stock.) | <p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and noncertified FFB.</p> <p>Computerized system in place. Records verified by internal and external audit.</p> <p>Computerized system in place with the delivery deducted accordingly.</p> <p>The Mill aware that only positive stock can be delivered. No short selling.</p> |
| 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. |

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Actual Certified Palm Production – October 2016 – September 2017 (ASA2 1)

| Mill | Processing Capacity | CPO | PK |
|-----------------------|---------------------|-----------|----------|
| Keresia Palm Oil Mill | 30 mt/hr | 22,509.76 | 4,738.90 |

Actual Sales of Certified Palm Products – October 2016 – September 2017 (ASA2 1)

| Mill | CPO (Certified) | Remarks | PK (Certified) | Remarks |
|-----------------------|-----------------|---------|----------------|---------|
| Keresia Palm Oil Mill | 1,467.68 mt | CSPO | 2,046.82 mt | CSPK |

Actual Sales of Other Schemes Certified– October 2016 – September 2017 (ASA2 1)

| Mill | CPO (Certified) | Remarks | PK (Certified) | Remarks |
|-----------------------|-----------------|---------|----------------|---------|
| Keresia Palm Oil Mill | 20,622.97 mt | PO | - | - |

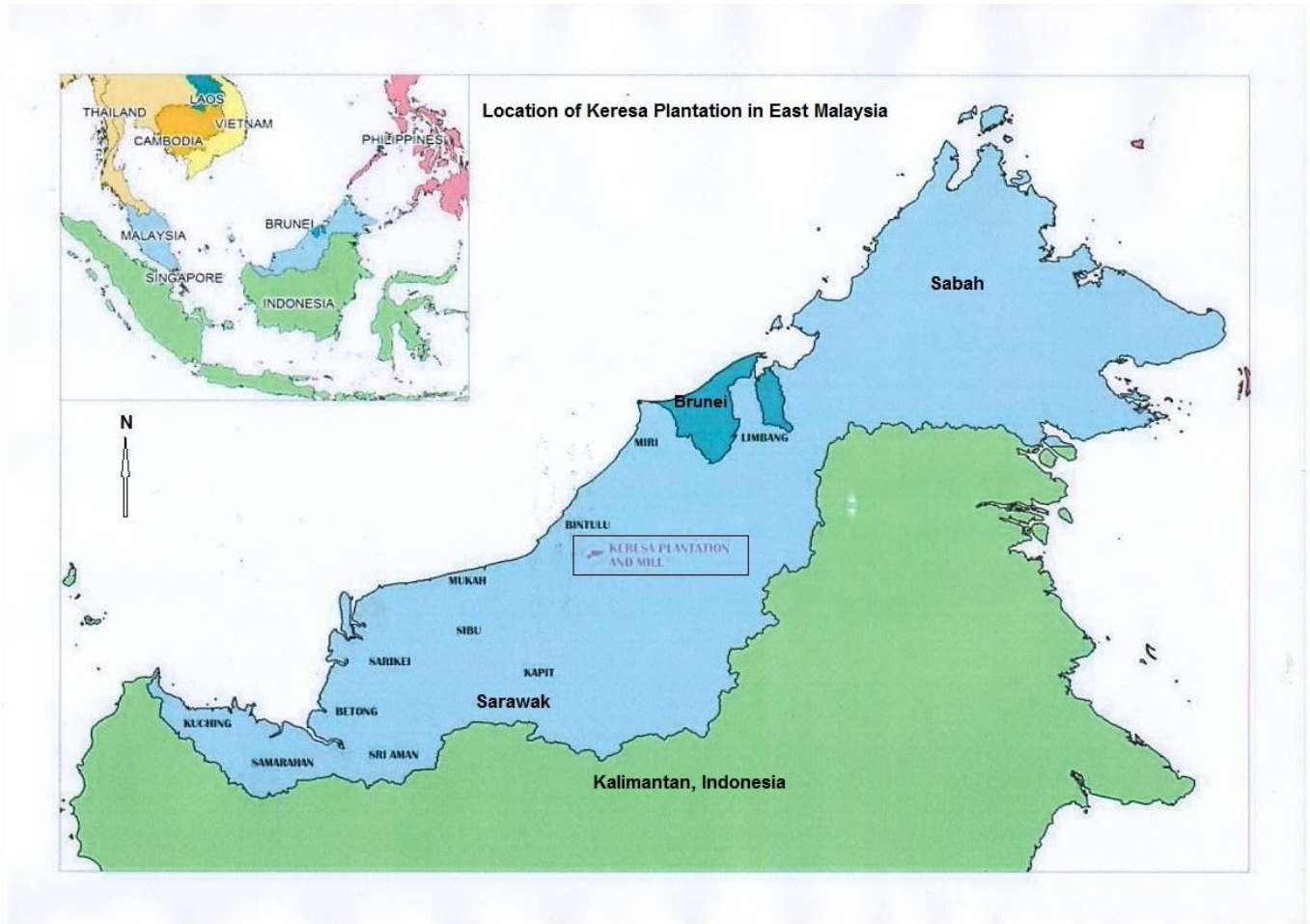
Actual Sales Conventional– October 2016 – September 2017 (ASA2 1)

| Mill | CPO | Remarks | PK | Remarks |
|-----------------------|-----------|---------|-------------|---------|
| Keresia Palm Oil Mill | 419.11 mt | CPO | 2,692.08 mt | CPK |

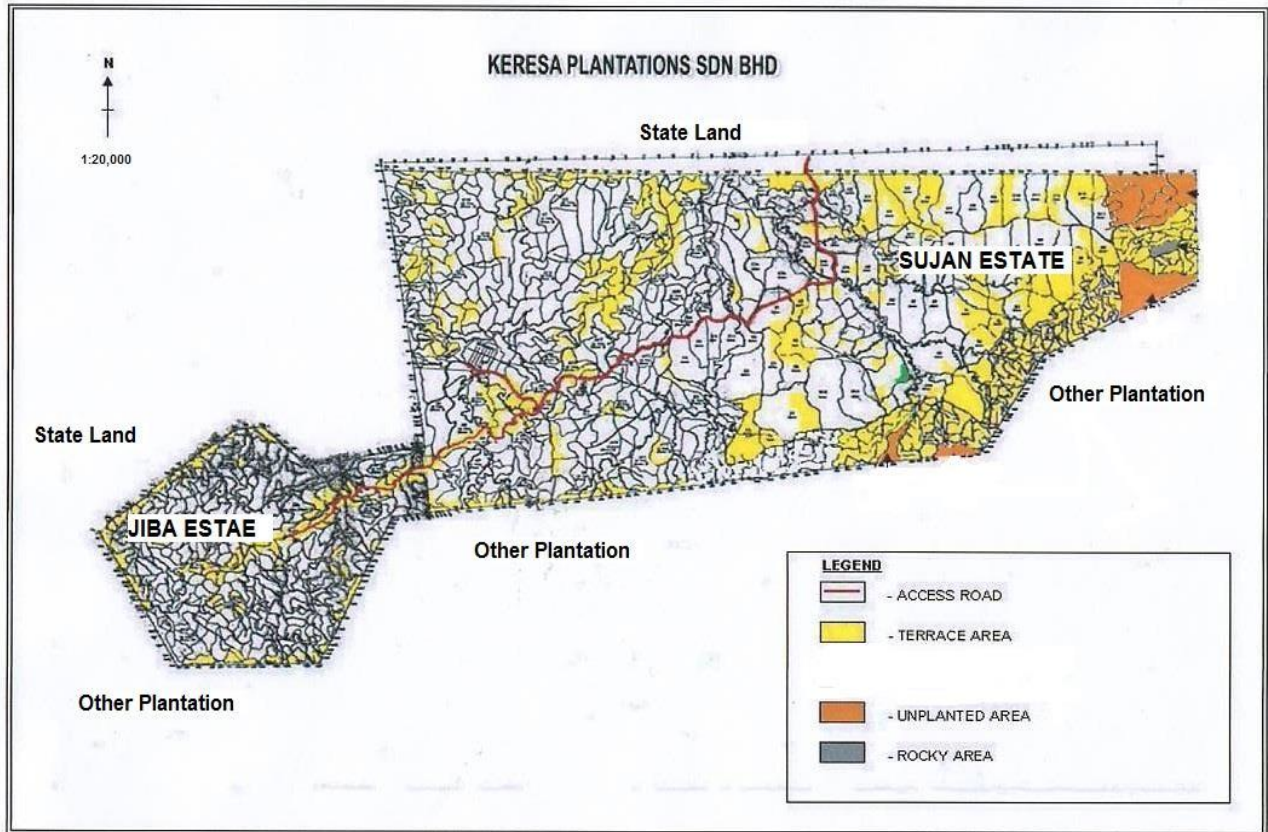
mt

| Month | Certified Supply Base (from own certificate scope) (mt) | | | Total FFB/Month (mt) |
|-----------|---|-------------|------------------|----------------------|
| | Sujan Estate | Jiba Estate | KSGS Smallholder | |
| Oct 2016 | 6,350.94 | 4,415.20 | 87.22 | 10,853.36 |
| Nov 2016 | 6,167.82 | 4,260.58 | 92.14 | 10,520.54 |
| Dec 2016 | 5,783.27 | 4,442.09 | 58.04 | 10,283.40 |
| Jan 2017 | 5,541.40 | 4,116.22 | 98.81 | 9,756.43 |
| Feb 2017 | 5,271.14 | 4,011.56 | 67.36 | 9,350.06 |
| Mar 2017 | 5,276.57 | 3,909.61 | 70.79 | 9,256.97 |
| Apr 2017 | 4,601.55 | 3,329.44 | 89.11 | 8,020.10 |
| May 2017 | 5,335.94 | 3,838.64 | 92.53 | 9,267.11 |
| June 2017 | 5,726.12 | 3,637.89 | 106.99 | 9,471.00 |
| July 2017 | 6,018.52 | 4,027.40 | 113.25 | 10,159.17 |
| Aug 2017 | 6,357.25 | 4,001.75 | 123.02 | 10,482.02 |
| Sept 2017 | 6,506.54 | 4,320.87 | 122.87 | 10,950.28 |
| Total | 68,937.06 | 48,311.25 | 1,122.13 | 118,370.44 |

Appendix G: Location Map of Keresia Palm Oil Mill Certification Unit and Supply bases



Appendix H: Sujan and Sujan Estate Field Map



Appendix I: List of Smallholder Sampled

| No. | Area/ District | State | Smallholder Block Number | Name of Registered Smallholder (as per Land Title) | License / Permits | | | Land Title | | | |
|-----|-------------------|---------|--------------------------------|--|----------------------------|----------------|--|--------------------------|---|---|--|
| | | | | | License No./ Permit No. | Expiry Date | Total Farm Size Registered / Ha | Type of Land Title | Land Status (Disputed/ Non Disputed) | Land Use Purpose stated on title (if applicable) | Total Hectares stated on title / Ha |
| 1 | Lot1/block17 | Sarawak | RM | Balawan Ak Ngangau / Abang Ak Belawan | 316750-301000 | 31/3/21 | 5.77 | NCR | Non-disputed | Menjual dan Mengalih FFB | 5.77 |
| 2 | Lot1/block17 | Sarawak | RM | Naun Ak Jampang | 316744-901000 | 31/3/21 | 4.61 | NCR | Non-disputed | Menjual dan Mengalih FFB | 4.61 |
| 3 | Lot1/block17 | Sarawak | RM | Libau Ak Mapang | 468552-901000 | 30/4/21 | 5.13 | NCR | Non-disputed | Menjual dan Mengalih FFB | 5.13 |
| 4 | Lot1/block17 | Sarawak | RM | Ramba ak Amal | 316752-001000 | 30/4/20 | 19.77 | NCR | Non-disputed | Menjual dan Mengalih FFB | 19.77 |
| 5 | Lot1/block17 | Sarawak | RM | Angking anak Jampang | 316759-701000 | 30/4/21 | 6.76 | NCR | Non-disputed | Menjual dan Mengalih FFB | 6.76 |
| 6 | Lot1/block17 | Sarawak | RM | Ghani Ak Asun | 462189-001000 | 31/1/21 | 3.45 | NCR | Non-disputed | Menjual dan Mengalih FFB | 3.45 |
| 7 | Lot1/block17 | Sarawak | RI | Asin Anak Jimbun | 478893-001000 | 31/10/21 | 2.07 | NCR | Non-disputed | Menjual dan Mengalih FFB | 2.07 |
| 8 | Lot1/block17 | Sarawak | RI | Buda Ak Etin | 458152-901000 | 31/10/20 | 2.50 | NCR | Non-disputed | Menjual dan Mengalih FFB | 2.50 |
| 9 | Lot1/block17 | Sarawak | RI | Ko Ak Babai | 467659-701000 | 30/4/21 | 2.07 | NCR | Non-disputed | Menjual dan Mengalih FFB | 2.07 |
| 10 | Lot1/block17 | Sarawak | RL | Munan Ak Ngalambong | 449254-201000 | 31/3/20 | 4.77 | NCR | Non-disputed | Menjual dan Mengalih FFB | 4.77 |
| 11 | Lot1/block17 | Sarawak | RB | Nancy Ak Uli | 316757-101000 | 30/4/21 | 13.45 | NCR | Non-disputed | Menjual dan Mengalih FFB | 13.45 |
| 12 | Lot1/block17 | Sarawak | RI | Jol Ak Bawong/Bawong Ak Uma | 478826-301000 | 31/10/21 | 2.55 | NCR | Non-disputed | Menjual dan Mengalih FFB | 2.55 |
| 13 | Lot1/block17 | Sarawak | RA | Uki Anak Nguang | 461614-401000 | 31/1/21 | 12.5 | NCR | Non-disputed | Menjual dan Mengalih FFB | 12.5 |
| 14 | Lot1/block17 | Sarawak | RA | Atang Anak Encharang | 402896-001000 | 31/1/22 | 3.73 | NCR | Non-disputed | Menjual dan Mengalih FFB | 3.73 |

Low risk: $(0.8\sqrt{14}) \times (1)$: 3 smallholders were sampled

Appendix K: GHG Reporting Executive Summary

The GHG emissions that were produced in 2016 for Keresia Palm Oil Mill and supply base was calculated using the GHGpalm Calculator version 3.0. The assessment team had verified the data input in the GHGpalm Calculator against operations records. Palm GHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

- i. Estates area planted data
- ii. Fuel consumed
- iii. Mill datas include CPO produced, PKO Produced and FFB Processed
- iv. Fertilizer consumed data for both estates and smallholders.

The summary of the Net GHG emitted in 2016 for Keresia Palm Oil Mill mill and supply base are as following:

| Emission per product | tCO ₂ e/tProduct |
|----------------------|-----------------------------|
| CPO | 1.79 |
| PKO | 1.79 |

| Extraction | % |
|------------|-------|
| OER | 20.09 |
| KER | 4.16 |

| Production | t/yr |
|--------------|------------|
| FFB Process | 255,760.41 |
| CPO Produced | 51,388.97 |
| PKO Produced | 10,650.44 |

| Land Use | Ha |
|-----------------------------|-----------------|
| OP Planted Area | 8,597.13 |
| OP Planted on peat | 1,089.61 |
| Conservation (forested) | 0 |
| Conservation (non-forested) | 66.25 |
| Total | 9,752.99 |

Summary of Field Emission and Sink

| | Own Crop* | | Group | | 3 rd Party | | Total | |
|---|--------------------|--------------------------|--------------------|--------------------------|-----------------------|--------------------------|--------------------|--------------------------|
| | tCO ₂ e | tCO ₂ e / FFB | tCO ₂ e | tCO ₂ e / FFB | tCO ₂ e | tCO ₂ e / FFB | tCO ₂ e | tCO ₂ e / FFB |
| Emission | | | | | | | | |
| Land Conversion | 57,401.68 | 0.33 | 0 | 0 | 1,099.37 | 0.37 | 58,501.05 | 0.70 |
| CO ₂ Emissions from Fertiliser | 3,892.48 | 0.03 | 0 | 0 | 0.02 | 0 | 3,892.50 | 0.05 |
| N ₂ O Emissions | 14,342.38 | 0.07 | 0 | 0 | 0.04 | 0 | 14,342.42 | 0.11 |
| Fuel Consumption | 595.33 | 0 | 0 | 0 | 22.09 | 0.01 | 617.42 | 0.01 |
| Peat Oxidation | 59,492.16 | 0.23 | 0 | 0 | 0 | 0 | 59,492.16 | 0.23 |
| Sink | | | | | | | | |
| Crop Sequestration | -54,409.17 | -0.31 | 0 | 0 | -1,042.05 | -0.35 | -55,451.22 | -0.66 |
| Sequestration in Conservation Area | -607.51 | 0 | 0 | 0 | 0 | 0 | -607.51 | 0 |
| Total | 80,707.35 | 0.35 | 0 | 0 | 79.47 | 0.03 | 80,786.82 | 0.38 |

*Note: Includes both estates and smallholders

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Summary of Mill Emission and Credit

| | tCO ₂ e | tCO ₂ e/tFFB |
|------------------------------|--------------------|-------------------------|
| Emission | | |
| POME | 29,938.74 | 0.12 |
| Fuel Consumption | 454.23 | 0 |
| Grid Electricity Utilisation | 417.05 | 0 |
| Credit | | |
| Export of Grid Electricity | -148.48 | 0 |
| Sales of PKS | -621.24 | 0 |
| Sales of EFB | 0 | 0 |
| Total | 30,040.30 | 0.12 |

Summary of Kernel Crusher Emission and Credit (if applicable)

| Emissions | tCO ₂ e |
|--------------------------------|--------------------|
| PK from own mill | 19,025.93 |
| PK from other source | 0 |
| Fuel Consumptions | 0 |
| Total Crusher emissions | 0 |

*This mill has no kernel crusher operation.

| Palm Oil Mill Effluent (POME) Treatment: | |
|---|-----|
| Divert to Compost (%) | 0 |
| Divert to anaerobic diversion (%) | 100 |

| POME Diverted to Anaerobic Digestion: | |
|--|-----|
| Divert to anaerobic pond (%) | 100 |
| Divert to methane captured (flaring) (%) | 0 |
| Divert to methane captured (energy generation) (%) | 0 |

Appendix L: List of Smallholder Sampled

KSGS Smallholder

1. Ramba Ak Amal
2. Naun Ak Jampang
3. Angkin Ak Jampang
4. Abang Ak Belawan
5. Libau Ak Mapang

Appendix J: 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 |
| HCV | High Conservation Value |
| HIRARC | Hazard Identification, Risk Assessment and Risk Control |
| IPM | Integrated Pest Management |
| ISCC | International Sustainable Carbon Certification |
| JTK | Jabatan Tenaga Kerja |
| KER | Kernel Extraction Rate |
| MPOA | Malaysian Palm Oil Association |
| MPOB | Malaysian Palm Oil Board |
| MPOM | Melewar Palm Oil Mill |
| MSDS | Material Safety Data Sheet |
| MSPO | Malaysian Sustainable Palm Oil |
| MY-NI | Malaysian National Interpretation |
| NGO | Non Governmental Organisation |
| OER | Oil Extraction Rate |
| OSH | Occupational Safety & Health |
| PK | Palm Kernel |
| PKO | Palm Kernel Oil |
| POM | Palm Oil Mill |
| POME | Palm Oil Mill Effluent |
| PPE | Personal Protective Equipment |
| RED | Renewable Energy Directive |
| RSPO | P&C Roundtable on Sustainable Palm Oil Principle & Criteria |
| SCCS | Supply Chain Certification Standard |
| SEIA | Social & Environmental Impact Assessment |
| SHO | Safety and Health Officer |
| SIA | Social Impact Assessment |
| SOP | Standard Operating Procedure |
| TBP | Time Bound Plan |
| WTP | Water Treatment Plant |