

**RSPO PRINCIPLE AND CRITERIA –
RECERTIFICATION ASSESSMENT (RC_2)
Public Summary Report**

Kulim (Malaysia) Berhad
Head Office: K.B 705, 80990 Johor Bahru Johor, Malaysia
Certification Unit: Palong Cocoa Palm Oil Mill K.B. 504, 85009 Segamat Johor, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0080-09-000-00	Membership Approval Date	15/06/2009
Parent Company Name	Johor Corporation		
Address	K.B 705, 80990 Johor Bahru, Johor, Malaysia		
Subsidiary (Certification Unit Name)	Kulim (Malaysia) Berhad Palong Cocoa Palm Oil Mill		
Address	K.B. 504, 85009 Segamat, Johor, Malaysia		
Contact Name	Mrs Salasah Elias		
Website	www.kulim.com.my	E-mail	salasah@kulim.com.my
Telephone	+607-8611611	Facsimile	+607-8631084

2. Certification Information			
Certificate Number	RSPO 613087	Date of First Certification	23/01/2009
		Certificate Start Date	23/01/2019
		Certificate Expiry Date	22/01/2024
Scope of Certification	Palm Oil and Palm Kernel Production from Palong Cocoa Palm Oil Mill and Supply Base (Palong, Mungka, Kemedak, Sepang Loi, UMAC and Labis Bahru Estate)		
Applicable Standards	RSPO P&C MY-NI 2014; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module D)		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
MY-AR 1816	ISO 9001:2008	SIRIM QAS International Sdn Bhd	10/11/2019
A76502	MS 1500:2009	JAKIM	15/06/2019
EU-ISCC-Cert-DE119-60186780	ISCC	ASG Cert	08/05/2019

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS Coordinates	
		Latitude	Longitude
Palong Cocoa Palm Oil Mill	K.B. 504, 85009 Segamat, Johor, Malaysia	2° 42' 23.09" N	102° 47' 6.04" E

Palong Estate	Segamat, Johor, Malaysia	2°44' 55.89" N	102° 44' 55.53" E
Mungka Estate	Segamat, Johor, Malaysia	2° 41' 15.44" N	102° 47' 8.35" E
Kemedak Estate	Segamat, Johor, Malaysia	2° 42' 47.03" N	102°46' 7.28" E
Sepang Loi Estate	Segamat, Johor, Malaysia	2° 41' 32.09" N	102° 49' 4.08" E
UMAC Estate	Bandar Tun Razak, Pahang, Malaysia	2° 53' 3.31" N	102° 48' 23.94" E
Labis Bahru Estate	Segamat, Johor, Malaysia	2° 25' 49.29" N	102° 52' 27.92" E

5. Description of Supply Base

Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Palong Estate	1,829.89	5.68	80.08	1,915.65	95.52
Mungka Estate	1,746.50	67.88	133.68	1,928.06	90.58
Kemedak Estate	1,691.69	15.06	79.52	1,786.27	94.71
Sepang Loi Estate	899.92	12.69	57.60	970.21	92.76
UMAC Estate	1,549.81	2.24	58.01	1,610.06	96.26
Labis Bahru Estate	1,945.51	14.53	148.12	2,108.16	92.28
Total	9,663.32	118.08	557.01	10,318.41	93.69

Remarks:

The different in the hectarage due to the resurvey by our R&D Department.

6. Plantings & Cycle

Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Palong Estate	0	1,634.53	195.36	0	0	1,829.89	0
Mungka Estate	0	1,063.13	683.37	0	0	1,746.50	0
Kemedak Estate	0	1,165.03	526.66	0	0	1,691.69	0
Sepang Loi Estate	0	0	899.92	0	0	899.92	0
UMAC Estate	0	173.89	1,353.24	22.68	0	1,549.81	0
Labis Bahru Estate	0	247.69	1,428.16	269.66	0	1,945.51	0
Total (ha)	0	4,284.27	5,086.71	292.34	0	9,663.32	0

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7. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (January 2018 – December 2018)	Actual (November 2017 - September 2018)	Forecast (January 2019 - December 2019)
Palong Estate	28,496.00	26,519.38	44,918.90
Mungka Estate	31,264.00	31,345.74	44,294.90
Kemedak Estate	29,835.00	28,968.50	43,803.50
Sepang Loi Estate	19,151.00	20,477.72	26,716.30
UMAC Estate	31,996.00	25,486.70	48,305.40
Labis Bahru Estate	36,334.00	37,569.56	51,936.30
Total	177,076.00	170,367.71	259,975.30

8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *			
Estate	Tonnage / year		
	Estimated (January 2018 – December 2018)	Actual (November 2017 - September 2018)	Forecast (January 2019 - December 2019)
N/A			
Total			

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (January 2018 – December 2018)	Actual (November 2017 - September 2018)	Forecast (January 2019 - December 2019)
N/A			
Total			

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10. Certified Tonnage			
	Estimated (January 2018 – December 2018)	Actual (November 2017 - September 2018)	Forecast (January 2019 - December 2019)
Mill Capacity: 40 MT/hr	FFB	FFB	FFB
	177,076.00 mt	170,367.71 mt	259,975.30 mt
SCC Model: IP	CPO (OER: 21.08%)	CPO (OER: 20.75%)	CPO (OER: 21.00%)
	53,049.13 mt	35,348.38 mt	54,597.00 mt
	PK (KER: 5.00%)	PK (KER: 5.35%)	PK (KER: 5.10%)
	12,624.70 mt	9,111.39 mt	13,259.00 mt
Remarks: Extension volume of CSPO and CSPK approved on 23/10/2018 as below: CSPO: 15,719.13 MT CSPK: 3,771.70 MT			

11. Actual Sold Volume (CPO) (November 2017 – September 2018)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	12,537.44	Nil	Nil	21,777.26	34,314.70
Remarks: * Nov 2017 – Dec 2017 : Sold CPO -2,535.23 mt (conventional) and 3,926.67 mt (RSPO Certified) * Jan 2018 – Sep 2018 : Sold CPO -19,242.03 mt (conventional) and 8,610.77 mt (RSPO certified)					

12. Actual Sold Volume (PK) (November 2017 – September 2018)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	1,385.12	Nil	Nil	7,647.39	9,032.51
Remarks: * Nov 2017 – Dec 2017 : Sold PK -2,061.78mt (conventional) and 405.46mt (RSPO Certified) * Jan 2018 – Sep 2018 : Sold PK -5,585.62mt (conventional) and 979.66mt (RSPO certified)					

13. Actual Group certification Claims (November 2017 – September 2018)		
	Credit	Physical Volume (MT)
IS-CSPO	-	-
IS-CSPKO	-	-
IS-CSPKE	-	-

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: ASI-ACC-067)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
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BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 180 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta and Australia which involve in RSPO Certification Program.

2.1 Assessment Methodology, Programme, Site Visits

The on-site re-certification assessment was conducted from 22/10 - 25/10/2018. 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 (Mungka & UMAC 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 Major NC close out on-site assessment was conducted on 16/1/2019. The audit programmes are included in Section 2.3.

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 & Criterias 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2017 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 minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (0.8\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment
- As for the smallholders, the sample were determined following the RSPO Management System Requirements and Guidance for Group Certification of FFB Production (2016). The sampling of smallholders were based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix M.

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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.

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 Section 3.5.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment/annual surveillance assessment are detailed in Section 3.4.

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.

For Initial and Re-certification assessment, the report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

For Annual surveillance assessment, the report was internally reviewed and approved by BSI qualified certification reviewer.

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Recertification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 4)	Year 5 (ASA 5)
Palong Cocoa Palm Oil Mill	✓	✓	✓	✓	✓
Palong Estate	-	✓	-	-	✓
Mungka Estate	✓	-	-	✓	-
Kemedak Estate	-	-	✓	-	-
Sepang Loi Estate	-	-	✓	-	-
UMAC Estate	✓	-	-	✓	-
Labis Bahru Estate	-	✓	-	-	✓

Tentative Date of Next Visit: September 30, 2019 - October 3, 2019

Total No. of Mandays: 10 mandays (including 1 day for mill - SC audit)

2.2 BSI Assessment Team:

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Hu Ning Shing (HNS)	Team Leader	She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in her previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social, legal, SCC for Palm Oil Mill and workers & stakeholders consultation. She is fluent in Bahasa Malaysia and English languages.
Mohd Hafiz Mat Hussain (MH)	Team member	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 140001, 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, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2016. He had been involved in ISO 9001, ISO 14001 and OHSAS 18001 auditing since May 2013 within Malaysia, Brunei, Indonesia and RSPO auditing within Malaysia, Papua New Guinea, Solomon Islands, Gabon and Liberia. During this assessment, he assessed on the aspects of legal, estate & mill best practices, SCC for Palm Oil Mill, safety and health and workers consultation. He is fluent in Bahasa Malaysia and English languages.
Muhamad Naquiuddin Mazeli (MN)	Team member	He hold Bachelor of Science Horticulture at University Putra Malaysia. He has 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement and monitors the RSPO, ISCC, MSPO and ISO9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He is a trained as Safety and Health Officer, Food Safety System (FSSC and ISO 22000) for Mill and refineries, ISO 9001, ISO 45001 and already attend HCV training with Proforest. 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. During this assessment, he assessed on the aspects of legal, estate best practices, environmental & waste Management and workers consultation. He is fluent in Bahasa Malaysia and English languages.

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Accompanying Persons:

No.	Name	Role
1.	Ronnie Tan (RT)	Observer

2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

PRELIMINARY AGENDA						
Date	Time	Subjects	HNS	MH	MN	RT
Monday 22/10/2018 Palong Cocoa Palm Oil Mill	AM	Audit team travelling to Palong Cocoa POM	√	√	-	-
	1300 - 1330	Opening Meeting: • Opening Presentation by Audit Team Leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). • Verification on previous audit findings	√	√	-	-
	1330 - 1730	Supply chain audit for Palong Cocoa POM • General COC for supply chain • RSPO rules communication and claim • Module D: Identity Preserved	√	√	-	-
	PM	Audit team travelling to Segamat (VIP Hotel)	√	√	√	√
Tuesday 23/10/2018 UMAC Estate	0900 - 1200	UMAC 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.	√	√	√	√
	1100 - 1200	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-	-	√
	1200 - 1300	Lunch	√	√	√	√
	1300 - 1630	UMAC 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).	√	√	√	√
	1630 - 1700	Interim Closing Briefing	√	√	√	√

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PRELIMINARY AGENDA						
Date	Time	Subjects	HNS	MH	MN	RT
Wednesday 24/10/2018	0830 - 1200	Palong Cocoa 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. Visit to laboratory, weighbridge and palm product storage area.	√	√	√	√
	1000 - 1100	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-	-	√
	1200 -1300	Lunch	√	√	√	√
	1300 - 1630	Palong Cocoa Palm Oil Mill Document Review P1 - P8: SOPs. 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.	√	√	√	√
	1630 - 1700	Interim Closing Briefing	√	√	√	√
Thursday 25/10/2018	0830 - 1200	Mungka 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.	√	√	√	-
	1200 -1300	Lunch	√	√	√	-
	1300 - 1600	Mungka 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).	√	√	√	-
	1600 - 1630	Verify any outstanding issues & Preparation for closing Meeting	√	√	√	-
	1630 - 1730	Closing Meeting	√	√	√	-

On-site Verification Assessment Plan

PRELIMINARY AGENDA			
Date	Time	Subjects	Hafri
Wednesday 16/01/2019 Palong Cocoa Palm Oil Mill	14.00	Arrival of assessor(s)	✓
	14.10 – 14.30	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). 	✓
	14.30 – 16.30	Palong Cocoa Palm Oil Mill verify the effectiveness of corrective action with evidence of implementation and close of following Major NCs: i) 1693979-201810-M1 (visit to UMAC Estate if required) ii) 1693979-201810-M2 (visit to Estate if required) iii) 1693979-201810-M3 (visit to Mungka Estate if required)	✓
	16.30 – 17.00	Closing meeting	✓

Section 3: Assessment Findings

3.1 Normative requirement applied for this assessment:

- Kulim (Malaysia) Berhad Multiple Management Units / Time Bound Plan
- RSPO P&C 2013 Generic
- RSPO Group Certification Standard 2016
- RSPO Supply Chain Certification Standard 2017
- RSPO P&C GA-NIWG 2017
- RSPO P&C INA-NIWG 2016
- RSPO P&C MY-NIWG 2014
- RSPO P&C PNG-NIWG 2017

3.2 Time Bound Plan progress for multiple management units

Time Bound Plan		
Requirement	Remarks	Compliance
Does the plan include all current subsidiaries, estates and mills?	Yes we include : For Malaysia the group estate have been completed certified. For Indonesia, PT Win (PT SSR, PT HBS, and PT WSK) was completed disposal on December 2017. Currently Kulim acquire PT TPR and PT Raj was now under rehabilitation process.	Yes
Have all the estates and mills certified within five years after obtaining RSPO membership?	Yes, Kulim group certified within 5 years.	Yes
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available.	Yes, Kulim have a new acquire PT TPR and PT RAJ in September 2016. Currently not certified and was under rehabilitation for 5 years.	Yes
Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?	No changes	Yes
Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised.	There is no isolated lapse in Time Bound Plan except for smallholder proposed certification program that halted due to unstable supply to the mill.	Yes
Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised	Yes, failure to certify all smallholder as per time bond plan due to various problem i.e. insufficient budget by smallholder and etc.	Yes
Have there been any stakeholder comments?	So far there no comments received.	Yes
Un-Certified Units or Holdings		
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. 	So far no new planting that replaced primary forest.	Yes
Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure.	No new planting activities within all uncertified unit.	Yes

Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6. The RSPO RaCP tracker shall be checked to confirm for any land conflicts/Liabilities https://www.rspo.org/certification/remediation-and-compensation/racp-tracker . The progress on the Liabilities shall be verified and reported.	No land conflict within all uncertified units.	Yes
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.	No labour dispute within all uncertified units.	Yes
Any Legal non-compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	No legal non-compliance within all uncertified units.	Yes
Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.	RSPO internal audit assessment for all uncertified units been conducted and the report had been Submitted to all unit for improvement plan. The report indicated no systematic failures to proceed with implementation that should be raised as major Nonconformities.	Yes

3.3 Progress of scheme smallholders and/or outgrowers

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?	Not applicable	N/A

3.4 Details of findings

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

During the Certification Assessment there were three (3) Major & one (1) Minor nonconformities raised. The Palong Cocoa 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.

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 its effectiveness and closed accordingly.

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Summary of Total Number of Nonconformity																															
Nonconformity																															
NCR Ref #	1693979-201810-M1	Clause & Category (Major / Minor)	Indicator 2.1.1 Major																												
Date Issued	25/10/2018	Due Date	24/01/2019																												
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/01/2019																												
Statement of Nonconformity:	Compliance of legal requirements was not implemented effectively.																														
Requirement Reference:	Evidence of compliance with relevant legal requirements shall be available.																														
Objective Evidence:	<p>i) During site visit and document verification, found in UMAC estate and Palong POM is not followed Environmental Quality (Scheduled waste) Reg 2005 scheduled 5th (Inventory) for SW 404. The Inventory for SW 404 is not available for UMAC estate and Palong POM. In UMAC estate SW 408 is been identified generate by estate in Waste management plan however during verification implementation no Inventory record of SW 408 is available.</p> <p>ii) Document reviewed in Palong Cocoa POM found that workers sampled below have worked more than 104 hours of overtime per month without obtain approval from Labour Department:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Employee No.</th> <th>Month</th> <th>Total Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="2">637024</td> <td>November 2017</td> <td>249.5</td> </tr> <tr> <td>September 2018</td> <td>147</td> </tr> <tr> <td>637045</td> <td>November 2017</td> <td>160</td> </tr> <tr> <td>637141</td> <td>November 2017</td> <td>147</td> </tr> <tr> <td>637137</td> <td>November 2017</td> <td>219</td> </tr> <tr> <td>637154</td> <td>November 2017</td> <td>200.5</td> </tr> <tr> <td>637136</td> <td>November 2017</td> <td>203.5</td> </tr> <tr> <td rowspan="2">637151</td> <td>November 2017</td> <td>145</td> </tr> <tr> <td>September 2018</td> <td>242</td> </tr> </tbody> </table> <p>iii) Sampled of the workers whose permit was expired and under renewal process or in progress of application of permit for new workers during the time of audit. The permits which expired or not available as below:</p> <ol style="list-style-type: none"> a. Permit No.: PD 8685773 valid until 13/9/2018, submitted on 23/8/2018 (PCPOM) b. Permit No.: PD 6391991 valid until 1/9/2018, submitted on 19/8/2018 (ME) c. Permit No.: PD 8539971 valid until 1/4/2018, submitted on 23/4/2018 (ME's Contractor worker) d. Passport No.: B 5792093 who joined on 17/4/2017 (ME's Contractor worker) 			Employee No.	Month	Total Hours	637024	November 2017	249.5	September 2018	147	637045	November 2017	160	637141	November 2017	147	637137	November 2017	219	637154	November 2017	200.5	637136	November 2017	203.5	637151	November 2017	145	September 2018	242
Employee No.	Month	Total Hours																													
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637136	November 2017	203.5																													
637151	November 2017	145																													
	September 2018	242																													

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	<ul style="list-style-type: none"> e. Passport No.: B 5792096 who joined on 17/4/2017 (ME's Contractor worker) f. Passport No.: B 5792097 who joined on 17/4/2017 (ME's Contractor worker)
Corrections:	<ul style="list-style-type: none"> i) SW: <ul style="list-style-type: none"> a. Record of SW Inventory of SW404 and SW408 been updated as per each SW generated at both manual and e-SWIS. b. PCPOM management had train the HA on 26.10.2018 regarding the inventory recorded together with SW in charge person. ii) OT: <ul style="list-style-type: none"> a. Immediate application by mill to JTK for approval of permits more than 104 hours of overtime per month. iii) Permit: <ul style="list-style-type: none"> a. Follow up done with MyEG Setia Tropika, Johor Bahru on 31st October 2018 to enquire on the renewal approval status. Application status for SALMAN AT451544 was approved and delivered.
Root Cause Analysis:	<ul style="list-style-type: none"> i) The lack of understanding of the operator on the need to record the waste generated for SW 108 quantity even for the small sum of the waste generated, - for SW 408 sum is to small and cause the estate unsure to record the inventory. EHA at PCPOM were newly hired and not familiar with documentation related to clinical waste. ii) There are some late deliveries of FFB that were intermittently requested by the supply chain as to avoid backlog at estates that shall affect the quality. iii) The expired work permit were submitted for permit renewal process before its expiry date to Immigration through MyEG. No notification received from MyEG on the delay processing of the said passport despite effort made by FW unit to retrieve the reason of delay from Immigration and MyEG.
Corrective Actions:	<ul style="list-style-type: none"> i) Kulim has appointed the Complex PIC for SW for the complex to monitor scheduled waste management at OUS to ensure the practice follow the legal requirement and reported to SQD for purpose of checking where OUs forwarded the e-SWIS system password to SQD for purpose of checking the monthly updating by all OUs.. The program to equip the PIC with CEPWAM training has been planned. Refresher training on Scheduled Waste Management to be conducted annually to OUs. ii) Submission of monthly overtime of all Operating Units for analysis by SQD together with approved overtime approval form as evidence of overtime performed monthly. Submission by Mills of the approved permit for extended overtime to SQD. iii) Foreign Workers Unit to revise the permit renewal SOP to incorporate the processing period by MyEG and Immigration Department Retraining on Foreign Workers Recruitment and Renewal to be conducted to FW PIC of all Operating Units. Implementation of a control checklist of Contractor' Foreign Workers by Operating Units updated to current in order to monitor the expiry of each FW posted to respective unit. Training on Foreign Workers Recruitment and renewal to be conducted to FW PIC of all Operating Units and similar session to be conducted to all
Assessment Conclusion:	Major NC Close Out Visit evidence verified:

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	<p>Immediate corrections and corrective actions done:</p> <p>i) SW:</p> <ul style="list-style-type: none"> a. Update of both manual and online (e-SWIS) SW Inventory including SW 404 & SW 408 as per evidence provided dated 20/12/2018 b. Training of Estate Hospital Assistant (Roziana Md. Kadari) on SW Handling – Clinical Waste (SW 404) dated 26/10/2018. c. e-SWIS submission monitoring by Sustainability & Quality Department (SQD); 31/12/2018 d. SW Handling refresher training records of all operating units PIC dated 28/10/2018 and annual training plan 2019 on SW to all workers <p>ii) OT:</p> <ul style="list-style-type: none"> a. Approval letter by JTK on "Permohonan Had Kerja Lebih Masa di Bawah Seksyen 60A(4)(a) Akta Kerja 1955; Ref. # BHG.PU/9/134 Jld 17(16); Date: 30/11/2018 b. Approval letter by JTK on "Pengecualian Daripada Sekatan Kerja Malam Bagi Pekerja-pekerja Wanita di bawah Seksyen 34 Akta Kerja 1955"; Ref. # BHG PU/9/135 Jld 16(15); Date: 30/11/2018 <p>iii) Permit - Renewed permits for sample workers as following:</p> <ul style="list-style-type: none"> a. PCPOM worker name: Salman; Passport # AT451544; Permit expiry: 13/9/19; Ref. # KDN/16031/FHBBH4918256; Issue date: 4/11/18 b. ME contractor's worker name: Muhammad Yanto; Passport # B5787974; Permit expiry: 1/4/19; Ref. # KDN/16031/CAALL2523301; Issue date: 26/10/18 c. ME contractor's worker name: Mohammad Babul; Passport # BL0370071; Permit expiry: 24/9/19; Issue date: 25/9/18 d. ME contractor's worker name: Seman; Passport # B5792096; Permit expiry: 13/3/19; Ref. # KDN/BMR/B/01011/HHAGP455451; Issue date: 28/10/18 e. ME contractor's worker name: Syamsul Hidayat; Passport # B5792097; Permit expiry: 13/3/19; Ref. # KDN/BMR/B/01011/HHAGP455451; Issue date: 28/10/18 f. ME contractor's worker name: Yasin; Passport # B5792093; Permit expiry: 18/3/19; Ref. # KDN/BMB/B/01011/HHAHJ593554; Issue date: 21/10/18 <p>Evidence shown consistency of proposed CAP implementation which found to be effective to address the major nonconformity. Hence, Major NC was close on 16/1/2019.</p>
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Nonconformity			
NCR Ref #	1693979-201810-M2	Clause & Category (Major / Minor)	Indicator 8.1.1 Major
Date Issued	25/10/2018	Due Date	24/01/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/01/2019

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Statement of Nonconformity:	The action plan for continual improvement plan was not fully identified and implemented.
Requirement Reference:	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.
Objective Evidence:	The action plan for continual improvement plan was not fully identified and implemented. Example action plan that had been established: 1. Dispose the scheduled waste as EQ (Scheduled waste) Regulations 2. Medical surveillance 3. Chemical exposure monitoring test 4. HIRARC 5. Union meeting 6. Social impact assessment
Corrections:	SQD to provide the sample template for site specific continual improvement plan for Ladang Mungka to establish additional continual improvement plan to include but not to limit to the followings items: i. Relevant Sustainability KPI ii. Improvement from site specific registers of EIA, HIRACH, Social Register & Operational targets
Root Cause Analysis:	Kulim has established the current continual improvement plan based on the annual Sustainability KPI compiled from the improvement and achievement of all Operating Units but it was not captured and documented as such at site specific operating units.
Corrective Actions:	Six (6) monthly submission to SQD for purpose of incorporating it into the annual Sustainability KPI
Assessment Conclusion:	Major NC Close Out Visit evidence verified: Immediate corrections and corrective actions done: i) Provision of continual improvement plan template by SQD to all operating units to be use base on site specific action plans that includes the following: a. Relevant Sustainability KPI b. Improvement from site specific registers of EIA, HIRARC, Social Register & Operational targets ii) Actual record of action plan for continual improvement i.e., Ladang Mungka Continuous Improvement Plan; Date review: 8/1/2019 iii) Six (6) monthly submission plan to SQD for purpose of incorporating it into the annual Sustainability KPI Evidence shown consistency of proposed CAP implementation which found to be effective to address the major nonconformity. Hence, Major NC was close on 16/1/2019.

Nonconformity			
NCR Ref #	1693979-201810-M3	Clause & Category (Major / Minor)	Indicator 4.6.11 Major
Date Issued	25/10/2018	Due Date	24/01/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/01/2019
Statement of Nonconformity:	Medical surveillance for the sprayers was not fully documented.		
Requirement Reference:	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.		
Objective Evidence:	Medical surveillance for 2 sprayers was not fully documented in Mungka Estate: 1. 635533 2. 635547		
Corrections:	Ladang Mungka has made an appointment with KSTS for medical surveillance for Junaidi and Dulahir. Email was sent on 31.10.2018. Medical surveillance for Dulahir will be arranged soon as he is back inestate. Ladang Mungka followed up with KSTS to speed up the process. EHA to keep on monitoring Sprayer health screening by monthly basis.		
Root Cause Analysis:	1. The Medical Surveillance exercise at Mungka was conducted on 15 July 2018. At that moment, worker no 635533, Junaidi was not a Sprayer during that medical surveillance program. 2. The 2nd worker no 635547 was absent during the last medical surveillance and he is now on leave back in Indonesia.		
Corrective Actions:	1. KSTS to provide the guide for Medical Surveillance Process Flow for all Operating Units. 2. Reminder to all OUs on requirement of annual Medical Surveillance to be sent together with list of the workers that has undergone the medical surveillance in previous year, one month before expiry of MS.		
Assessment Conclusion:	Major NC Close Out Visit evidence verified: Immediate corrections and corrective actions done: i) Appointment letter on Medical Surveillance with Klinik Segamat; Dated 17/11/2018 ii) Records of Medical Surveillance results, i.e. Executive Summary of Medical Surveillance; Dated 12/11/2018 for following workers: a. Name: Junaidi Siman; Passport # 85357858; Clinic: Klinik Segamat b. Name: Dulahir; Passport # B1552476; Clinic: Klinik Falck Bestari iii) Records of medical screening by EHA dated 8/11/2018 iv) Reminder Email by KSTS on Medical Surveillance Schedule 2018 For Palong Complex programs; Email Dated 31/10/2018 Evidence shown consistency of proposed CAP implementation which found to be effective to address the major nonconformity. Hence, Major NC was close on 16/1/2019.		

Nonconformity			
NCR Ref #	1693979-201810-N1	Clause & Category (Major / Minor)	Indicator 2.1.3 Minor
Date Issued	25/10/2018	Due Date	Next Annual Surveillance Assessment
Closed (Yes / No)	No	Date of nonconformity Closure	N/A
Statement of Nonconformity:	Mechanism for ensuring compliance was not fully implemented at PCPOM, UMAC Estate and Mungka Estate.		
Requirement Reference:	A mechanism for ensuring compliance shall be implemented.		
Objective Evidence:	Based on Kulim Group Compliance Framework for Palong Complex: 1. At Mungka Estate and UMAC Estate, the evaluation was not include regulation for: a) Factories and Machineries and; b) Occupational Safety and Health 2. The evaluation was not done correctly at Mungka Estate although the electricity supplied by TNB (Energy Commission Act 2001– stated fully complied).		
Corrections:	1. Compliance Unit of Risk Department to consult all respective HOD on applicable act that relevant and applicable to all OUs for purpose of detailing relevant section that affected all OUs. 2. Person Responsible for Compliance had made amendment to respective compliance report, as the act was not applicable to estate		
Root Cause Analysis:	1. Kulim has established Kulim Group Compliance Framework report, which has include all applicable act but the detail of applicable/relevant sections and regulations of the act not being summarize 2. Misunderstanding of the PRC and the estate in referring to the generic complex compliance list. The Energy Commission Act 2001 was not applicable to estate at the Palong Complex as the electricity is supplied by TNB		
Corrective Actions:	1. The Compliance PRC will meet up on quarterly basis to track, update and communicate to OUs on any changes and/or updates of the laws and requirement. This will be captured in the Compliance Framework report activity. 2. PRC has to provide sample template for each OUs in the complex, bimonthly assessment and evaluation should be done for respective OUs submission prior to verification by Manager of respective OUs.		
Assessment Conclusion:	CAP has been accepted. Evidence of CAP effectiveness will be verified in next assessment.		

Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

Positive Findings	
PF #	Description
PF 1	Nil

3.4.1 Status of Nonconformities Previously Identified and Observations

There was no non-conformity raised during the 4th Annual Surveillance Assessment.

Non-Conformity			
NCR Ref #	N/A	Clause & Category (Major / Minor)	
Closed (Yes / No)		Date of nonconformity Closure	
Statement of Nonconformity:			
Requirement Reference:			
Objective Evidence:			
Corrective Actions:			
Assessment Conclusion:			

Opportunity for Improvement	
OFI#	Description
1553863-201709-01	<p>Indicator 2.1.1</p> <p>1. The provision of CePSWaM at both Ledang Sepang Loi and Ladang Kemedak could be expedited not just relying on the timeline December 2020 to fulfil the compliance of Section 49A, EQ (Amendment 2012).</p> <p>2. Only one qualified MPOB FFB Grader was available at PCPOM. The number of MPOB FFB Grader at PCPOM could be increased to sufficiently cover if the only qualified Grader is away attending courses, on medical and annual leave to ensure qualified MPOB FFB grader available all the time in PCPOM.</p> <p>RC_2 Verification:</p> <p>1. The management had appointed Executive Regional Controller as a competent person for CePSWaM at Palong complex. The competency for her was sighted (Certificate No: CePSWaM/183869 valid until 18/4/19). She was visit the UMAC estate on 12/8/2018.</p> <p>2. The management had communicate on 8/2/2018 with MPOB. However due to general election and courses for the May – December 2018 were cancel, the management will send the 2 graders in 2019.</p>
1553863-201709-02	<p>Indicator 2.2.2</p> <p>Although some boundary stones or pegs were sighted at Ledang Sepang Loi and Ladang Kemedak, the visible markings could be maintained for ease of locating them.</p> <p>RC_2 Verification:</p> <p>During visit in Mungka in Field P05/03 boundary with Kampung Mungka, the pegs is visible and in good maintainance.</p>
1553863-201709-03	<p>Indicator 4.1.2</p> <p>The wearing of safety glass by harvesters at Ladang Sepang Loi could have been implemented by the Mandore concern or Field staff.</p> <p>RC_2 Verification:</p> <p>During site visit at UMAC estate for spraying activity, safety glasses is been wear by sprayer and also verified with the PPE issuance record.</p>

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1553863-201709-04	<p>Indicator 4.4.2</p> <p>The markings of oil palm tree in riparian zone could be improved to closer spacing as the wooden pegs place at spacing of every five tree is too far to indicate whether a tree is in the buffer zone or otherwise especially for those trees planted before the introduction of RSPO MYNI:2014. Note, formerly the stream was small but over the years its bank has eroded and the width of the stream increases. Further the stream has meandered and the stream landscape has changed significantly.</p> <p>RC_2 Verification: In Mungka estate, during site visit at Buffer zone and forest pocket at P10/03 and P12/01 the marking or pegs for buffer zone is clearly visible and spacing is close nearby visible to look and good maintain.</p>
1553863-201709-05	<p>Indicator 4.7.5</p> <ul style="list-style-type: none"> • Contact phone number of EHA could have been kept by the Mandore for direct contact (help) instead of through the office staff for expediency purpose. • Refresher course could have been held periodically for the appointed First Aider. • Records of medication treatment and usage could be included in the first aid kit and filled up by the Mandore. <p>RC_2 Verification: 1. Contact number of EHA was kept by the mandore accordingly. 2. Refresher course for first aider was conducted accordingly at respective estate and mill. 3. The usage of first aid kit was implemented accordingly. All the record of usage was kept in the first aid boxes accordingly.</p>
1553863-201709-06	<p>Indicator 6.2.3</p> <p>Identified stakeholders registered in the stakeholder to be accurately specified its category/representation to ensure sufficient relevant stakeholders consultation/engagement done.</p> <p>RC_2 Verification: The stakeholder list has been developed according to the specific category in the Palong Cocoa POM, UMAC Estate and Mungka Estate ad was maintained in each operating units. Thus, the observation was closed on 25/10/2018.</p>

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
CR15	Major		12/12/2013	Closed on 06/02/2014
1135927M1	Major		12/12/2014	Closed on 15/01/2015
1264787M1	Major	2.1.1	13/11/2015	Closed on 05/01/2016
1264787M2	Major	6.5.2	13/11/2015	Closed on 05/01/2016
1410324M1	Major	6.9.2	24/11/2016	Closed on 16/01/2017
1410324N1	Minor	5.3.3	24/11/2016	Closed on 03/11/2017
1693979-201810-M1	Major	2.1.1	25/10/2018	Closed on 16/01/2019
1693979-201810-M2	Major	8.1.1	25/10/2018	Closed on 16/01/2019
1693979-201810-M3	Major	4.6.11	25/10/2018	Closed on 16/01/2019
1693979-201810-N1	Minor	2.1.3	25/10/2018	"Open"

3.5. Stakeholders Consultation

Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Palong Cocoa Palm Oil Mill Certification Unit’s environmental and social performance, legal and any known dispute issues.

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. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

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 below.



List of Stakeholders Contacted	
Internal Stakeholders Managers and Assistants Mill & Estate Male Mill Staff/ Workers Female Mill Staff/Workers Foreign Worker Male and Female Estate workers Workers Representatives Gender Committee	Union/Contractors/Local Communities Contractors Local Community Representative (Kg. Jawa) Schools Representative
Government Departments Officer, JTK Segamat	NGO NIL

IS #	Description
1	<p>Feedbacks: Workers Representatives - They were paid according to the Minimum Wage Order 2016. They were briefed on the employment contract and company policies. They are aware of the complaint procedure and they informed that they are treated equally without any discrimination.</p> <p>Management Responses: The management will ensure the workers will be treated equally.</p> <p>Audit Team Findings: No other issue.</p>
2	<p>Feedbacks: Contractors - The payment was made promptly according to the agreement. They had signed on the agreement prior to provide services and understood the terms and conditions stated in the agreement. They aware of the complaint procedure.</p> <p>Management Responses: The management will ensure the payment will make promptly.</p>

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	<p>Audit Team Findings: Details refer to indicator 6.10.4.</p>
3	<p>Feedbacks: Local Community Representative (Kg. Jawa) - He informed that they have good relationship with the management. There was no encroachment of land by the company. Trenches were constructed to demarcate the boundaries. They understood the complaint procedure. The villagers are provided with job opportunity to work in the company.</p> <p>Management Responses: The management will ensure the boundary between the villages and company is legally maintained.</p> <p>Audit Team Findings: No other issue.</p>
4	<p>Feedbacks: Schools Representatives - They have good relationship with the management and the company provided assistance either in money term or labour to the schools whenever requested. The activities of the estates did not bring any impacts to the school.</p> <p>Management Responses: The management will continue to provide support whenever require.</p> <p>Audit Team Findings: No further issue.</p>
5	<p>Feedbacks: Gender Committee - No case of sexual harassment was reported so far. They were treated equally without discrimination of gender. The management is supportive in the activities organized by the committee.</p> <p>Management Responses: The management will monitor if there is any case of sexual harassment or violence reported.</p> <p>Audit Team Findings: No other issue.</p>
6	<p>Feedbacks: Officer, JTK Segamat (Phone Interviewed) - The officer informed that no complains have been received for the past one year for Kulim (M) Berhad - Palong Cocoa POM and Mungka Estate. The management has given full corporation to the authority.</p> <p>Management Responses: The management will ensure the workers will be treated as per the Employment Act 1955.</p> <p>Audit Team Findings: No further issue.</p>

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Formal Signing-off of Assessment Conclusion and Recommendation	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Palong Cocoa Palm Oil Mill Certification Unit has complied with the RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of Palong Cocoa Palm Oil Mill Certification Unit is continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
Name: Hu Ning Shing	Name: Salasah Elias
Company Name: BSI Services Malaysia Sdn Bhd	Company Name: Kulim (Malaysia) Berhad
Title: Client Manager	Title: Deputy General Manager
Signature: 	Signature: <p><i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i></p> 
Date: 07/03/2019	Date: 07/03/2019

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	<p>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.</p> <p>- Minor compliance -</p> <p>Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making.</p> <p>In company website (http://www.kulim.com.my/), publicly available documents such as the policies, negotiation procedure. The other information such as land title, OSH plan, CIP will be provided upon request.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance -	<p>All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed. In the mill, there is an enquiry register record. For example, the latest enquiries dated 22/4/2017, Internal Audit Department request for visit/inspection. Inspection Record by Department of Environment sighted during onsite visit. Last onsite visit by DOE was done on 14/3/2017.</p> <p>In UMAC Estate, enquiry register record made available during onsite visit. On 7/8/2018, there was requisition for donation by <i>Majlis Daerah Rompin</i> for Rompin Festival.</p> <p>In PCPOM, DOSH officer was visit the mill on 8/7/2018. The action was established from the issues raised by the DOSH officer. All the correction related to the issues raised has been done accordingly.</p>	Complied
<p>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.</p>			

Criterion / Indicator	Assessment Findings	Compliance
1.2.1 Publicly available documents shall include, but are not necessary limited to: <ul style="list-style-type: none"> • 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 -	<p>There was a SPO Communication and Consultation Management Guidelines under Kulim Malaysia Berhad. The procedure is to ensure that documents if to be release and made publicly available are readily available. The Corporate Dept will ensure that the following documents are available if requested and they do not impinge on confidentiality and will not cause detrimental sustainability or social outcoments. Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Land title (held as hard copy by the property department) • Health and safety plan • Plans and impact assessment- environmental & social • Pollution prevention plans • Details of complaints and grievances • Negotiation procedures • Continuous improvement plan • Biodiversity plans • Policy documents (sustainability handbook) <p>In addition to the website, the policies were also displayed at various locations at the operating units including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p> <p>Records such as enquiry register and record of government visit documented the visit or request from the stakeholders.</p>	<p>Complied</p>
<p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p>		

Criterion / Indicator	Assessment Findings	Compliance
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. -Minor compliance -	Kulim (Malaysia) Berhad has developed Ethics Policy dated 1/5/2018 where the company will run the business with ethic and integrity. They will keep all the record of activities and transactions. Besides, the company has implemented No Gift and Entertainment Policy dated 1/5/2018. The company will not receive any gift or entertainment for personal from any interested parties. All the policies were displayed at the notice board in front of office. Furthermore, briefing of the policies were conducted on 1/7/2018 for workers in Palong Cocoa POM and 18/9/2018 in Mungka Estate.	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.		

<p>2.1.1</p>	<p>Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>The list of permit and license required for the operations of at the estate and mill were sighted. The list includes expiry date to serve as compliance monitoring. The sample of permit and license:</p> <p><u>UMAC Estate:</u></p> <ol style="list-style-type: none"> 1. MPOB License for FFB (501362602000 validity from 01/04/2018 – 31/3/2019) 2. Permit for diesel and petrol (C026636 valid from 22/10/18 until 21/10/19) 3. Permit for air receiver (PH PMT 5007 valid until 27/11/2018) 4. Permit purchase of Acephate-200kg (valid from 21/8/18-10/9/18) <p><u>PCPOM:</u></p> <ol style="list-style-type: none"> 1. MPOB License (578392004000 validity until 30/11/2019) 2. Energy commission license (2017/02950 valid until 31/10/2018) 3. Compliance scheduled for DOE (004720 valid until 30/6/2019) 4. Permit for diesel (J031375 valid until 31/7/2019) 5. Permit for back press receiver (PMT60888 valid until 5/6/19) 6. Permit for boiler (JH PMD 1273 valid until 5/6/19) 7. Vertical steriliser (JH PMT 20585 valid until 7/10/19) 8. Telescoping shell sterilizer (JH PMT 27041 valid until 7/10/19) <p><u>Mungka Estate:</u></p> <ol style="list-style-type: none"> 1. MPOB License for FFB (570584002000 validity from 01/04/2018 – 31/3/2019) 2. Permit for diesel and petrol (J031387 valid from 28/9/18-29/8/19) 3. Permit for air compressor (JH PMT 16798 valid until 6/8/2018). DOSH inspection was done on 20/9/18, however the certificate by DOSH is in progress. 4. Permit purchase of monocrotophos-88 Ltr (valid from 21/11/17 – 11/12/17) 	<p>Major nonconformance</p>
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		<p>UMAC Estate has obtained permit from Jabatan Tenaga Kerja Semenanjung Malaysia for the deduction of wages for water and electricity that exceeded the subsidized rate. Seen the permit with Serial No.: PP3/21/0005/2008 dated 1/9/2008 was sighted.</p> <p>Palong Cocoa POM has obtained permits from Jabatan Tenaga Kerja Negeri Johor for the deduction of wages such as mosque fund, saving for Tabung Haji, insurance, NUPW and AMESU fee. Seen all the permits which issued on 3/10/2018. The mill also obtained letter from Jabatan Tenaga Kerja Negeri Johor that no permit was issued for the overtime limit. But the mill has to comply with some of the requirements as stated in the letter such as to get written agreement from the workers for working overtime. Letter dated 20/8/2014 was sighted.</p> <p>Document reviewed in Palong Cocoa POM found that workers sampled below have worked more than 104 hours of overtime per month without obtain approval from Labour Department:</p> <table border="1" data-bbox="913 943 1541 1372"> <thead> <tr> <th>Employee No.</th> <th>Month</th> <th>Total Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="2">637024</td> <td>November 2017</td> <td>249.5</td> </tr> <tr> <td>September 2018</td> <td>147</td> </tr> <tr> <td>637045</td> <td>November 2017</td> <td>160</td> </tr> <tr> <td>637141</td> <td>November 2017</td> <td>147</td> </tr> <tr> <td>637137</td> <td>November 2017</td> <td>219</td> </tr> <tr> <td>637154</td> <td>November 2017</td> <td>200.5</td> </tr> <tr> <td>637136</td> <td>November 2017</td> <td>203.5</td> </tr> </tbody> </table>	Employee No.	Month	Total Hours	637024	November 2017	249.5	September 2018	147	637045	November 2017	160	637141	November 2017	147	637137	November 2017	219	637154	November 2017	200.5	637136	November 2017	203.5	
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637136	November 2017	203.5																								

Criterion / Indicator	Assessment Findings			Compliance
	637151	November 2017	145	
September 2018		242		
	<p>Sampled of the workers whose permit was expired and under renewal process or in progress of application of permit for new workers during the time of audit. The permits which expired and not available as below:</p> <ul style="list-style-type: none"> a. Permit No.: PD 8685773 valid until 13/9/2018, submitted on 23/8/2018 (PCPOM) b. Permit No.: PD 6391991 valid until; 1/9/2018, submitted on 19/8/2018 (ME) c. Permit No.: PD 8539971 valid until 1/4/2018, submitted on 23/4/2018 (ME's Contractor worker) d. Passport No.: B 5792093 who joined on 17/4/2017 (ME's Contractor worker) e. Passport No.: B 5792096 who joined on 17/4/2017 (ME's Contractor worker) f. Passport No.: B 5792097 who joined on 17/4/2017 (ME's Contractor worker) <p>During site visit and document verification, found in UMAC estate and Palong POM is not followed Environmental Quality (Scheduled waste) Reg 2005 scheduled 5th (Inventory) for SW 404. The Inventory for SW 404 is not available for UMAC estate and Palong POM. In UMAC estate SW 408 is been identified generate by estate in Waste management plan however during verification implementation no Inventory record of SW 408 is available.</p> <p>Thus, major NC was raised.</p>			

Criterion / Indicator		Assessment Findings	Compliance
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	Legal register was identified accordingly as per compliance monitoring. The legal register was reviewed on 21/10/2018 by Executive Regional Controller.	Complied
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	The legal compliance is part of the compliance audit. The audit was conducted by executive regional controller for Palong Complex. The Compliance Framework assessment conducted had also served the purposed to demonstrate internal audit to ensure compliance to local regulations. The compliance audit was conducted on January 18 – October 18 for all operating units at Palong complex. Based on Kulim Group Compliance Framework for Palong Complex: 1. At Mungka Estate and UMAC Estate, the evaluation was not include regulation for a) Factories and Machineries and; b) Occupational Safety and Health 2.The evaluation was not done correctly at Mungka Estate although the electricity supplied by TNB (Energy Commission Act 2001– stated fully complied). Thus, minor NC was raised.	Minor nonconformance
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, sustainability team, website information and the information are communicated from the Head Office. Kulim (Malaysia) Berhad have centralised system for tracking any changes in the law.	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.			

Criterion / Indicator	Assessment Findings	Compliance
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 -	UMAC Estate hold 6 land titles (leased hold). Quit rent were paid accordingly. Sighted the land title as follow: 1. Land Title: HS(D) 34, PTD No: PT 200 2. Land Title: HS(D) 80, PTD No: PT 290 3. Land Title: HS(D) 3735, PTD No: PT 3 4. Land Title: HS(D) 3746, PTD No: PT 298 5. Land Title: HS(D) 237, PTD No: PT336 6. Land Title: HS(D) 238, PTD No: PT337 Land title for PCPOM was kept by Mungka Estate. Mungka Estate, Kemedak Estate Palong Estate share 2 land titles. Sighted the land title and quit rent as follow: 1. Land Title: HS(D) 52398, PTD No: PTD 15678 2. Land Title: HS(D) 52399, PTD No: PTD 15679	Complied
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	The legal boundary is clearly and visible with good maintenance, this have been verified during site visit in Mungka estae at Mungka in Field P05/03 boundary with Kampung Mungka, the pegs is visible and in good maintainance. Legal boundaries was clearly demarcated between UMAC estate (field 09/2) and FELCRA Bukit Serok, Mungka Estate (P06) and Kg Mungka.	Complied
2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified. However, there was a land encroachment by smallholders into UMAC Estate reported on 12/1/2018. Meetings were carried out and legal land title was sighted for the ownership of the estate. Details refer to indicator 6.4.3. The issue was still in progress and waiting for acceptance of decision by the smallholders.	Complied

Criterion / Indicator	Assessment Findings	Compliance	
2.2.4	<p>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.</p> <p>- Major compliance -</p>	<p>There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified.</p> <p>However, there was a land encroachment by smallholders into UMAC Estate reported on 12/1/2018. Meetings were carried out and legal land title was sighted for the ownership of the estate. Details refer to indicator 6.4.3. The issue was still in progress and waiting for acceptance of decision by the smallholders.</p>	<p>Complied</p>
2.2.5	<p>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).</p> <p>- Minor compliance -</p>	<p>Land title was mapped out to show the legal boundaries of UMAC Estate. Meeting was conducted and legal land title was sighted for the ownership of the estate. Details refer to indicator 6.4.3. The issue was still in progress and waiting for acceptance of decision by the smallholders.</p>	<p>Complied</p>
2.2.6	<p>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.</p> <p>- Major compliance -</p>	<p>There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified.</p> <p>However, there was a land encroachment by smallholders into UMAC Estate reported on 12/1/2018. Meetings were carried out and legal land title was sighted for the ownership of the estate. Details refer to indicator 6.4.3. The issue was still in progress and waiting for acceptance of decision by the smallholders.</p>	<p>Complied</p>
<p>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.</p>			

Criterion / Indicator		Assessment Findings	Compliance
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 -	Land title was mapped out to show the legal boundaries of UMAC Estate. Meeting was conducted and legal land title was sighted for the ownership of the estate. Details refer to indicator 6.4.3. The issue was still in progress and waiting for acceptance of decision by the smallholders.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>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:</p> <ul style="list-style-type: none"> 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. <p>- Minor compliance -</p>	<p>There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified.</p> <p>However, there was a land encroachment by smallholders into UMAC Estate reported on 12/1/2018. Meetings were carried out and legal land title was sighted for the ownership of the estate. Details refer to indicator 6.4.3. The issue was still in progress and waiting for acceptance of decision by the smallholders.</p>	<p>Complied</p>
<p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>-Minor compliance -</p>	<p>There was a land encroachment by smallholders into UMAC Estate reported on 12/1/2018. Meetings were carried out and legal land title was sighted for the ownership of the estate. Details refer to indicator 6.4.3. The issue was still in progress and waiting for acceptance of decision by the smallholders.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. - Major compliance -	There was a land encroachment by smallholders into UMAC Estate reported on 12/1/2018. Meetings were carried out and legal land title was sighted for the ownership of the estate. Details refer to indicator 6.4.3. The issue was still in progress and waiting for acceptance of decision by the smallholders.	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.			
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 -	Budget and 5 years management plan (projections 2017- 2021) was verified during the audit. Palong Palm Oil Mill and supply bases have made progress towards achieving their performance production targets for the current financial year. Sample of CAPEX for 2017:Kulim Palong , UMEC estate Budget 2018 is available dated 16 Aug 2018 Under report ABRP-05 (A) PP.	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 -	A long range replanting programme available each estates. For Umec Estate, total of 22.68 ha will be replanted in 2021 at specific P96.	Complied
Principle 4: Use of appropriate best practices by growers and millers			
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.			

Criterion / Indicator		Assessment Findings	Compliance
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	Palm Mill holds SOP: Mill Operation Manual includes mill SOP and work instruction as a guidance document to operate the mill. Estates have a separate SOP and Estate Manual cover and land preparation, planting material, upkeep, harvesting and transport. SOP such as Standard Operation Procedure (SOP) dated 8 Jan 2018 for Panduan Kerja Selamat at Stor alat Ganti, Stor racun Water sampling, triple rinsing and etc. Agriculture Manual for Kulim (Malaysia) Berhad dated amend on 3 Dec 2017 and OSH Guidelines for Estate such as Panduan Kerja Selamat Dibawah Akta Keselamatan dan Kesihatan Pekerjaan 1994 Kulim (Malaysia) Berhad dated 18 May 2009.	Complied
4.1.2	A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	General Manager visits the estates on quarterly basis to review estate performance against Kulim Sustainability standard. Latest Plantation Inspectorate visit UMEC estate was on 8 – 9 October 2018 (Report No. 3/2018). Plantation Inspector comment only P07 and P09 achieved the productivity while the rest of the other fields do not. Agronomy report; 2/18, date visit: 13-14 August 2018 by Agronomy Advisory and Services Department	Complied

<p>4.1.3</p>	<p>Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -</p>	<p>All records related to the Internal Audit (ADK/RCU), Head of Zone visit and GM visit was maintained and available at Estate Office</p> <p>For Palong Mill, Ambient Air quality monitoring and Air emission monitoring has been carried out as per required frequency stipulated in mill's compliance schedule. In addition, smoke density meters were calibrated consistently every 6 monthly. Results of monitoring as follows:</p> <p>i) Stack monitoring, twice per year <u>Quarter 2 Result</u> Stack# 4: 26 June 2018, refer to report,</p> <table border="1" data-bbox="913 667 1529 847"> <thead> <tr> <th>Parameter</th> <th>Test No.</th> <th>Limits</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Solid particles(Dust) (g/Nm3)</td> <td>KSPC-B4-F-1</td> <td rowspan="2">0.4</td> <td>0.3718</td> </tr> <tr> <td>KSPC-B4-F-2</td> <td>0.3765</td> </tr> </tbody> </table> <p>ii) Smoke density meter calibration, twice per year (6 monthly) 1st half: refer to calibration certificate no; NML/0914/E/13 by Scienotech Sdn Bhd. Calibration date: 7/6/2018. Next monitoring will be done on December 2018.</p> <p>iii) Ambient Air (quarterly) Total Suspended Particulate, TSP (limit 24hr: 120 ug/m3 as per New Malaysia Ambient Air Quality Standard) by PAC Testing & Consulting Sdn Bhd (Cert No. SAMM 606 valid till 23 August 2019) 2 monitoring points were selected. 24 – 25 June 2018: A1-5, A2-7 (refer to report# PAC-AA-180610)</p> <p>Noise boundary (Twice a year frequency) done by internal team (engineering department)</p> <p>Noise boundary monitoring report (25 March 2018): 7 boundary points selected for monitoring. All monitored point in within the allowable limit of 65 dBA (day) and 55 dBA (Night)</p>	Parameter	Test No.	Limits	Result	Solid particles(Dust) (g/Nm3)	KSPC-B4-F-1	0.4	0.3718	KSPC-B4-F-2	0.3765	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	There was no third party sourced FFB at Palong Cocoa POM.	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 group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield. The implementation of SOPs is checked during daily inspection by staff as well as by internal audits. SOP – Kulim (M) Berhad Agriculture Manual dated July 2013 verified. Content of ARM comprises of: i) Replanting ii) Roads, Drains, Bridges, Culverts and Fences iii) Construction of Estate Buildings iv) Manuring v) Harvesting vi) Pruning and ablation vii) Soil Conservation viii) Justification of Chemical Use ix) Weeds Management x) Integrated Pest Management xi) Plant Management	Complied

Criterion / Indicator		Assessment Findings	Compliance																		
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	<p>Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators. In UMEC estate:-</p> <table border="1"> <thead> <tr> <th>Date /Field</th> <th>Fertilier type</th> <th>Hectarage</th> </tr> </thead> <tbody> <tr> <td>17/10/18 PO6/1</td> <td>MIX 2B</td> <td>18.46ha</td> </tr> <tr> <td>15/8/18 p09/4</td> <td>Impact Super 44+B</td> <td>1.76 Ha</td> </tr> </tbody> </table> <p>In Mungka estate :- As per recommendation from agronomist report (by Zulkornain Abu Hassan) dated 16 & 17 April 2018</p> <table border="1"> <thead> <tr> <th>Date /Field</th> <th>Fertilier type</th> <th>Hectarage</th> </tr> </thead> <tbody> <tr> <td>13/8/2018 P12/01</td> <td>Mix 2B</td> <td>55.27ha</td> </tr> <tr> <td>19/8/2018 P12/4</td> <td>Mix 2B</td> <td>58.61ha</td> </tr> </tbody> </table>	Date /Field	Fertilier type	Hectarage	17/10/18 PO6/1	MIX 2B	18.46ha	15/8/18 p09/4	Impact Super 44+B	1.76 Ha	Date /Field	Fertilier type	Hectarage	13/8/2018 P12/01	Mix 2B	55.27ha	19/8/2018 P12/4	Mix 2B	58.61ha	Complied
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19/8/2018 P12/4	Mix 2B	58.61ha																			
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	<p>Leaf and soil nutrient analysis are commonly used in the diagnosis of fertilizer requirements in oil palms. The frequency for leaf sampling must be conduct for every year while for soil analysis, the frequency for soil sampling is conducted at 5 years intervals (Leaf and Soil Sampling Notes Procedure-Kulim (M) Bhd).</p> <p>Latest Soil sampling dated 7 Sept 2018 (Report No:- SI/1809/0217-0220) in UMEC estate.</p>	Complied																		
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	<p>In UMEC estate, the record for EFB application is available under Bio Compost & EFB Mulching Book Record. Latest record is 11 Oct 2018 5.66 MT at F08/1. For Mungka estate, the record of EFB application is available</p>	Complied																		

Criterion / Indicator		Assessment Findings	Compliance
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 -	For Mungka Estate, Majority soil series is under Complex Alluvium Setempat Series (42.31%) and Siri Bungor Series (30.45%). Refer to Mungka Estate Soil and the source from Semi detailed Soil Map (DOA), 2012. Soil series map available at Mungka Estate. No soil categorised as problematic or fragile soil.	Complied
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Based on topography map, majority of field area under Undulating (6-12o) for both UMEC and Mungka Estate. Slope area constructed with terrace and stop bund. Planting terraces had been constructed where slope >7°. Fields are established with cover crops such as mucunna.	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	The Road maintenance programme is available for Mungka estate for FY 2018, and latest programme will be conduct on November 2018. The Maintenance road for every quarterly also been done.	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both 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 is no peat soil or soil categorised as problematic or fragile soil at both estates.	Complied
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates.	Complied

Criterion / Indicator	Assessment Findings	Compliance						
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.								
4.4.1	<p>An implemented water management plan shall be in place. - Minor compliance -</p> <p>Palong certification unit monitored water quality of outgoing waters to identify any adverse effect from the mill and estate activities. Latest management plan for water is available dated august 2018 and implement as per below detail:-</p> <table border="1" data-bbox="913 624 1541 983"> <thead> <tr> <th>Activity</th> <th>Plan</th> <th>Implementation record</th> </tr> </thead> <tbody> <tr> <td>Spraying</td> <td>To ensure no pollution on water for river in estate and do inlet and outlet water analysis done after spraying and manuring.</td> <td>Latest record water analysis is on 4/10/2018 report: WI/1810/1003-1006. The implementation is after manuring activity.</td> </tr> </tbody> </table> <p>For Mungka Estate, the water analysis is available dated 17 October 2018 for water consumption and river water as per below:-</p> <ol style="list-style-type: none"> 1) WI 1030 Before treatment 2) WI 1030 after treatment <p>From Result Jabatan Kimia (3 April 2018) not detected E. Coli and Total Coliform as per result (Borang S1A)</p>	Activity	Plan	Implementation record	Spraying	To ensure no pollution on water for river in estate and do inlet and outlet water analysis done after spraying and manuring.	Latest record water analysis is on 4/10/2018 report: WI/1810/1003-1006. The implementation is after manuring activity.	<p>Complied</p>
Activity	Plan	Implementation record						
Spraying	To ensure no pollution on water for river in estate and do inlet and outlet water analysis done after spraying and manuring.	Latest record water analysis is on 4/10/2018 report: WI/1810/1003-1006. The implementation is after manuring activity.						

Criterion / Indicator	Assessment Findings	Compliance
4.4.2	<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.</p> <p>- Major compliance -</p> <p>In Kulim Berhad Agriculture Manual Replanting, A17-Protection of Natural Water Courses, Updated on 1/7/2013), established river buffer zones as per MPOB’s guideline and SPO Improvement Program for Water Management dated 3 Sept 2007.</p> <p>Buffer zones had been maintained on both sides of rivers/streams in the estates as verified during on-site field inspection. There was no evidence of spraying around palms marked as boundary for the buffer zones. There was also no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates.</p> <p>All the estates assessed has prepared map showing riparian buffer zones and demarcated the areas prior to replanting for all the estates. Field inspection confirmed that the buffer zone beside the stream has been demarcated clearly and maintained. River water analysis was carried out to check ensure protection of water course within estates.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance															
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 -	<p>Mill</p> <p>The mill effluent have approval as per <i>Jadual Pemuahan</i> for land application until Dec 2018 is 5000 mg/l. In Palong Mill there are standard operation manual (PCPOM/QM) to sampling the effluent under Doc. No: PCPOM/SOP/8.14 dated 1 Feb 2018. Mill I complied as followed Parameter Limits for watercourse discharge EQA 1974 Second scheduled (Regulation 12(20 and (3)) per result (report no. EI/1809/0796-0800 & EI/1809/0791-0795) below:-</p> <table border="1"> <thead> <tr> <th>Point sampling</th> <th>Result BOD</th> <th>Result Oil and Greese</th> </tr> </thead> <tbody> <tr> <td>EI-0795</td> <td>153</td> <td></td> </tr> <tr> <td>EI-0794</td> <td>1040</td> <td></td> </tr> <tr> <td>EI-0799</td> <td>14</td> <td>4</td> </tr> <tr> <td>EI-0800</td> <td>28</td> <td>5</td> </tr> </tbody> </table> <p>ii) Quarterly return via Online Environmental Reporting (OER – AS(B) J31/152/000/057) and monthly effluent analysis</p> <p>Latest quarter, 1 July – 30 September 2018, submitted on 11/10/2018. 1st(1/7/2018), 5th (1/8/2018) and 9th (1/9/2018)week analysis results were submitted no off-limit parameter recorded.</p>	Point sampling	Result BOD	Result Oil and Greese	EI-0795	153		EI-0794	1040		EI-0799	14	4	EI-0800	28	5	Complied
Point sampling	Result BOD	Result Oil and Greese																
EI-0795	153																	
EI-0794	1040																	
EI-0799	14	4																
EI-0800	28	5																

Criterion / Indicator		Assessment Findings	Compliance						
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	<p>Mill</p> <p>POM monitored its water consumption on monthly basis for the source of water supply for its mill process usage. Summary of water consumption as per below:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water consumption ratio</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>1.18 m3/mt</td> </tr> <tr> <td>2018 (todate)</td> <td>1.06 m3/mt</td> </tr> </tbody> </table>	Year	Water consumption ratio	2017	1.18 m3/mt	2018 (todate)	1.06 m3/mt	Complied
Year	Water consumption ratio								
2017	1.18 m3/mt								
2018 (todate)	1.06 m3/mt								
<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>									
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	<p>IPM Plan includes the planting of beneficial plants and control of damage by rodents. Beneficial plants such as Cassia Cobanensis (60%), Turnera Subulata (30%), Antigonan (10%) are grown in the estates as per Kulim (M) Berhad – ARM section J – IPM. The reference can refer to Agric manual (Sec J) dated 1 July 2013</p> <p>Latest implementation of IPM for Barn Owl Box census for occupancy dated 27 August 2018, in UMAC estate have 47 BOB with occupancy 32.97% cover 1549.81 Ha.</p> <p>For Mungka Estate, Barn owl cencus for October 2018 record detail Field P04 (174 Ha) occupancy 75%. Total for Oct 2018 occupancy 65.63% with total hectare 1746.92 ha.</p>	Complied						

Criterion / Indicator		Assessment Findings	Compliance									
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training is given by the Agronomist and plantation executives with qualification in agriculture. Interview with the staff confirm their understanding of the Kulim's IPM practices. Sample of IPM training verified at visited estate: UMAC estate IPM training on Bagworm dated 27 Feb 2018, Rat Baiting training dated 17 August 2018 Mungka Estate Latihan Bancian terhadap Ulat Bungkus dan Ganoderma dated 25 March 2018 Bagworm treatment dated 7 June 2018	Complied									
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 agriculture manual. Refer to agriculture manual 21/10/2015, H01: Justification of Chemical Use. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.	Complied									
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications was maintained. Sample of Ai/Ha summary:- <table border="1" data-bbox="913 1222 1552 1367"> <thead> <tr> <th>Estate</th> <th>Hectarage</th> <th>AI/Ha</th> </tr> </thead> <tbody> <tr> <td>UMEC</td> <td>1549.81</td> <td>0.834</td> </tr> <tr> <td>Mungka</td> <td>1746.5</td> <td>0.1303</td> </tr> </tbody> </table>	Estate	Hectarage	AI/Ha	UMEC	1549.81	0.834	Mungka	1746.5	0.1303	Complied
Estate	Hectarage	AI/Ha										
UMEC	1549.81	0.834										
Mungka	1746.5	0.1303										

Criterion / Indicator		Assessment Findings	Compliance									
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Kulim's Agriculture Manual. The implementation in the field is consistent with the manual. There is no prophylactic use of pesticides.	Complied									
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Kulim (M) Bhd has stopped paraquat usage since February 2015. Alternatives such as Glyphosate were used. The implementation in the field is consistent with the SOP.	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 -	<p>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.</p> <table border="1"> <thead> <tr> <th>Workers</th> <th>Date</th> <th>Activity/PPE</th> </tr> </thead> <tbody> <tr> <td>Heki Wardi</td> <td>4 May 2018</td> <td>Spraying/ Filter,glove,apron,golgle,</td> </tr> <tr> <td>Dani Putra</td> <td>12 Oct 2018</td> <td>Spraying/ Filter,glove,apron,golgle,</td> </tr> </tbody> </table>	Workers	Date	Activity/PPE	Heki Wardi	4 May 2018	Spraying/ Filter,glove,apron,golgle,	Dani Putra	12 Oct 2018	Spraying/ Filter,glove,apron,golgle,	Complied
Workers	Date	Activity/PPE										
Heki Wardi	4 May 2018	Spraying/ Filter,glove,apron,golgle,										
Dani Putra	12 Oct 2018	Spraying/ Filter,glove,apron,golgle,										

Criterion / Indicator		Assessment Findings	Compliance																		
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation. Agrochemical containers recycled for premix agrochemical and certain is dispose as recycle waste at G-Planter latest disposal dated 18 Oct 2018 with total 1939 empty container at Mungka estate.	Complied																		
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Agriculture Manual, Section I: Weeds Management. The implementation in the field is consistent with the Agriculture Manual and referred as per below:- UMEC estate <table border="1" data-bbox="913 815 1541 919"> <thead> <tr> <th>Date</th> <th>Field</th> <th>Hectarage</th> </tr> </thead> <tbody> <tr> <td>23 Sept 2018</td> <td>P03/1</td> <td>29</td> </tr> <tr> <td>28 Sep 2018</td> <td>P03/5</td> <td>12</td> </tr> </tbody> </table> Mungka estate <table border="1" data-bbox="913 983 1541 1118"> <thead> <tr> <th>Date</th> <th>Field</th> <th>Hectarage</th> </tr> </thead> <tbody> <tr> <td>10 Oct 2018</td> <td>P08 (Selective)</td> <td>167.95</td> </tr> <tr> <td>23 August 2018</td> <td>P10 (Selective)</td> <td>238.01</td> </tr> </tbody> </table>	Date	Field	Hectarage	23 Sept 2018	P03/1	29	28 Sep 2018	P03/5	12	Date	Field	Hectarage	10 Oct 2018	P08 (Selective)	167.95	23 August 2018	P10 (Selective)	238.01	Complied
Date	Field	Hectarage																			
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Date	Field	Hectarage																			
10 Oct 2018	P08 (Selective)	167.95																			
23 August 2018	P10 (Selective)	238.01																			
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 all visited estates.	Complied																		

Criterion / Indicator		Assessment Findings	Compliance
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 -	There is no associated smallholder at Palong Certification Unit. Employees handling pesticide given knowledge and skill required to cover safe handling practices and standard operating procedures.	Complied
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. The management dispose waste material as per regulation for schedule waste and domestic waste	Complied

Criterion / Indicator		Assessment Findings	Compliance																						
4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -	<p>Annual medical surveillance for sprayers and pesticide operators were demonstrated.</p> <p>Medical examination programme established for sprayers which conducted by Kulim Safety Training and Services Sdn Bhd (HQ/11/DOC/00/235) for UMAC Estate and Mungka Estate.</p> <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>618670</td> <td rowspan="3">27/9/18</td> <td>Fit to work</td> <td rowspan="3">UMAC Estate</td> </tr> <tr> <td>618679</td> <td>Fit to work</td> </tr> <tr> <td>618691</td> <td>Fit to work</td> </tr> <tr> <td>635547</td> <td>15/7/18</td> <td>Fit to work</td> <td rowspan="3">Mungka Estate</td> </tr> <tr> <td>635402</td> <td>No evidence</td> <td>-</td> </tr> <tr> <td>635533</td> <td>No evidence</td> <td>-</td> </tr> </tbody> </table> <p>Medical surveillance for 2 sprayers was not fully documented in Mungka Estate: 1. 635533 2. 635547 Thus, major NC was raised.</p>	ID No	Date of Medical check up	Result	Estate	618670	27/9/18	Fit to work	UMAC Estate	618679	Fit to work	618691	Fit to work	635547	15/7/18	Fit to work	Mungka Estate	635402	No evidence	-	635533	No evidence	-	Major nonconformance
ID No	Date of Medical check up	Result	Estate																						
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618679		Fit to work																							
618691		Fit to work																							
635547	15/7/18	Fit to work	Mungka Estate																						
635402	No evidence	-																							
635533	No evidence	-																							
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	No female sprayer at UMAC Estate and Mungka Estate	Complied																						
<p>Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:</p>																									

<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>PCPOM and supply bases continued to maintain Occupational Safety and Health Policy which has been signed by Executive Director of Kulim Malaysia Berhad dated 1/5/2018.</p> <p>OHS plan for 2018 has been established. The OHS plan comprises of OSH legal compliance, emergency response plan (ERP), OSH management system, risk management and safety committee activities. Sample of OSH management system activities as follows :</p> <p>i) Chemical Health Risk Assessment (CHRA) CHRA was conducted on 8/5/2018 for UMAC Estate, 7/5/2018 for Mungka Estate, 21/5/2018 for PCPOM by QMSPRO Training & Consultancy (JKKP HIE 127/171-2(154) . The report yet to be received by the management. The email communication between the management and the assessor dated 17/9/2018 was sighted.</p> <p>ii) Chemical Exposure Monitoring The CEM was conducted on 30/8/18 by Kulim Safety Training and Services Sdn Bhd, HQ/17/JHI/00/00008- Report No:2018/054. The results showing that all operators' exposure level of n-hexane were below the PEL.</p> <p>iii) Audiometric Testing Audiometric testing was conducted on 21/10/2017 by PAC Testing & Consulting Sdn Bhd (HQ/15/DOC/00/395). Total workers tested were 34. From the report, 3 workers were found with hearing impairment. JKKP 7 was sent to DOSH accordingly on 10/12/2017.</p> <p>iv) Medical Surveillance 4 workers were sent on 4/8/2018 for medical surveillance for those who are involved with chemical; refer to medical surveillance report by registered OHD, HQ/11/DOC/00/235 under Klinik Falck Bestari. All the operators were found with normal results.</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
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>HIRARC for all activities was assessed which was based on Risk Assessment Criteria stated in the procedure (SOP) Hazard Identification, Risk Assessment and Risk Control, dated 20/11/2009- Kulim (M) Bhd. Eg:</p> <p>PCPOM-Weighbridge, Loading Ramp, Sterilizer, Threshing Station, Pressing Station, Clarification, Nut Cracking Station, Kernel Plant, Kernel Storage, CPO Storage, Boiler Station, Engine room, workshop, Store, EFB Press, Laboratory, WTP, Sterilizer, landfill, construction and turbine installation.</p> <p>Estate-Spraying, manuring, linesite, harvesting, fertilizer store, water catchment, diesel storage, landfill, workshop, rat baiting</p> <p>The latest HIRARC review was conducted on 16/7/2018 (UMAC Estate), 26/7/18 (PCPOM) and 1/2/2018 (Mungka Estate) by HIRARC team.</p>	Complied
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>Observed at engine room, oil room, boiler station, workshop, spraying activity and harvesting activity, adequate and appropriate protective equipment was provided.</p> <p>The training was conducted accordingly at mill and estates.</p> <p>#Cross refer with indicator 4.8.2</p>	Complied

<p>4.7.4</p>	<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. - Major compliance -</p>	<p>OSH policy is well briefed to all workers. Interview with workers reveal that they understand the policy and the importance of safety at work.</p> <p><u>UMAC Estate</u> OSH meeting conducted on quarterly basis and last meeting conducted on 26/8/2018.</p> <p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2018</u> Chairman – Estate Manager Appointment letters for OSH committee members was sighted. OSH/EHS meeting: 26/8/2018, 11/7/2018, 11/4/18 and 4/2/2018.</p> <p><u>Palong Cocoa POM</u> OSH meeting conducted on quarterly basis and last meeting conducted on 24/8/2018.</p> <p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2018</u> Chairman – Mill Manager Appointment letters for OSH committee members was sighted. OSH/EHS meeting: 24/8/2018, 22/5/2018, 14/2/18 and 10/11/2017.</p> <p><u>Mungka Estate</u> OSH meeting conducted on quarterly basis and last meeting conducted on 9/8/18.</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p><u>OSH Committee Members for 2018</u> Chairman – Estate Manager Appointment letters for OSH committee members was sighted. OSH/EHS meeting: 9/8/2018, 27/5/2018, 15/2/18 and 14/11/17.</p>	

<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>Accident and emergency procedures have been communicated to employees, contractors and visitors.</p> <ol style="list-style-type: none"> Palong Cocoa POM - Fire drill was last conducted on 6/8/2018 to test the state of readiness during emergency situation. Fire drill was last conducted on 28/9/2018 (UMAC Estate) and 17/8/18 (Mungka Estae) to test the state of readiness during emergency situation. <p>Accident and emergency procedures are in Bahasa Malaysia and this is understood by the responsible workers, staff or executives involved in the operation. Good understanding level observed among the workers.</p> <ol style="list-style-type: none"> Training for First Aid is conducted every year. Last training was conducted on 10/10/18 by JPAM (UMAC Estate), 27/8/18 by HA (PCPOM) and 10/10/18 (Mungka Estate). First aid equipment is available at worksites. During the site visit there is evident that First Aid Box is available at the relevant area with sufficient contents and in good condition. Fire extinguisher (ABC Powder) assessed during the site observation are available and within the expiry date. Emergency eye wash facility available at chemical store and laboratory. Both are in good working condition. <table border="1" data-bbox="1021 1137 1666 1399"> <thead> <tr> <th>Estate/Mill</th> <th>First Aid Box Station (Site Visit)</th> </tr> </thead> <tbody> <tr> <td>UMAC Estate</td> <td>Spraying (P03), Harvesting (P06/P05), workshop, chemical store</td> </tr> <tr> <td>PCPOM</td> <td>Supervisor room, laboratory, workshop, chemical room</td> </tr> <tr> <td>Mungka Estate</td> <td>Harvesting (P09/2), Spraying (P12/1), workshop, chemical store, fertilizer store</td> </tr> </tbody> </table>	Estate/Mill	First Aid Box Station (Site Visit)	UMAC Estate	Spraying (P03), Harvesting (P06/P05), workshop, chemical store	PCPOM	Supervisor room, laboratory, workshop, chemical room	Mungka Estate	Harvesting (P09/2), Spraying (P12/1), workshop, chemical store, fertilizer store	<p>Complied</p>
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Mungka Estate	Harvesting (P09/2), Spraying (P12/1), workshop, chemical store, fertilizer store										

Criterion / Indicator	Assessment Findings	Compliance
	<p>Quarterly review on accident cases carried out during OSH quarterly meeting.</p> <p><u>UMAC Estate</u> No occupational accident reported for 2018. JKPP 8 was sent to DOSH on 9/01/18.</p> <p><u>PCPOM</u> No occupational accident reported for 2018. JKPP 8 was sent to DOSH on 6/3/18.</p> <p><u>Mungka Estate</u> No occupational accident reported for 2018. JKPP 8 was sent to DOSH on 4/2/2018.</p>	

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4.7.6	<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> <table border="1"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Mill/ Estate</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>SOCSCO</td> <td>Aug 18, Sept 18</td> <td rowspan="2">UMAC Estate</td> <td>ID No: 618557, 618008, 618619</td> </tr> <tr> <td>MSIG Insurance (JB-09945382-FWC)</td> <td>25/3/18-24/3/19</td> <td>ID No: 618575, 618449, 618556 (Repatriation)</td> </tr> <tr> <td>SOCSCO</td> <td>Aug 18, Sept 18</td> <td rowspan="3">PCPOM</td> <td>ID No: 637023, 637118, 637161</td> </tr> <tr> <td>MSIG Insurance (JB-09912878-FWC)</td> <td>17/1/18-16/1/19</td> <td>ID No: 637139</td> </tr> <tr> <td>MSIG Insurance (JB-09961484-FWC)</td> <td>26/4/18-25/4/19</td> <td>ID No: 637158</td> </tr> <tr> <td>SOCSCO</td> <td>Aug 18, Sept 18</td> <td></td> <td>ID No: 635449, 635016</td> </tr> <tr> <td>MSIG Insurance (JB-10063976-FWC)</td> <td>24/9/18-23/9/19</td> <td rowspan="3">Mungka Estate</td> <td>ID No: 635402</td> </tr> <tr> <td>MSIG Insurance (JB-099130003-FWC)</td> <td>6/1/18-5/1/19</td> <td>ID No: 635533</td> </tr> <tr> <td>MSIG Insurance (JB-</td> <td>8/3/18-7/3/19</td> <td>ID No: 635547</td> </tr> </tbody> </table>	Insurance	Period	Mill/ Estate	Remark	SOCSCO	Aug 18, Sept 18	UMAC Estate	ID No: 618557, 618008, 618619	MSIG Insurance (JB-09945382-FWC)	25/3/18-24/3/19	ID No: 618575, 618449, 618556 (Repatriation)	SOCSCO	Aug 18, Sept 18	PCPOM	ID No: 637023, 637118, 637161	MSIG Insurance (JB-09912878-FWC)	17/1/18-16/1/19	ID No: 637139	MSIG Insurance (JB-09961484-FWC)	26/4/18-25/4/19	ID No: 637158	SOCSCO	Aug 18, Sept 18		ID No: 635449, 635016	MSIG Insurance (JB-10063976-FWC)	24/9/18-23/9/19	Mungka Estate	ID No: 635402	MSIG Insurance (JB-099130003-FWC)	6/1/18-5/1/19	ID No: 635533	MSIG Insurance (JB-	8/3/18-7/3/19	ID No: 635547	Complied
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Criterion / Indicator		Assessment Findings				Compliance												
		09942386-FWC)																
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	<p>Records of incident and accident were available, using internal reporting system. Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory.</p> <p>Sample of accident statistic as shown below :</p> <table border="1"> <thead> <tr> <th>Year</th> <th>UMAC Estate</th> <th>PCPOM</th> <th>Mungka Estate</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>9</td> <td>0</td> <td>0</td> </tr> <tr> <td>2016</td> <td>35</td> <td>0</td> <td>2</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days</p>				Year	UMAC Estate	PCPOM	Mungka Estate	2017	9	0	0	2016	35	0	2	Complied
Year	UMAC Estate	PCPOM	Mungka Estate															
2017	9	0	0															
2016	35	0	2															
<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>																		
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 -	<p>Sighted an approved Training Scheduled for 2018 was established. Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding SDS, all SOPs', safe working practices, the correct use of PPE, all aspects of the RSPO and etc.</p>				Complied												

4.8.2	<p>Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Training records for employees available and maintained at the office. Records are verified on a sampling basis which covers all aspect of training and RSPO P&C requirement. Samples of training record for 2018 as follows:</p> <table border="1" data-bbox="913 507 1749 1366"> <thead> <tr> <th colspan="3">UMAC Estate</th> </tr> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>15/8/2018</td> <td>Chemical handling spraying (selective) Training</td> <td rowspan="8">All training is maintain in training file 2018.</td> </tr> <tr> <td>21/8/2018</td> <td>Policy training</td> </tr> <tr> <td>8/1/2018</td> <td>First aid training</td> </tr> <tr> <td>17/1/2018</td> <td>Bagworm training</td> </tr> <tr> <td>7/3/2018</td> <td>PPE training</td> </tr> <tr> <td>28/8/2018</td> <td>Payslip training</td> </tr> <tr> <td>29/8/2018</td> <td>MSPO and RSPO training</td> </tr> <tr> <th colspan="3">Palong Mill</th> </tr> <tr> <td>29/1/2018</td> <td>Chemical and Diesel handling training</td> <td rowspan="6">All training is maintain in training file 2018.</td> </tr> <tr> <td>1/3/2018</td> <td>SCCS training</td> </tr> <tr> <td>6/3/2018</td> <td>PPE Training</td> </tr> <tr> <td>15/7/2018</td> <td>ERP training</td> </tr> <tr> <td>1/7/2018</td> <td>Contractor training on RSPO</td> </tr> <tr> <td>6/8/2018</td> <td>Fire Drill training</td> </tr> </tbody> </table>	UMAC Estate			Date	Training	Remark	15/8/2018	Chemical handling spraying (selective) Training	All training is maintain in training file 2018.	21/8/2018	Policy training	8/1/2018	First aid training	17/1/2018	Bagworm training	7/3/2018	PPE training	28/8/2018	Payslip training	29/8/2018	MSPO and RSPO training	Palong Mill			29/1/2018	Chemical and Diesel handling training	All training is maintain in training file 2018.	1/3/2018	SCCS training	6/3/2018	PPE Training	15/7/2018	ERP training	1/7/2018	Contractor training on RSPO	6/8/2018	Fire Drill training	<p>Minor nonconformance</p>
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Criterion / Indicator		Assessment Findings			Compliance
		19/8/2018	PCD Training	All training is maintain in training file 2018.	
		27/8/2018	First Aid Training		
		19/10/2018	RSPO in Housing area training		
		Mungka Estate			
		23/2/2018	Manuring training		
		3/7/2018	OSH training on function for OSH AJK		
		10/7/2018	Triple rinse training		
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.					

Criterion / Indicator		Assessment Findings	Compliance
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	<p>For Palong POM, Documented Environmental Aspects and Impacts Register (Form No.: MP-PCPOM-2018; Activity code: ER001- ER020; Rev. 1/2018) available. Review on Sept 2018 with total 20 list of activities are identified in POM. As for the review process, the annual review of the EIA management review meeting and review if any new activities in POM, changes of legislation and environmental issue raise by stakeholders.</p> <p>For Mungka estate, Documented Environmental Aspects and Impacts Register (Form No.: EPA-LXX-2018; Activity code: ER001- ER015; Rev. 1/2018) available. Review on Sept 2018 with total 15 list of activities are identified in Mungka Estate. As for the review process, the annual review of the EIA management review meeting and review if any new activities in POM, changes of legislation and environmental issue raise by stakeholders.</p>	Complied
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	<p>Environmental management programme for 2018, dated 12/9/18 was verified. There are significant issue such as:-</p> <ul style="list-style-type: none"> a) Emission of dark smoke b) Emission of dust/ashes particles released to the air c) Discharge of effluent into land application over 100ppm BOD d) Emission of Methane from effluent pond. 	Complied

Criterion / Indicator		Assessment Findings	Compliance						
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>Reporting for POME results and in line with mil's compliance schedule requirements. New Guided SelfRegulation was introduced by DOE to ensure all operator self-assessed the compliance status on environmental related issues. The approach is based on 7 Environmental Monitoring Tools (EMT) and implemented since June 2016. New establishment of EPMC @ Environmental Performance Monitoring Committee (operation level – mill) and ERCMC @ Environmental Regulatory Compliance Monitoring Committee (HQ level) shows the commitment towards continuous compliance.</p> <p>Latest ERCMC meeting – 28 August 2018 attended by mill manager and HQ representative with total 12 person.</p> <p>EPMC meeting – 08/2018 24 Sept 2018, and 07/2018 3 August 2018 .The frequency is every month in a year.</p> <p>For Mungka estate Environment Meeting held on 9 August 2018</p> <p>The Environmental Management Plan in Mungka Estate application is available dated April 2018. Verification as per below:-</p> <table border="1"> <thead> <tr> <th>Objective</th> <th>monitoring</th> </tr> </thead> <tbody> <tr> <td>Inspection of the vehicle condition for reduce and optimum diesel utilization.</td> <td>Record of diesel is available under store issue note for October 2018. Store account note : F1002</td> </tr> <tr> <td>Reduction of dark smoke to inspection the vehicle condition</td> <td>Record of vehicle inspection dated on 24 Oct 2018 and 25 Oct 2018 (Senarai Semak Pemeriksaan Harian.</td> </tr> </tbody> </table>	Objective	monitoring	Inspection of the vehicle condition for reduce and optimum diesel utilization.	Record of diesel is available under store issue note for October 2018. Store account note : F1002	Reduction of dark smoke to inspection the vehicle condition	Record of vehicle inspection dated on 24 Oct 2018 and 25 Oct 2018 (Senarai Semak Pemeriksaan Harian.	Complied
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Criterion / Indicator	Assessment Findings	Compliance
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 operations managed to best ensure that they are maintained and/or enhanced.		
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>UMAC Estate The last assessment conducted was in 24/9/2007. The assessment was conducted by A.J.F.M Dekker. The assessment was a Rapid Biodiversity Assessment. The report has identified the list of natural habitats that is possible present in the operating units.</p> <p>Mungka Estate The last assessment conducted was in 1/7/2008. The assessment was conducted by A.J.F.M Dekker. The assessment was a Rapid Biodiversity Assessment. The report has identified the list of natural habitats that is possible present in the operating units.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
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>UMAC Estate</p> <p>There is no RTE found in UMAC Estate. Based on the report, the assessor recommended to conduct bird survey. The management of UMAC estate had conducted the bird survey on 21/11/11. The management had established the biodiversity management plan which include bird survey, animal sighting record, boundary survey and control natural vegetation, buffer zone establishment (stream) and encroachment control. The management had implement accordingly.</p> <p>Mungka Estate</p> <p>There is RTE (<i>Otter</i>) found in Mungka Estate. Based on the report, the assessor recommended to conduct bird survey. The management of UMAC estate had conducted the bird survey on 21/11/11. The management had established the biodiversity management plan which include bird survey, animal sighting record, boundary survey and control natural vegetation, buffer zone establishment (stream) and encroachment control. The management had implement accordingly.</p> <p>Based on latest survey on 23/11/2011 by Wildlife Conservation Society, there was no RTE species found at Mungka Estate.</p>	Complied
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>	<p>The continuous improvement plan dated May 2018 had identified the plan to continual educate the workers regarding RTE. Workers interviewed confirmed that they are aware of no hunting is permitted in and within the estate. Signage no hunting, no fishing was established accordingly at field P07 block 3 and P10/3 (Pocket forest).</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
5.2.4	Where a management plan has been created there shall be ongoing monitoring: <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. - Minor compliance -	The management had established the biodiversity management plan which include: <ol style="list-style-type: none"> 1. bird survey – conducted on 21/11/11 (UMAC Estate) and 23/11/2011 (Mungka Estate) 2. animal sighting record – last record dated 24/9/18 (UMAC Estate) and 30/9/18 (Mungka Estate) 3. boundary survey – conducted on 7-10 May 2015 (UMAC Estate) and 4. control natural vegetation – maintain buffer zone 5. buffer zone establishment (stream) – briefing to workers was done on 2/5/18 (UMAC Estate) and 26/8/18 (Mungka Estate) Encroachment control – monitoring was done twice a year. The last monitoring was done on 19/8/18 (UMAC Estate) and 12/9/18 (Mungka Estate)	Complied
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	There is not HCV set-asides for local communities identified in all the estates.	Complied
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	The waste management plan is available dated 1 August 2018, in UMEC estate the Waste have been identified and Scheduled waste identified is SW 409, SW 408, SW 102, SW 305, SW 410, SW 404, SW 307, SW 422, SW 110 and SW 109 and SW 430. From verification implementation as per below:- SW 404 latest disposal is on 16 October 2018 with total 1.5 Kg at Kualiti Alam Sdn Bhd (Consignment note Serial No: 0243254).	Complied

Criterion / Indicator		Assessment Findings	Compliance
5.3.2	All chemicals and their containers shall be disposed of responsibly. - Major compliance -	All chemical containers are disposed as per the company procedures. Most of the agrochemical containers are recycled for pre-mixing agrochemicals. Recycling is only for the same purpose. As example, at UMEC Estate and Mungka Estate practice triple rinsing and punctured of used chemical and disposed it through G-Planter Sdn. Bhd, In UMEC estate latest record disposal with G-Planter record dated 19 October 2018 with total 775 container.	Complied
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	<p>Waste management and disposal plan was implemented and verified during assessment. Records disposal were made available for a few disposal arrangement as follows:-</p> <p>UMEC Estate Scheduled waste disposal records available. Refer to latest 5th schedule @ consignment note dated 28/08/2017 was disposed by license contractor, Kualiti Alam Sdn Bhd. Sampled consignment notes: 1. Consignment#0120647 for SW410 dated 17 August 2018 2. Consignment#0000686 for SW305 dated 17 August 2018 3. Consignment#0243254 for SW404 dated 16 October 2018</p> <p>Mill 1. Consignment#2018100312DHVCSA for SW409 dated 3 October 2018 2. Consignment#20181003121LPCJN for SW101 dated 3 October 2018 3. Consignment#2018100312KJA9QL for SW306 dated 3 October 2018</p> <p>Records of Scheduled waste disposal shown latest disposal was done through Kualiti Alam Sdn Bhd. Sighted License from DOE valid until 30 April 2019.</p>	Complied
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>			

Criterion / Indicator		Assessment Findings	Compliance									
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	<p>Mill POM production output records and the renewable energy used were monitored monthly. The Mill monitors and reports energy usage monthly to head office through monthly report.</p> <p>The company has optimized the use of renewable energy. The energy usage varies depending on the FFB supplied by the estates. During low crop there is a slight increase in use of diesel fuel for processing.</p> <p>Power generation summary as follows: 1. Diesel engine @ fossil fuel (200 kW, 250 kW & 650 kW) at 808,440 kWh to date September 2017. 2. Fossil fuel usage is 23.16% over the total power generation/consumption.</p> <p>Diesel Usage record is available in Palong Mill as per below :-</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Liter</th> <th>Liter/FFB</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>88989</td> <td>0.46</td> </tr> <tr> <td>2018 (Todate)</td> <td>63350</td> <td>0.52</td> </tr> </tbody> </table> <p>UMEC Estate Diesel usage is available latest record is on 0.61 Liter/FFB on Sept 2018 under Environmental Responsibility Resources & Biodiversity file.</p>	Year	Liter	Liter/FFB	2017	88989	0.46	2018 (Todate)	63350	0.52	Complied
Year	Liter	Liter/FFB										
2017	88989	0.46										
2018 (Todate)	63350	0.52										
<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>												

Criterion / Indicator		Assessment Findings	Compliance
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	There is no land preparation by burning at UMEC Estate. Sustainability handbook was described on Environmental policy including Zero open burning policy dated January 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974.	Complied
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 is no land preparation by burning at UMEC Estate and Mungka estate Site visit verified not found any activity using fire as medium for disposal of palm product .	Complied
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			

Criterion / Indicator	Assessment Findings	Compliance										
<p>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 -</p>	<p>For Palong Mill, Ambient Air quality monitoring and Air emission monitoring has been carried out as per required frequency stipulated in mill's compliance schedule. In addition, smoke density meters were calibrated consistently every 6 monthly. Results of monitoring as follows:</p> <p>i) Stack monitoring, twice per year</p> <p><u>Quarter 2 Result</u></p> <p>Stack# 4: 26 June 2018, refer to report,</p> <table border="1" data-bbox="913 683 1529 898"> <thead> <tr> <th>Parameter</th> <th>Test No.</th> <th>Limits</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Solid particles(Dust) (g/Nm3)</td> <td>KSPC-B4-F-1</td> <td rowspan="2">0.4</td> <td>0.3718</td> </tr> <tr> <td>KSPC-B4-F-2</td> <td>0.3765</td> </tr> </tbody> </table> <p>ii) Smoke density meter calibration, twice per year (6 monthly) 1st half: refer to calibration certificate no; NML/0914/E/13 by Scienotech Sdn Bhd. Calibration date: 7/6/2018. Next monitoring will be done on December 2018.</p> <p>iii) Ambient Air (quarterly) Total Suspended Particulate, TSP (limit 24hr: 120 ug/m3 as per New Malaysia Ambient Air Quality Standard) by PAC Testing & Consulting Sdn Bhd (Cert No. SAMM 606 valid till 23 August 2019) 2 monitoring points were selected.</p>	Parameter	Test No.	Limits	Result	Solid particles(Dust) (g/Nm3)	KSPC-B4-F-1	0.4	0.3718	KSPC-B4-F-2	0.3765	<p>Complied</p>
Parameter	Test No.	Limits	Result									
Solid particles(Dust) (g/Nm3)	KSPC-B4-F-1	0.4	0.3718									
	KSPC-B4-F-2		0.3765									
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance</p>	<p>Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH4) emission through POME treatment. Other less significant GHG emissions identified including COx, SOx and NOx from various sources including fossil fuel, chemical and fertilizer consumptions.</p>	<p>Complied</p>										

Criterion / Indicator		Assessment Findings	Compliance
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Kulim has published Carbon footprint report. Calculation was based on PalmGHG tools, version 3.0.1. Tools and systems used to monitor significant pollutants includes the DOE CEMS monitoring system for air emissions, water quality at discharge points as per DOE regulations and Scheduled Waste disposal as per the DOE requirements via eSwis. POME is treated using aerobic and anaerobic ponds and use in Biogas plant for generate electricity and flaring activity. This have been taken into calculate. Effluent waste-water samples were taken as per DOE requirement and quarterly reports sent to DOE via the latest "OER" @ Online Environmental Reporting	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.			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	SIA was conducted on 15/9/2018 by Sustainability Department which covered for whole Kulim (M) Berhad. The SIA has involved the participation of stakeholders such as workers, contractors and schools' representatives.	Complied
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	The SIA process has involved the participation of stakeholders such as workers, contractors and schools' representatives. Seen the interviewed checklists and summary of questionnaire that involved the stakeholders.	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 -	Palong Cocoa POM, UMAC Estate and Mungka Estate has developed management plan dated 15/9/2018 and mitigation of negative impact and promotion of positive impacts were included in the management plan. For eg: a. Positive Issue: The mill management provided uniform and transportation to reduce the burden of the parents. Action taken: The mill management has provided the uniform on yearly basis and free transportation to send the children to school. Evidence: Seen the census of uniform for children was carried out on 13/11/2017. Seen the contract agreement between the school bus contractor and the management that send the children to 3 different schools which valid until 30/11/2018. Order No.: 03/2017 was sighted. b. Negative Issue: UMAC Estate has detected encroachment of land from smallholders. Action taken: Meeting with smallholders was carried out on 14/1/2018 and 2 nd meeting was conducted on 15/7/2018. Evidence: Seen the all the meeting minutes and letter of final decision was sighted. Currently, it is still waiting for acceptance from smallholders for the decision.	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 -	The review was conducted on yearly basis and the last review was on 15/9/2018 in UMAC Estate, Palong Cocoa POM and Mungka Estate.	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No scheme smallholder involves in the certification unit.	Not applicable
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 -	Kulim (Malaysia) Sdn Bhd has developed a Communication and Consultation Management Guidelines V2.0 dated November 2009 where the objective of the procedure is to effectively communicate with internal and external stakeholders on matter pertaining to social and environmental aspect and impacts, performance and safety & health issue. The modes for internal communication are such as muster call, meeting with representatives, inspections, suggestion boxes and memo. In addition, meeting with stakeholders and telephone are the modes of communication with external stakeholders.	Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	<p>An appointment letter was issued from Plantation Operation to appoint all the complex's RC executives to be the person in charge for social issue in respective complex. Seen the appointment letter with Ref. SQD/SOC/024/16 dated 23/10/2016.</p> <p>Besides, Manager of Palong Cocoa POM has appointed Senior Assistant Engineer as person in charge for social issue in the mill and seen the appointment letter dated 24/7/2018 was sighted.</p> <p>Assistant Manager of Mungka Estate has been appointed as social officer to handle social issue in the estate. Appointment letter dated 1/11/2016 was sighted and maintained.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.2.3	<p>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.</p> <p>- Minor compliance -</p>	<p>Stakeholder list was developed which has included the local communities, government authorities, contractors and suppliers into the list by separated into the categories.</p> <p>Stakeholder meeting was conducted on 17/8/2018 for the Palong Complex. The meeting has involved the participation of stakeholders such as neighbouring plantations, local communities, government authorities and contractors. Seen the attendance list and meeting minutes. There was no issue raised. Only some stakeholders from other estates have requests for some assistance.</p> <p>Mungka Estate has organized stakeholder meeting on 26/1/2018 with the stakeholders such as school's representatives, local communities, suppliers and contractors. Meeting minutes was sighted and no issue was reported during the meeting.</p>	Complied
<p>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.</p>			
6.3.1	<p>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.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Sdn Bhd has developed Grievance Policy dated 1/5/2018. The objective of the procedure is to ensure that there is a transparent process for ensuring stakeholder's grievances and complaints are dealt with fairly, consistently and promptly.</p> <p>The company has implemented SPO Grievance Procedure dated 4/9/2007. The objective of the procedure is to ensure that Kulim has a documented system for dealing with complaints and grievances that is agreeable to all sides and accepted by all stakeholders. The timeframe to resolve the complaints and grievance is 25 work days. Extension of time limits may be authorized upon request to the Human Resources. The dispute resolution mechanisms are established through open and consensual agreements with affected parties.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>6.3.2</p> <p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance –</p>	<p>UMAC Estate, Palong Cocoa POM and Mungka Estate 33have implemented Enquiry Register Record to record any complaints, requisition or inspection/ visit by stakeholders. Sampled of the records as below:</p> <p>a. Ref. No.: 8/2018 dated 5/8/2018 Issue: Smallholders have appealed on the land encroachment by the smallholder to land of UMAC Estate. Evidence: Meetings were carried out with smallholders to discuss on the issues and final decision from head office was sighted. The letters regarding the take over of the lands from smallholders were issued on 17/9/2018 and waiting response from the smallholders.</p> <p>Besides, the UMAC Estate also implemented Complaint Book for Workers' Housing to record any defects related in housing. Actions have been taken to rectify the defects.</p> <p>Palong Cocoa POM has implemented Housing Defect Report to record all the defects in the workers' housing area. Sampled of the complaints as below:</p> <p>a. House No.: 39 dated 9/7/2018 Issue: Entrance door broke. Action taken and evidence: Verified on the Stock Requisition Carpenter logbook was sighted that replacement of the plywood door was carried out on 27/7/2018.</p> <p>Mungka Estate has implemented Housing Defect Logbook and sampled of the complaints as below:</p> <p>a. Area of Canteen dated 15/9/2018 Issue: Doors at the back and toilet were broken. Action taken and evidence: Verified the purchase order# 14763 dated 24/9/2018 was sighted for the purchased of doors to replace at the canteen. The repair work was conducted on 29/9/2018.</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
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 - Kulim (M) Berhad has established Estate Land Encroachment Procedure with Doc. No.: PROP/MP/5 dated 1/1/2015. The objective of the procedure is to establish and maintain the procedure on handling estate land encroachment cases professionally without tarnish the company. The procedure has clearly described the process such as legal surveyor to be appointed for demarcation, compensation process involved the government authorities and the company.	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance - SOP as per criteria 6.4.1.	Complied

Criterion / Indicator	Assessment Findings	Compliance
6.4.3	<p>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.</p> <p>- Major compliance -</p> <p>There was land encroachment of 6.27 ha by the smallholders into the UMAC Estate and 1st meeting was initiated on 14/1/2018 and representatives from Head of Village, Land Department Rompin, Head Office Legal Department, UMAC’s management and relevant smallholders. The Head of Village has informed to the smallholders that they had encroached into the land of UMAC Estate at Lot 25457 and Lot 25458. The management has obtained the finalized land title from Land Office in Rompin on December 2016. The smallholders’ representative has requested the management give compensation for the cost that they had contributed while they managed the land and to give approval for them to manage the land for another 10 years. A letter from smallholders to request for compensation dated 15/2/2018 was sighted. Executive Committee Meeting was conducted on 20/3/2018 agreed that no compensation will be made to the smallholders. 2nd meeting with smallholders was conducted on 15/7/2018 and 26/7/2018 to inform the smallholders that the requests were denied. They appealed to the management on 26/7/2018 and the management has made decision to deny the appeal and issued letters to smallholders to take over the respective land on 1/1/2019. The smallholders have yet to sign back the acceptance of decision. All the meeting minutes and records were maintained and sighted.</p>	Complied
<p>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.</p>		

Criterion / Indicator	Assessment Findings	Compliance
6.5.1	<p>Documentation of pay and conditions shall be available.</p> <p>- Major compliance -</p> <p>The mill and estates consist of local workers, foreign workers and contractor’s workers. The management has included basic pay, net pay, gross pay, deduction of salary, days of attended to work and etc on the pay slip. Payslip for November 2017, June 2018 and September 2018 based on the crop summary was sampled as below:</p> <ul style="list-style-type: none"> a. Employee No.: 637045 (PCPOM) b. Employee No.: 637063 (PCPOM) c. Employee No.: 637139 (PCPOM) d. Employee No.: 637140 (PCPOM) e. Employee No.: 637166 (PCPOM) f. Employee No.: 618593 (UMACE) g. Employee No.: 618645 (UMACE) h. Employee No.: 618636 (UMACE) i. Employee No.: 618510 (UMACE) j. Passport No.: B6816195 (UMACE Contractor’s Worker) k. Passport No.: B8209813 (UMACE Contractor’s Worker) l. Passport No.: AT370828 (UMACE Contractor’s Worker) m. Employee No.: 635665 (ME) n. Employee No.: 635391 (ME) o. Employee No.: 635009 (ME) p. Employee No.: 635676 (ME) q. Employee No.: 635674 (ME) r. Passport No.: B3274963 (ME Contractor’s Worker) s. Passport No.: B5360839 (ME Contractor’s Worker) t. Passport No.: B5792096 (ME Contractor’s Worker) u. Passport No.: B5792097 (ME Contractor’s Worker) <p>All the sampled workers have achieved the Minimum Wage Order 2016.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
6.5.2	<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>Employment contracts are available in language that understood by workers. The contract has detailing the payments whereas the employment conditions such as period of working, working hour, medical assistance, holiday and annual leave, termination of services and etc. The contract was signed by the workers and sampled as below:</p> <ul style="list-style-type: none"> a. Employee No.: 637160 (PCPOM) b. Employee No.: 637168 (PCPOM) c. Employee No.: 637131 (PCPOM) d. Employee No.: 637166 (PCPOM) e. Employee No.: 637090 (PCPOM) f. Employee No.: 618593 (UMACE) g. Employee No.: 618645 (UMACE) h. Employee No.: 618636 (UMACE) i. Employee No.: 618510 (UMACE) j. Passport No.: B5781268 (UMACE Contractor's Worker) k. Passport No.: B1727605 (UMACE Contractor's Worker) l. Passport No.: B1077353 (UMACE Contractor's Worker) m. Employee No.: 635655 (ME) n. Employee No.: 635550 (ME) o. Employee No.: 635673 (ME) p. Employee No.: 635596 (ME) q. Employee No.: 635674 (ME) r. Passport No.: B3274963 (ME Contractor's Worker) s. Passport No.: B5360839 (ME Contractor's Worker) t. Passport No.: B5792096 (ME Contractor's Worker) u. Passport No.: B5792097 (ME Contractor's Worker) 	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	<p>The company has provided free medical assistance to all the workers and their families. Electricity and water are subsidized by the company with certain units. Basic amenities such as football field, mosque and community hall was provided.</p> <p>Linesite inspection was carried out by Hospital Assistant in UMAC Estate and he was carried out twice a week during the collection of waste in the linesite. Seen the linesite inspection and waste collection book which has verified and acknowledged by the Assistant Manager and Manager.</p> <p>Linesite inspection was carried out on weekly basis by Hospital Assistant in Palong Cocoa POM. Seen the record of inspection and issues were recorded in the inspection logbook if there is any.</p> <p>Hospital Assistant in Mungka Estate has carried out linesite inspection on weekly basis by using the Weekly Housing Inspection Checklist.</p>	<p>Complied</p>
6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance –	<p>There is a sundry shop and food stalls located in the estates' compound. Site visit to the food shop found that price was displayed on a whiteboard. Besides, Interviewed with the workers found that they were satisfied with the pricing and they have easily access to adequate, sufficient and affordable foods.</p>	<p>Complied</p>
<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>		

Criterion / Indicator		Assessment Findings	Compliance
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 where the company recognized and respected the rights of employees to form and/ or join trade unions of their choice which are given due recognition by KULIM. The policy was in bi-lingual which is Bahasa Malaysia and English. The policy has been displayed at the notice board outside the office and briefed to the workers on 1/7/2018 in Palong Cocoa POM and 18/9/2018 in Mungka Estate. Besides, document reviewed and interviewed with the workers confirmed that they are allowed to join any association such as NUPW.	Complied
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	<p>Union committee was established in UMAC Estate and meeting was conducted at least once a year. The last meeting was conducted on 27/8/2018 with 10 participants inclusive of management and workers' representatives. Seen the meeting minutes and issues raised during the meeting were recorded.</p> <p>Palong Cocoa POM has organized meeting with Union's representative and the last meetings were conducted on 19/8/2018 and 12/10/2018. Issues were raised and management has taken action to resolve the issues such as higher price for foods sold in the canteen of POM. Site visit to the canteen verified that menu with pricing was displayed.</p> <p>There was a meeting conducted between the NUPW representative from Johor branch and with the committees of NUPW from Palong Complex (Palong Cocoa POM, Mungka Estate, Palong Estate, Sepang Loi Estate and Kemedak Estate) on 4/10/2018. There was no issue reported and meeting minutes was sighted. Besides, a meeting conducted between management and NUPW committee from Mungka Estate on 3/10/2018.</p>	Complied
Criterion 6.7: Children are not employed or exploited.			

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Criterion / Indicator		Assessment Findings	Compliance
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 where they are not engage in or support the use of Child Labour and will provide adequate support to enable children of its employees to attend and remain in school until no longer a child. The minimum age of workers to recruit is 18 years old. The policy has been displayed at the notice board outside the office and briefed to the workers on 1/7/2018 in Palong Cocoa POM and 18/9/2018 in Mungka Estate. Document verified the master list of the workers confirmed that the minimum age of workers employed are above 18 years old.	Complied
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.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 where the company will not engage in nor support discrimination in any form. The policy has been displayed at the notice board outside the office and briefed to the workers on 1/7/2018 in Palong Cocoa POM and 18/9/2018 in Mungka Estate.	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Interviewed with the workers consisted of different nationalities and different gender confirmed that they are treated equally without any discrimination. The workers were provided with standard treatment such as free medical treatment, fair overtime offered to all the workers whoever want to work and free housing to everyone.	Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Procedure on Staff Recruitment & Termination was developed. The procedure is to ensure the recruitment of the most suitable staff based on job requirement specification (Eg: education and experience). Each of the role has clearly specific the job requirement in the procedure. Besides, Recruitment of New Foreign Workers procedure has been developed to ensure the new foreign workers recruited for the operating units are legal workers which according to Immigration Act 1959/1963.	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 -	Kulim (Malaysia) Berhad has developed Sexual Harassment Policy dated 1/5/2018 where the company seeks to eradicate all forms of sexual harassment in the workplace and wherever possible influence the behavior of its employees. KULIM has a zero tolerance on sexual harassment. The policy has been displayed at the notice board outside the office and briefed to the workers on 1/7/2018 in Palong Cocoa POM and 18/9/2018 in Mungka Estate.	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 -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 where the company recognized and respects the right of employees of their rights and freedoms relating to reproduction and reproductive health. The policy has been displayed at the notice board outside the office and briefed to the workers on 1/7/2018 in Palong Cocoa POM and 18/9/2018 in Mungka Estate.	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 -	Women on Wards committee (WOW) was established in the operating units. The committee was chaired by RC Executive and wives of assistants and participated by the female workers. Meeting was conducted on 17/10/2018 in Palong Cocoa POM and 24/9/2018 in Mungka Estate. The meeting has discussed on the activities was done. Activities such as religion class, sport day and cooking class were carried out and participated by the committees. Complaint form and flowchart for complaint related to WOW was implemented in Mungka Estate. The committee was briefed on the flowchart during the meeting conducted on 24/9/2018.	Complied
Criterion 6.10:			
Growers and mills deal fairly and transparently with smallholders and other local businesses.			

Criterion / Indicator		Assessment Findings	Compliance
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	There is no smallholder dealing with the palm oil mill. Pricing mechanism for FFB is not applicable because the FFB sourced is from own company estates.	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 -	There is no smallholder dealing with the palm oil mill. Pricing mechanism for FFB is not applicable because the FFB sourced is from own company estates.	Complied
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Sampled of contract of agreement as below: a. Contract No.: MPSB/CPO 1/2016 (TEO) for transporting of CPO from mill to refinery which valid until 29/2/2020. b. Contract No.: EPA/MUNGKA 6/2013 for harvesting of FFB which valid until 31/12/2019.	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	According to the sign agreement, the terms of payment is within 30 days from date of certification of the submitted invoices by company. Contractors are required to submit invoices to company for justification of payment. Sampled of the invoices and payment vouchers confirmed that the payment was made according to the terms and condition as below: a. Tax Invoice# TV18060039 dated 30/6/2018; Payment Voucher# 18000497 dated 16/7/2018 b. Tax Invoice# TV18070035 dated 31/7/2018; Payment Voucher# 18000573 dated 16/8/2018 c. Tax Invoice# TV18080028 dated 31/8/2018; Payment Voucher# 18000652 dated 20/9/2018 d. Tax Invoice# 0007 dated 31/7/2018; Payment Voucher# 18000468 dated 31/7/2018 e. Tax Invoice# 0008 dated 30/8/2018; Payment Voucher# 18000524 dated 30/8/2018	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 –	UMAC Estate has made contribution to the local communities and workers by provided free transport to send the kids to school, subsidized water and electricity for the workers, donation to the schools’ event and activities. Palong Cocoa POM has contributed in monetary to schools’ activities, assisted to clean the drainage in the compound and festival celebration with the workers.	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	No scheme smallholders involve in the certification unit.	Not applicable
Criterion 6.12: No forms of forced or trafficked labour are used.			

<p>6.12.1</p>	<p>There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -</p>	<p>Kulim (Malaysia) Berhad has implemented Core Labour Standard Policy dated 1/5/2018 where the company does not engage in or support the use of Forced Labour in all the operations and administrations. The policy has been displayed at the notice board outside the office and briefed to the workers on 1/7/2018 in Palong Cocoa POM and 18/9/2018 in Mungka Estate.</p> <p>The company has recruited all the employees with legal identification for local and valid passport and work permit for foreign workers and contract workers. Contract of employment was signed by the workers prior to work. Sampled of foreign workers with valid work permit as below:</p> <ul style="list-style-type: none"> a. Permit No.: PE 0014666 valid until 16/1/2019 (PCPOM) b. Permit No.: PE 0164773 valid until 31/3/2019 (PCPOM) c. Permit No.: PE 1342860 valid until 12/7/2019 (PCPOM) d. Permit No.: PE 0920373 valid until 26/5/2019 (ME) e. Permit No.: PE 1198771 valid until 4/7/2019 (ME) f. Permit No.: PD 9884551 valid until 11/1/2019 (ME) g. Permit No.: PD 9498307 valid until 11/11/2018 (ME) h. Permit No.: PE 0575728 valid until 12/4/2019 (ME's Contractor worker) i. Permit No.: PE 0859643 valid until 22/4/2019 (ME's Contractor worker) j. Permit No.: PD 9657369 valid until 27/11/2018 (ME's Contractor worker) k. Permit No.: PE 1119914 valid until 28/6/2019 (ME's Contractor worker) l. Permit No.: PE 0582882 valid until 11/3/2019 (UMACE's Contractor worker) m. Permit No.: PE 1681583 valid until 7/9/2019 (UMACE's Contractor worker) n. Permit No.: PE 1235611 valid until 10/8/2019 (UMACE's Contractor worker) 	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>o. Permit No.: PE 1545935 valid until 10/8/2019 (UMACE's Contractor worker)</p> <p>p. Permit No.: PD 9855537 valid until 5/1/2019 (UMACE)</p> <p>q. Permit No.: PD 9648025 valid until 14/11/2018 (UMACE)</p> <p>r. Permit No.: PD 9894792 valid until 17/1/2019 (UMACE)</p> <p>The workers have signed on letter to surrender the passport to the management due to security issue. Sampled of the letters as below:</p> <p>a. Employee No.: 637139 (PCPOM)</p> <p>b. Employee No.: 637140 (PCPOM)</p> <p>c. Employee No.: 637121 (PCPOM)</p> <p>d. Employee No.: 637165 (PCPOM)</p> <p>e. Employee No.: 618593 (UMACE)</p> <p>f. Employee No.: 618645 (UMACE)</p> <p>g. Employee No.: 618636 (UMACE)</p> <p>h. Employee No.: 618510 (UMACE)</p> <p>i. Passport No.: B6816195 (UMACE Contractor's Worker)</p> <p>j. Passport No.: B8209813 (UMACE Contractor's Worker)</p> <p>k. Passport No.: AT370828 (UMACE Contractor's Worker)</p> <p>l. Employee No.: 635665 (ME)</p> <p>m. Employee No.: 635391 (ME)</p> <p>n. Employee No.: 635009 (ME)</p> <p>o. Employee No.: 635676 (ME)</p> <p>p. Employee No.: 635674 (ME)</p> <p>q. Passport No.: B3274963 (ME Contractor's Worker)</p> <p>r. Passport No.: B5360839 (ME Contractor's Worker)</p> <p>s. Passport No.: B5792096 (ME Contractor's Worker)</p> <p>t. Passport No.: B5792097 (ME Contractor's Worker)</p>	

Criterion / Indicator		Assessment Findings	Compliance
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	Interviewed with the foreign workers confirmed that no contract substitution occurred. They were offered the same job with same wages while they were in their home country by the agent.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Kulim (Malaysia) Berhad has developed Employee Handbook dated 1/9/2018 and Core Labour Standard Policy dated 1/5/2018 which has included the following terms: a. No forced labour and no contract substitution for all the employees. b. Provide the appropriate trainings to each of the employees. c. The company will provide decent living conditions according to Minimum Housing and Amenities Act 1990. d. The company will not engage in nor support discrimination in any form. Induction training for new recruited workers was conducted by the Assistant of Palong Cocoa POM. Seen the training attendance dated 15/7/2018 for one worker and evaluation of the training was carried out to ensure the effectiveness of the training.	Complied
Criterion 6.13: Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	Kulim (Malaysia) Berhad has developed Sustainability Policy where the company respects, supports and upholds fundamental human rights and does not engage in any discrimination of race, religion and gender. The policy has been displayed at the notice board outside the office and briefed to the workers on 1/7/2018 in Palong Cocoa POM and 18/9/2018 in Mungka Estate.	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.	Not applicable in Peninsular Malaysia.	Not applicable

Criterion / Indicator	Assessment Findings	Compliance
Principle 7: Responsible development of new plantings		
Palong Cocoa Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment. The immature areas are replanted area.		
Principle 8: Commitment to continual improvement in key areas of activity		
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.		
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); • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>The action plan for continual improvement plan was not fully identified and implemented. Example action plan that had been established:</p> <ol style="list-style-type: none"> 1. Dispose the scheduled waste as EQ (Scheduled waste) Regulations 2. Medical surveillance 3. Chemical exposure monitoring test 4. HIRARC 5. Union meeting 6. Social impact assessment <p>Thus, major NC was raised.</p>
Major nonconformance		

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Appendix B: Approved Time Bound Plan

Project	Estate	Plan
Indonesia: SUMSEL	PT Tempirai Palm Resources (PT TPR)	To be included in TBP upon completion of acquisition (expected completion in 2025)
	PT Rambang Agro Jaya (PT RAJ)	
Malaysia Trader	Eng Lee Heng	2019
Malaysia Group	Bukit Layang Estate	2019

List of Estate Manage by Kulim (Malaysia) Berhad			
Mill Base	Kulim / Jcorp Estate	Estate	Status
Tereh Mill	Kulim Estate	Tereh Utara	Certified RSPO
		Tereh Selatan	
		Selai	
		Enggang	
		Mutiara	
		Sg Sembrong	
		Sg Tawing	
Sedenak Mill		Rengam	
		Sedenak	
		Basir Ismail	
Sindora Mill		Ulu Tiram	
		Kuala Kabong	
		REM/Pasak	
Palong Mill		Sindora	
		Sungai Papan	
		Sepang Loi	
	UMAC		
	Labis Bahru		
	Mungka		
	Kemedak		

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List of Estate Manage by Kulim (Malaysia) Berhad			
Mill Base	Kulim / Jcorp Estate	Estate	Status
		Palong	
Pasir Panjang Mill	Kulim Estate	Pasir Panjang	Certified RSPO
		Siang	
	Jcorp Estate	Bukit Kelompok	
		Tunjuk Laut	
		Pasir Logok	
		Bukit Payung	

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in 2018 for Palong Cocoa Palm Oil Mill and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG 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 2018 for Palong Cocoa Palm Oil Mill and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	0.97
PKO	0.97

Extraction	%
OER	20.41
KER	5.19

Production	t/yr
FFB Process	198,034.50
CPO Produced	43,092.08
PKO Produced	0

Land Use	Ha
OP Planted Area	12,730.49
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	118.08
Total	12,848.57

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	94,855.18	0.49	0	0	22,820.23	1.75	117,675.41	2.24
CO ₂ Emission from fertilizer	9,280.68	0.97	0	0	469.65	0.04	9750.33	1.01
NO ₂ Emmision	10,540.65	1.1	0	0	370.71	0.03	10,911.36	1.13
Fuel Consumption	1,027.14	0.11	0	0	110.3	0.01	1137.44	0.12
Peat Oxidation	0	0	0	0	0	0	0	0
Sink								
Crop Sequestration	-8,9762.2	-0.46	0	0	-21,200.3	-1.63	-110,962.5	-2.08
Conservation Sequestration	-239.78	0	0	0	0	0	-239.78	0
Total	25,701.67	0.13	0	0	3,412.2	0.2	29,113.9	0.33

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**Note: Includes both estates and smallholders*

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	26,682.22	0.13
Fuel Consumption	277.36	0
Grid Electricity Utilisation	180.98	0
Credit		
Export of Grid Electricity	0	0
Sales of PKS	-3,673.12	-0.02
Sales of EFB	0	0
Total	23,467.44	0.11

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	10,657.25
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 (%)	41
Divert to anaerobic diversion (%)	59

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

Appendix D: General Chain of Custody Requirements for the Supply Chain

5.1 Applicability of the general chain of custody requirements for the supply chain			
	Requirement	Evidence For any N/A raised, justification is required.	Compliance (Yes / No or N/A)
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	Palong Cocoa POM takes legal ownership and physically handles RSPO certified FFB from the estates and produced CPO and PK. The SOP (Module D-CPO Mills: IP) has been revised with the new standard June 2017.	Yes
5.1.2	Traders and distributors require a licence obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	Palong Cocoa POM is not a trader and distributor. The POM is not receiving FFB from trader and distributors as well. Therefore, no license is required.	N/A
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	Johor Corporation held RSPO membership number: 1-0080-09-000-00 since 15 June 2009 where Kulim (Malaysia) Berhad is under management of Johor Corporation. Company has registered in Palm Trace system as follows: Members ID: RSPO_PO1000001265 License valid until 01/22/2019 Member category : Oil Mill	Yes
5.1.4	Processing aids do not need to be included within an organization’s scope of certification.	Palong Cocoa POM is not refinery, therefore no processing aids need to be included.	N/A
5.2 Supply chain model			

5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Palong Cocoa POM is using the Identity Preserved supply chain model since it received the FFB from own certified estates. The CSPO Supply Chain procedure (Procedure No.: MKD/001 dated 9/10/2018) has stated Mass Balance model if applicable.	Yes
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Palong Cocoa POM is using Identity Preserved model since it only receives FFB from own certified supply bases.	Yes
5.3. Documented Procedures			
5.3.1	<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. 	<p>The mill has developed CSPO Supply Chain procedure (Procedure No.: MKD/001 dated 9/10/2018, revision 01) and Traceability procedure (Doc. No.: SQD/SMS/1.2 dated 9/10/2018, revision 01) to explain the process of receiving of certified FFB and sales & despatch of CSPO and CSPK. Besides, supporting procedures were established to cover for the requirements in supply chain as below:</p> <ol style="list-style-type: none"> a. Internal Audit Procedure – Doc. No.: SQD/SMS?5.0 dated 1/7/2018, revision 0 b. Control of Non-Conforming Product Procedure – Doc. No.: PCPOM/SOP/8.15 dated 1/2/2018m revision 0 c. And etc. 	Yes
	<ul style="list-style-type: none"> • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). 	<p>The facility has prepared a dedicated records and forms in relation to RSPO Supply Chain Certification.</p> <p>The training records were sighted and sampled as below:</p> <ol style="list-style-type: none"> a. SPO Supply Chain Certification Standard and Weighbridge SOP & ISCC training was conducted on 30/7/2018 for weighbridge operators. b. SOP Supply Chain Certification conducted on 1/3/2018 for Security. <p>Training attendance and training materials were sighted.</p>	Yes

	<ul style="list-style-type: none"> • Identification of the role 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 organization’s procedures for the implementation of this standard. 	The Mill Manager has the overall responsibility for the overall Supply Chain traceability activities at the Mill Level as stated in the RSPO Supply Chain Procedure, MKD/001 dated 9/10/2018. Official appointment letter from Head of Plantation Division was issued to appoint the Mill Manager to be person responsible for traceability system. Appointment letter dated 30/6/2018 was sighted.	Yes
5.3.2	The site shall have a written procedure to conduct annual internal audit to determine whether the organization; i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	Internal Audit Procedure (Doc. No.: SQD/SMS?5.0 dated 1/7/2018, revision 0) was established to explain the process of internal audit for implementation of management systems such as RSPO, RSPO Market Communications and Claims, ISCC and MSPO.	Yes
	ii) effectively implements and maintains the standard requirements within its organization	Internal audit was carried out on 26/8/2018 by General Clerk from Sustainability Department in Head Office. The auditor has been trained by Sirim STS on 2-3/5/2017 for Awareness and Internal Auditing Integrated RSPO & ISCC as per the procedure. There was no non-conformance raised for RSPO Supply Chain requirements.	Yes
5.4. Purchasing and goods in			
5.4.1	The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form: <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/delivery date; • The date on which the documents were issued; 	The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified during the audit as follow: Mungka Estate Date: 30/9/2018 Ticket No#175527 Field : P11/2 Tonnage: 5,850 kg	Yes

	<ul style="list-style-type: none"> • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number 	<p>Labis Bharu Estate Date: 23/9/2018 Ticket No#145117 Field : P95/P06/P07/P03/P13 Tonnage: 36, 140 kg Transporter: Tong Woon Trading</p> <p>Palong Estate Date: 24/8/2018 Ticket No#00986 Field : P10/2 Tonnage: 12,180 kg</p> <p>UMAC Estate Date: 14/8/2018 Ticket No#R101468 (mill) Field : P03/P04/P05/P08 Tonnage: 33,010 kg Lorry No: WDJ 5176</p> <p>Sepang Loi Estate Date: 29/7/2018 Ticket No#165314 Field : P00/1 Tonnage: 7,060 kg</p> <p>Kemedak Estate Date: 19/7/2018 Ticket No#11642 Field : P12 Tonnage: 7,370 kg Lorry No: BGF8570</p>	
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	<ul style="list-style-type: none"> Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). 	<p>The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified during the audit as follow:</p> <p>Mungka Estate Date: 30/9/2018 Ticket No#175527 Field : P11/2 Tonnage: 5,850 kg</p> <p>Labis Bharu Estate Date: 23/9/2018 Ticket No#145117 Field : P95/P06/P07/P03/P13 Tonnage: 36, 140 kg Transporter: Tong Woon Trading</p> <p>Palong Estate Date: 24/8/2018 Ticket No#00986 Field : P10/2 Tonnage: 12,180 kg</p> <p>UMAC Estate Date: 14/8/2018 Ticket No#R101468 (mill) Field : P03/P04/P05/P08 Tonnage: 33,010 kg Lorry No: WDJ 5176</p> <p>Sepang Loi Estate</p>	<p>Yes</p>
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		<p>Date: 29/7/2018 Ticket No#165314 Field : P00/1 Tonnage: 7,060 kg</p> <p>Kemedak Estate Date: 19/7/2018 Ticket No#11642 Field : P12 Tonnage: 7,370 kg Lorry No: BGF8570</p>	
	<ul style="list-style-type: none"> The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance. 	<p>All the FFB received from own certified supply bases. Records verified during the audit as follow:</p> <p>Mungka Estate Date: 30/9/2018 Ticket No#175527 Field : P11/2 Tonnage: 5,850 kg</p> <p>Labis Bharu Estate Date: 23/9/2018 Ticket No#145117 Field : P95/P06/P07/P03/P13 Tonnage: 36, 140 kg Transporter: Tong Woon Trading</p> <p>Palong Estate Date: 24/8/2018 Ticket No#00986 Field : P10/2 Tonnage: 12,180 kg</p>	<p>Yes</p>

		<p>UMAC Estate Date: 14/8/2018 Ticket No#R101468 (mill) Field : P03/P04/P05/P08 Tonnage: 33,010 kg Lorry No: WDJ 5176</p> <p>Sepang Loi Estate Date: 29/7/2018 Ticket No#165314 Field : P00/1 Tonnage: 7,060 kg</p> <p>Kemedak Estate Date: 19/7/2018 Ticket No#11642 Field : P12 Tonnage: 7,370 kg Lorry No: BGF8570</p>	
	<ul style="list-style-type: none"> A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements. 	Not applicable.	N/A
	<ul style="list-style-type: none"> The validity of licence for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements. 	Not applicable.	N/A
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	Mechanism in place for handling non-conforming oil palm products and/ or documents was describe in the procedure	Yes

		available. No non-conformance products recorded since last audit.	
5.5. Outsourcing activities			
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mil cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>	No outsourcing activities at Palong POM.	N/A
5.5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <p>a. The site has legal ownership of all input material to be included in outsourced processes;</p>	No outsourcing activities at Palong POM.	N/A
	<p>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p>	No outsourcing activities at Palong POM.	N/A
	<p>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p>	No outsourcing activities at Palong POM.	N/A

	d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.	No outsourcing activities at Palong POM.	N/A
5.5.3	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	No outsourcing activities at Palong POM.	N/A
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.	No outsourcing activities at Palong POM.	N/A
5.6. Sales and goods out			
5.6.1	<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form.</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/ delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number 	<p>Palong POM started to sell the product for CSPO on 22/6/18 and for CPK on 5/9/18 as IP module. Seen the weighbridge ticket, shipping documents as per sampled below:</p> <p>Buyer: PGEO Oil Mill Sdn Bhd, Pasir Gudang, Johor Contract No: MPOK1771IP dated 19/10/2018 Quantity: 500 MT Product: PK (RSPO IP) Transaction ID: TR-3e35145-45c4 dated 18/9/2018 Despatch No: K01571, date:18/9/2018 Quantity: 39,890 kg Lorry No: JSP3222 Certificate No: RSPO 613087 (CSPK IP)</p> <p>Buyer: Jin Lee Oil Mill Sdn Bhd, Pasir Gudang, Johor Contract No: MPOK1802IP dated 26/9/2018 Quantity: 350 MT Product: PK (RSPO IP) Transaction ID: TR-c4739b0f-18b7 dated 6/9/18</p>	Yes

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		<p>Despatch No: K01569, date:14/9/2018 Quantity: 41,000 kg Lorry No: MCG 8129 Certificate No: RSPO 613087 (CSPK IP)</p> <p>Buyer: Intercontinental Specialty Fats Sdn Bhd, Dengkil, Selangor Contract No: CPOIP M1835 dated 16/5/2018 Quantity: 500 MT Product: CPO (RSPO IP) Transaction ID: TR-b0c9c0d1-a415 dated 25/6/18 Despatch No: C05836, date:22/6/2018 Quantity: 35,550 kg Lorry No: JSK2993 Certificate No: RSPO 613087 (CSPO IP)</p> <p>Buyer: Carotino Sdn Bhd, Pasir Gudang, Johor Contract No: CPOMB M1819 dated 10/8/2018 Quantity: 800 MT Product: CPO (RSPO MB) Transaction ID: TR-fedc0eb5-b75a dated 13/9/2018 Despatch No: C06023, date:13/9/2018 Quantity: 39,640 kg Lorry No: 39,640 Certificate No: RSPO 613087 (CSPO MB)</p>	
	<ul style="list-style-type: none"> Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). 	<p>Palong POM started to sell the product for CSPO on 22/6/18 and for CPK on 5/9/18 as IP module. Seen the weighbridge ticket, shipping documents as per sampled below:</p> <p>Buyer: PGEO Oil Mill Sdn Bhd, Pasir Gudang, Johor Contract No: MPOK1771IP dated 19/10/2018</p>	<p>Yes</p>

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		<p>Quantity: 500 MT Product: PK (RSPO IP) Transaction ID: TR-3e35145-45c4 dated 18/9/2018 Despatch No: K01571, date:18/9/2018 Quantity: 39,890 kg Lorry No: JSP3222 Certificate No: RSPO 613087 (CSPK IP)</p> <p>Buyer: Jin Lee Oil Mill Sdn Bhd, Pasir Gudang, Johor Contract No: MPOK1802IP dated 26/9/2018 Quantity: 350 MT Product: PK (RSPO IP) Transaction ID: TR-c4739b0f-18b7 dated 6/9/18 Despatch No: K01569, date:14/9/2018 Quantity: 41,000 kg Lorry No: MCG 8129 Certificate No: RSPO 613087 (CSPK IP)</p> <p>Buyer: Intercontinental Specialty Fats Sdn Bhd, Dengkil, Selangor Contract No: CPOIP M1835 dated 16/5/2018 Quantity: 500 MT Product: CPO (RSPO IP) Transaction ID: TR-b0c9c0d1-a415 dated 25/6/18 Despatch No: C05836, date:22/6/2018 Quantity: 35,550 kg Lorry No: JSK2993 Certificate No: RSPO 613087 (CSPO IP)</p> <p>Buyer: Carotino Sdn Bhd, Pasir Gudang, Johor</p>	
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		<p>Contract No: CPOMB M1819 dated 10/8/2018 Quantity: 800 MT Product: CPO (RSPO MB) Transaction ID: TR-fedc0eb5-b75a dated 13/9/2018 Despatch No: C06023, date:13/9/2018 Quantity: 39,640 kg Lorry No: 39,640 Certificate No: RSPO 613087 (CSPO MB)</p>	
	<ul style="list-style-type: none"> For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. 	<p>Palong POM started to sell the product for CSPO on 22/6/18 and for CPK on 5/9/18 as IP module. Seen the weighbridge ticket, shipping documents as per sampled below:</p> <p>Buyer: PGEO Oil Mill Sdn Bhd, Pasir Gudang, Johor Contract No: MPOK1771IP dated 19/10/2018 Quantity: 500 MT Product: PK (RSPO IP) Transaction ID: TR-3e35145-45c4 dated 18/9/2018 Despatch No: K01571, date:18/9/2018 Quantity: 39,890 kg Lorry No: JSP3222 Certificate No: RSPO 613087 (CSPK IP)</p> <p>Buyer: Jin Lee Oil Mill Sdn Bhd, Pasir Gudang, Johor Contract No: MPOK1802IP dated 26/9/2018 Quantity: 350 MT Product: PK (RSPO IP) Transaction ID: TR-c4739b0f-18b7 dated 6/9/18 Despatch No: K01569, date:14/9/2018 Quantity: 41,000 kg Lorry No: MCG 8129 Certificate No: RSPO 613087 (CSPK IP)</p>	<p>Yes</p>

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		<p>Buyer: Intercontinental Specialty Fats Sdn Bhd, Dengkil, Selangor Contract No: CPOIP M1835 dated 16/5/2018 Quantity: 500 MT Product: CPO (RSPO IP) Transaction ID: TR-b0c9c0d1-a415 dated 25/6/18 Despatch No: C05836, date:22/6/2018 Quantity: 35,550 kg Lorry No: JSK2993 Certificate No: RSPO 613087 (CSPO IP)</p> <p>Buyer: Carotino Sdn Bhd, Pasir Gudang, Johor Contract No: CPOMB M1819 dated 10/8/2018 Quantity: 800 MT Product: CPO (RSPO MB) Transaction ID: TR-fedc0eb5-b75a dated 13/9/2018 Despatch No: C06023, date:13/9/2018 Quantity: 39,640 kg Lorry No: 39,640 Certificate No: RSPO 613087 (CSPO MB)</p>	
<p>5.7. Registration of transactions</p>			
<p>5.7.1</p>	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> • are mills, traders, crushers and refineries and; • take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. 	<p>Company has registered their mill in the PalmTrace:- Members ID – KULIM (MALAYSIA) BERHAD - Palong Palm Oil Mill: RSPO_PO1000001265 Licence valid until 01/22/2019 Member category : Oil Mill</p>	<p>Yes</p>

<p>5.7.2</p>	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. 	<p>Palong POM started to sell the product for CSPO on 22/6/18 and for CPK on 5/9/18 as IP module. Seen the announcement for weighbridge ticket, shipping documents as per sampled below:</p> <p>Buyer: PGEO Oil Mill Sdn Bhd, Pasir Gudang, Johor Contract No: MPOK1771IP dated 19/10/2018 Quantity: 500 MT Product: PK (RSPO IP) Transaction ID: TR-3e35145-45c4 dated 18/9/2018 Despatch No: K01571, date:18/9/2018 Quantity: 39,890 kg Lorry No: JSP3222 Certificate No: RSPO 613087 (CSPK IP)</p> <p>Buyer: Jin Lee Oil Mill Sdn Bhd, Pasir Gudang, Johor Contract No: MPOK1802IP dated 26/9/2018 Quantity: 350 MT Product: PK (RSPO IP) Transaction ID: TR-c4739b0f-18b7 dated 6/9/18 Despatch No: K01569, date:14/9/2018 Quantity: 41,000 kg Lorry No: MCG 8129 Certificate No: RSPO 613087 (CSPK IP)</p> <p>Buyer: Intercontinental Specialty Fats Sdn Bhd, Dengkil, Selangor Contract No: CPOIP M1835 dated 16/5/2018 Quantity: 500 MT Product: CPO (RSPO IP) Transaction ID: TR-b0c9c0d1-a415 dated 25/6/18 Despatch No: C05836, date:22/6/2018</p>	
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		<p>Quantity: 35,550 kg Lorry No: JSK2993 Certificate No: RSPO 613087 (CSPO IP)</p> <p>Buyer: Carotino Sdn Bhd, Pasir Gudang, Johor Contract No: CPOMB M1819 dated 10/8/2018 Quantity: 800 MT Product: CPO (RSPO MB) Transaction ID: TR-fedc0eb5-b75a dated 13/9/2018 Despatch No: C06023, date:13/9/2018 Quantity: 39,640 kg Lorry No: 39,640 Certificate No: RSPO 613087 (CSPO MB)</p>	
	<ul style="list-style-type: none"> Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. 	<p>Palong POM started to sell the product for CSPO on 22/6/18 and for CPK on 5/9/18 as IP module. Seen the announcement for weighbridge ticket, shipping documents as per sampled below:</p> <p>Buyer: PGEO Oil Mill Sdn Bhd, Pasir Gudang, Johor Contract No: MPOK1771IP dated 19/10/2018 Quantity: 500 MT Product: PK (RSPO IP) Transaction ID: TR-3e35145-45c4 dated 18/9/2018 Despatch No: K01571, date:18/9/2018 Quantity: 39,890 kg Lorry No: JSP3222 Certificate No: RSPO 613087 (CSPK IP)</p> <p>Buyer: Jin Lee Oil Mill Sdn Bhd, Pasir Gudang, Johor Contract No: MPOK1802IP dated 26/9/2018 Quantity: 350 MT Product: PK (RSPO IP)</p>	<p>Yes</p>

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		<p>Transaction ID: TR-c4739b0f-18b7 dated 6/9/18 Despatch No: K01569, date:14/9/2018 Quantity: 41,000 kg Lorry No: MCG 8129 Certificate No: RSPO 613087 (CSPK IP)</p> <p>Buyer: Intercontinental Specialty Fats Sdn Bhd, Dengkil, Selangor Contract No: CPOIP M1835 dated 16/5/2018 Quantity: 500 MT Product: CPO (RSPO IP) Transaction ID: TR-b0c9c0d1-a415 dated 25/6/18 Despatch No: C05836, date:22/6/2018 Quantity: 35,550 kg Lorry No: JSK2993 Certificate No: RSPO 613087 (CSPO IP)</p> <p>Buyer: Carotino Sdn Bhd, Pasir Gudang, Johor Contract No: CPOMB M1819 dated 10/8/2018 Quantity: 800 MT Product: CPO (RSPO MB) Transaction ID: TR-fedc0eb5-b75a dated 13/9/2018 Despatch No: C06023, date:13/9/2018 Quantity: 39,640 kg Lorry No: 39,640 Certificate No: RSPO 613087 (CSPO MB)</p>	
	<ul style="list-style-type: none"> Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. 	<p>There is RSPO certified volumes sold under conventional as per table supply chain declaration.</p>	<p>Yes</p>

	<ul style="list-style-type: none"> Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	All the announcements were done accordingly by the management.	Yes
5.8. Training			
5.8.1	The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.	The mill has developed Annual Training Program for year 2018 where the plan has covered for RSPO Supply Chain trainings.	Yes
5.8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.	<p>The training records were sighted and sampled as below:</p> <ul style="list-style-type: none"> a. SPO Supply Chain Certification Standard and Weighbridge SOP & ISCC training was conducted on 30/7/2018 for weighbridge operators. b. SOP Supply Chain Certification conducted on 1/3/2018 for Security. <p>Training attendance and training materials were sighted.</p>	Yes
5.9. Record Keeping			
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	<p>Palong Cocoa POM has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirement as below:</p> <ul style="list-style-type: none"> a. Internal audit reports b. Management review minutes c. Weighbridge tickets d. CPO dispatch book e. Daily production and stock figures report f. CPO contracts g. CPO and Kernel Stock (Ullage) h. Training records 	Yes

5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	All the records are kept for minimum 3 years as per the Documented Information List, Doc. No.: PCPOM/SOP/7.6 dated 1/2/2018. The records to be kept for minimum 3 years such as daily maintenance/ repair book, despatch oil quality log book, clarification station log book and FFB received summary log report.	Yes
5.9.3	The organization shall be able to provide the estimate volume of palm oil/palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	The forecast volume for January 2019 – December 2019: FFB= 259,975.30 MT CSPO= 54,597.00 MT (21% OER) CSPK= 13,259.00 MT (5.10% KER)	Yes
5.10. Conversion factors			
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivaties. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.	Not applicable.	N/A
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	Not applicable.	N/A
5.11. Claims			
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	The company does not make any claims regarding the use of or support of RSPO certified oil palm products through verified the company website, purchase order, contract, delivery order and any other company communication method.	Yes

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		However, the mill has applied Trademark License from RSPO. Seen the license with license number 1-0080-09-000-00 which start from 16/8/2017 to 15/8/2019 for IP and MB model.	
General corporate communications			
4.1	A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim.	Palong Cocoa POM does not use any RSPO trademark or logo in any general corporate communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
4.2	In corporate communications a member is allowed to: a. Display its RSPO membership status b. Display the RSPO web address (www.rsपो.οrg) c. State that the member supports the work of the RSPO d. State the member's history with regard to the RSPO. e. Use the RSPO trademark to promote its membership of the RSPO. Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text 'Check our progress at www.rsपो.οrg' where the link must lead to the member's profile page.	Palong Cocoa POM does not use any RSPO trademark or logo in any general corporate communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
4.3	In corporate communications RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products.	No trademark has been used and therefore no statement been made for the trademark used.	N/A
4.4	Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member's own products.	The products, CPO and PK are not using the RSPO trademark.	N/A
4.5	Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat.	No RSPO corporate logo used as evidence during the documentation review and site visit.	N/A
Business to business communications			

5.1	Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products.	Palong Cocoa POM does not use any RSPO trademark or logo in any business to business communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
5.2	When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	Palong Cocoa POM does not use any RSPO trademark or logo in any business to business communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
5.3	<p>Where a distributor or wholesaler takes title to products containing certified sustainable oil palm products, the requirements of the RSPO SCCS can follow either of two options:</p> <ul style="list-style-type: none"> a. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm products by linking the product to the manufacturer using the manufacturer’s SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products it is essential that customers are aware that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation. b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2. 	Palong Cocoa POM does not use any RSPO trademark or logo in any business to business communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
5.4	<p>A certified member can provide information to its customers detailing the presence of certified palm oil contained within a product even if it is not eligible for a product-specific under RSPO rules. The end product must not be labelled as certified or sold in such a way that implies RSPO certification.</p> <p>For example, a retailer or food service company may require a breakdown of all palm based ingredients within an end product and the certified</p>	Palong Cocoa POM does not use any RSPO trademark or logo in any business to business communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A

	status of each. This information may be provided by a certified RSPO member without constituting a product-specific claim.		
Business to consumer communication			
6.1	Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as 'product-specific' claims. Product-specific claims are voluntary.	Palong Cocoa POM does not use any RSPO trademark or logo in any business to consumer communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
6.2	Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below.	Palong Cocoa POM does not use any RSPO trademark or logo in any business to consumer communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
6.3	When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present.	Palong Cocoa POM does not use any RSPO trademark or logo in any business to consumer communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
6.4	Business to consumer communication shall not include information about the claimant's RSPO membership status.	Palong Cocoa POM does not use any RSPO trademark or logo in any business to consumer communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
6.5	Members shall not communicate to consumers information about their suppliers' RSPO membership status.	Palong Cocoa POM does not use any RSPO trademark or logo in any business to consumer communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
6.6	Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient.	Palong Cocoa POM does not use any RSPO trademark or logo in any business to consumer communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A

6.7	Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim.	Palong Cocoa POM does not use any RSPO trademark or logo in any business to consumer communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on www.rspo.org .	Palong Cocoa POM does not use any RSPO trademark or logo in any business to consumer communication by verified through the company website, invoices, letter head, contract with customers and others relevant records.	N/A
MODULE A – IDENTITY PRESERVED & SEGREGATED SPECIFIC RULES			
Certified oil palm content (IP)			
	For IP, 95% or above of the oil palm content must be RSPO IP-certified.	Palong Cocoa POM is producing crude palm product and does not involved in any labelling of end product.	N/A
	For SG, 95% or above of the oil palm content must be SG, or a combination of SG and IP.	Palong Cocoa POM is producing crude palm product and does not involved in any labelling of end product.	N/A

	<p>Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the volume of non-certified oil palm products must be covered by the purchase of RSPO Credits of equivalent volume.</p>	<p>Palong Cocoa POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>N/A</p>
<p>Labelling and trademark (IP)</p>			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> a. RSPO trademark which includes the tag 'CERTIFIED' or b. RSPO trademark which includes the tag 'This product contains certified sustainable palm oil'. Wherever a RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4pt (1.4 mm or 0.06 inch). In on-pack communications, the RSPO trademark can be printed anywhere on the pack. 	<p>Palong Cocoa POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>N/A</p>
<p>Messaging (IP)</p>			
	<p>Messaging ALLOWED in storytelling in product-related communications may include some or all of the following elements:</p> <ul style="list-style-type: none"> • The oil palm products contained in this product have been certified to come from RSPO sources. www.rspo.org • By choosing this product, you are sure it contains RSPO-certified palm oil. For more information: www.rspo.org • RSPO-certified sustainable oil palm products were kept apart from other oil palm products throughout the supply chain. www.rspo.org • Certified sustainable oil palm products can be traced back to RSPO-certified mills and plantations. www.rspo.org • The entire supply chain is monitored by independent, RSPO-accredited auditors. www.rspo.org 	<p>Palong Cocoa POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>N/A</p>

	<ul style="list-style-type: none"> • RSPO-certified sustainable palm oil has been produced to stringent environmental and social criteria. www.rspo.org • References to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown by company records. 		
5.12. Complaints			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Palong Cocoa POM has established Managing Customer Feedback procedure (Doc. No.: PCPOM/SOP/9.4 dated 1/2/2018, Issue 3, revision 0). The procedure has outlined the mechanism of handling customer complaints. Besides, a Communication and Consultation Management Guidelines was developed to effectively communicate with the internal and external stakeholders pertaining matter related to sustainability.	Yes
5.13. Management Review			
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.	The management has conducted the management review meeting annually where the last meeting was conducted on 28/6/2018 for the period from January 2017 to December 2017.	Yes
5.13.2	<p>The input to management review shall include information on:</p> <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	The last review meeting was conducted on 28/6/2018 for review period from January 2017 to December 2017. The input to management review has included all the information such as results of internal audit, customer survey, recommendation for improvement and status of preventive and corrective action.	Yes
5.13.3	The output from the management review shall include any decisions and actions related to:	Output from the management review meeting has been discussed during the management review meeting which has	Yes

<ul style="list-style-type: none"> Improvement of the effectiveness of the management system and its processes. Resource needs. 	<p>included resource needs and improvement of the effectiveness of the management systems and its processes.</p>	
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Appendix E: CPO Mill Supply Chain Assessment Report (Module D - CPO Mills: *Identity Preserved*)

D.1 Definition			
	Requirement	Evidence For any N/A raised, justification is required.	Compliance (Yes / No or N/A)
D.1.1	<p>A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.</p>	<p>Palong Cocoa POM only receives certified FFB from certified supply bases. The POM qualifies for the Identity Preserved supply chain system and module. During the assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.</p>	Yes
D.2 Explanation			
D.2.1	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall 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>	Yes

D.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).	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). Members ID: RSPO_PO1000001265 License valid until 01/22/2019 Member category : Oil Mill	Yes
D.3 Documented procedures			
D.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: a. Complete and up to date procedures covering the implementation of all the elements in these requirements;	The mill has developed CSPO Supply Chain procedure (Procedure No.: MKD/001 dated 9/10/2018, revision 01) and Traceability procedure (Doc. No.: SQD/SMS/1.2 dated 9/10/2018, revision 01) to explain the process of receiving of certified FFB and sales & despatch of CSPO and CSPK. Besides, supporting procedures were established to cover for the requirements in supply chain as below: a. Internal Audit Procedure – Doc. No.: SQD/SMS?5.0 dated 1/7/2018, revision 0 b. Control of Non-Conforming Product Procedure – Doc. No.: PCPOM/SOP/8.15 dated 1/2/2018m revision 0 c. And etc.	Yes
	b. The role 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’s procedures for the implementation of this standard.	The Mill Manager has the overall responsibility for the overall Supply Chain traceability activities at the Mill Level as stated in the RSPO Supply Chain Procedure, MKD/001 dated 9/10/2018. Official appointment letter from Head of Plantation Division was issued to appoint the Mill Manager to be person responsible for traceability system. Appointment letter dated 30/6/2018 was sighted.	Yes
D.3.2	The site shall have documented procedures for receiving and processing certified FFBs.	Palong Cocoa POM has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm	Yes

		products (CPO and PK). The procedure covers receiving and processing of certified FFB.	
D.4 Purchasing and goods in			
D.4.1	The site shall verify and document the tonnage and sources of certified FFBs received.	<p>The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified during the audit as follow:</p> <p>Mungka Estate Date: 30/9/2018 Ticket No#175527 Field : P11/2 Tonnage: 5,850 kg</p> <p>Labis Bharu Estate Date: 23/9/2018 Ticket No#145117 Field : P95/P06/P07/P03/P13 Tonnage: 36, 140 kg Transporter: Tong Woon Trading</p> <p>Palong Estate Date: 24/8/2018 Ticket No#00986 Field : P10/2 Tonnage: 12,180 kg</p> <p>UMAC Estate Date: 14/8/2018 Ticket No#R101468 (mill)</p>	Yes

		<p>Field : P03/P04/P05/P08 Tonnage: 33,010 kg Lorry No: WDJ 5176</p> <p>Sepang Loi Estate Date: 29/7/2018 Ticket No#165314 Field : P00/1 Tonnage: 7,060 kg</p> <p>Kemedak Estate Date: 19/7/2018 Ticket No#11642 Field : P12 Tonnage: 7,370 kg Lorry No: BGF8570</p>	
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The management aware on the issue if there is a projected overproduction of certified tonnage.	Yes
D.5 Record keeping			
D.5.1	<p>The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.</p> <p><i>IP Mill must report on real time basis.</i></p>	<p>All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No PKO and Palm Kernel Cake at Palong Palm Oil mill. PK is sold to 3rd party Kernel Crushing Plant. Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during this audit.</p> <p>Sighted the Sustainable Product Monthly Movements for Palong Cocoa POM for year 2017 and 2018 in monthly basis was</p>	Yes

		updated with FFB receiving, FFB processed, CPO production and PK production.	
D.6 Processing			
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non- certified oil palm product including during transport and storage to strive for 100% separation.	During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing.	Yes

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Supply Chain Declaration *(Applicable For Appendix E)*

A. Monthly Records of Certified and Uncertified FFB Received since the last audit (November 2017 – September 2018)				
No.	Month - Year	Volume of FFB from certified supply bases (mt)	Volume of FFB from uncertified supply bases (mt)	Total FFB/Month (mt)
1	Nov 2017	26,715.25	-	26,715.25
2	Dec 2017	20,935.57	-	20,935.57
3	Jan 2018	17,448.27	-	17,448.27
4	Feb 2018	12,753.98	-	12,753.98
5	Mac 2018	14,784.04	-	14,784.04
6	Apr 2018	13,279.51	-	13,279.51
7	Mei 2018	11,766.08	-	11,766.08
8	Jun 2018	9,334.10	-	9,334.10
9	July 2018	9,905.16	-	9,905.16
10	Aug 2018	14,666.56	-	14,666.56
11	Sept 2018	18,779.19	-	18,779.19
	Total	170,367.71		170,367.71

B. Monthly Records of Certified CPO & PK since the last audit (November 2017 – September 2018)			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	Nov 2017	5,225.94	1,410.34
2	Dec 2017	4,365.63	1,141.85
3	Jan 2018	3,336.28	947.50
4	Feb 2018	2,685.93	667.64
5	Mac 2018	3,209.51	780.60
6	Apr 2018	2,839.12	737.88
7	Mei 2018	2,453.05	610.54
8	Jun 2018	1,939.67	441.75
9	July 2018	2,057.81	409.06
10	Aug 2018	3,259.54	821.72
11	Sept 2018	3,975.90	1,142.51
	Total	35,348.38	9,111.39

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C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any) (November 2017 – September 2018)				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1	ABC	aaa	7,468.35	-
2	DEF	bbb	79.8	-
3	GHI	ccc	2,728.18	-
4	JKL	ddd	1,636.40	-
5	MNO	eee	521.58	-
6	PQR	fff	103.13	-
7	STU	ggg	-	886.75
8	VWX	hhh	-	205.27
9	YZ	iii	-	293.10
	Total		12,537.44	1,385.12

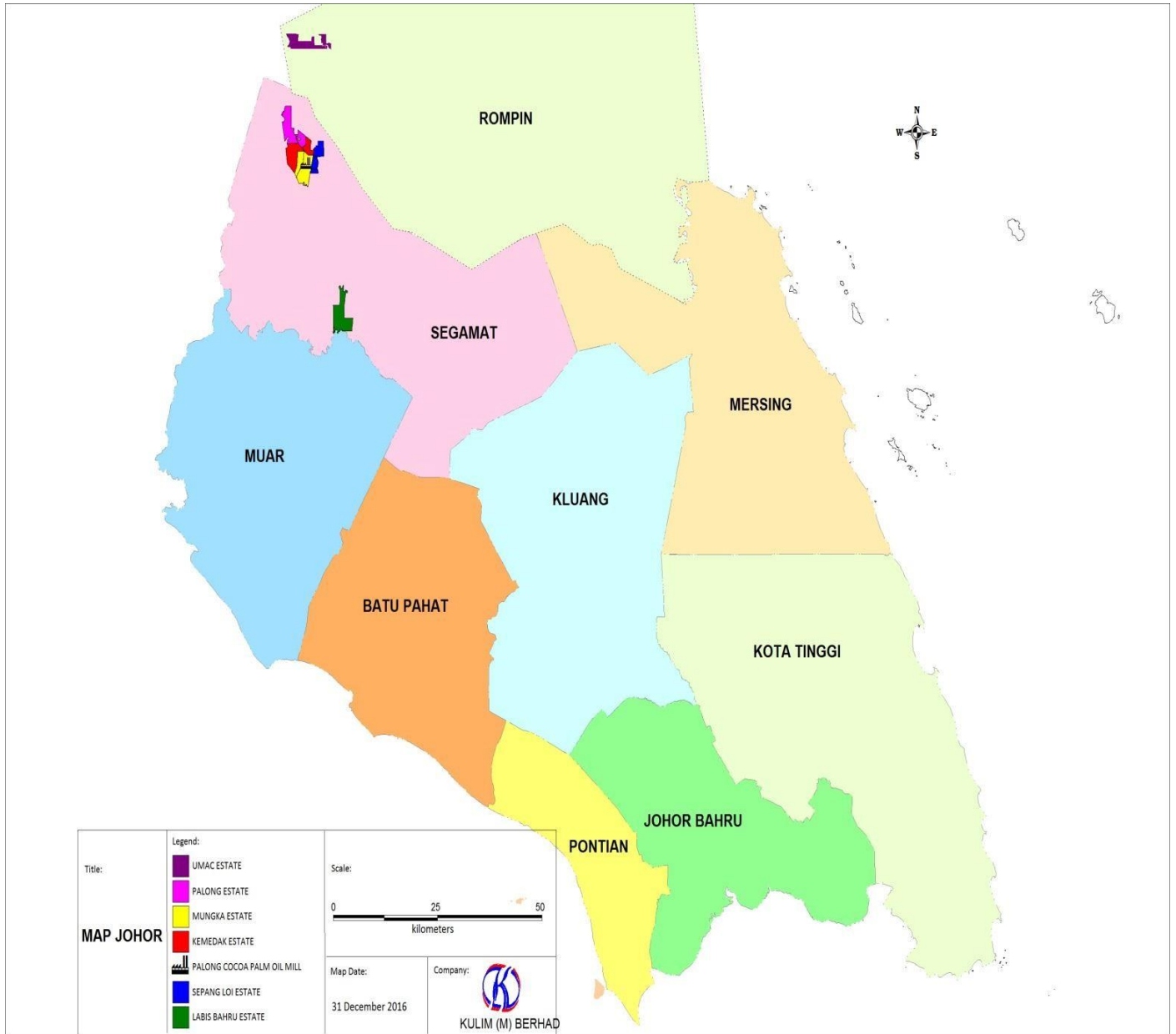
D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any) (November 2017 – September 2018)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
	N/A			

E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any) (November 2017 – September 2018)				
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)	
1	YYY	2,660.85	-	
2	XXX	2,667.93	-	
3	ABC	12,773.07	-	
4	DDD	211.48	-	
5	FFF	3,217.38	-	
6	JJJ	39.88	-	
7	JKL	206.67	-	
8	VWX	-	1,933.09	
9	YZ	-	2,162.45	
10	KKK	-	3,508.74	
11	MMM	-	43.11	
	Total	21,777.26	7,647.39	

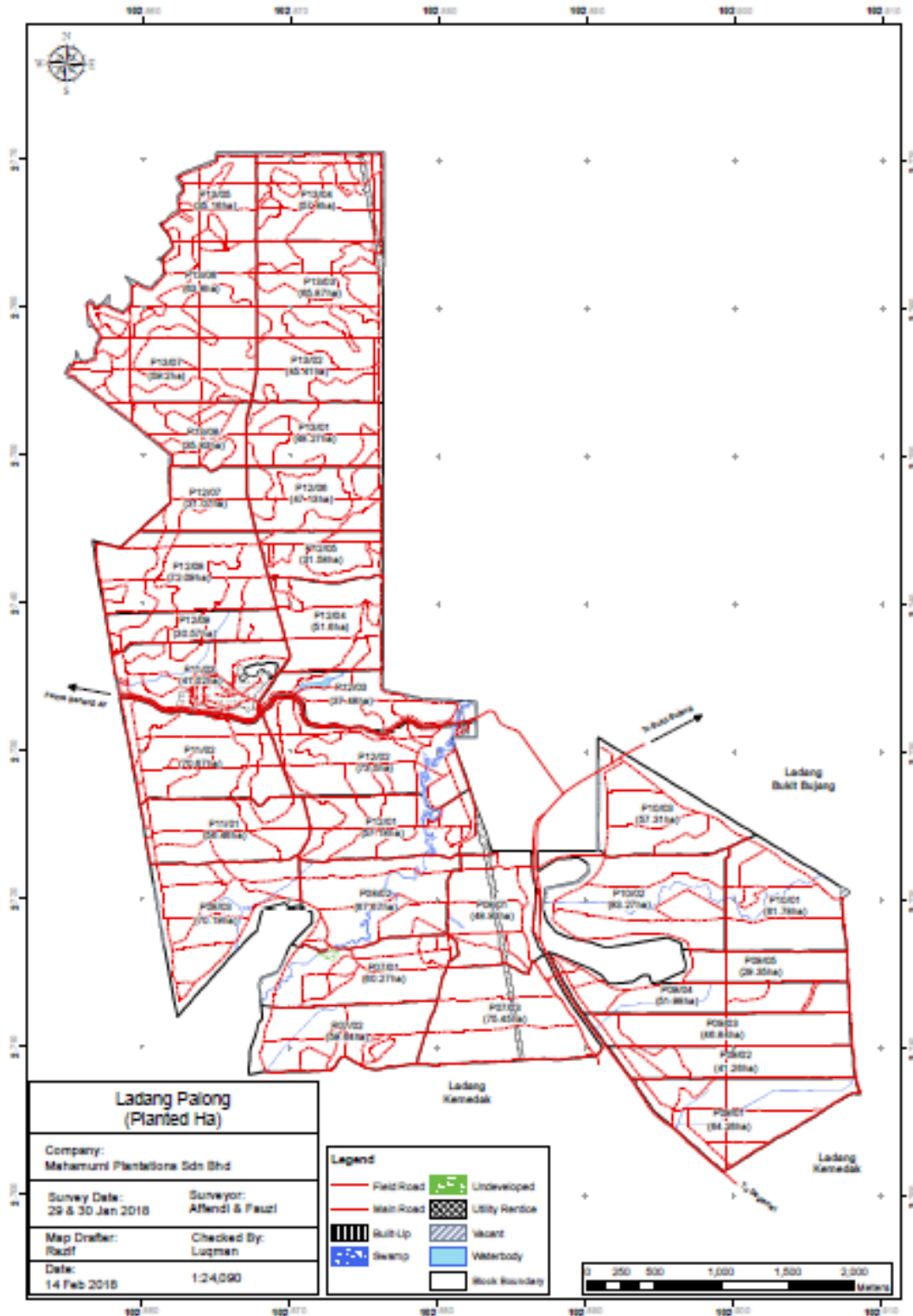
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F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any) (November 2017 – September 2018)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
		Nil	

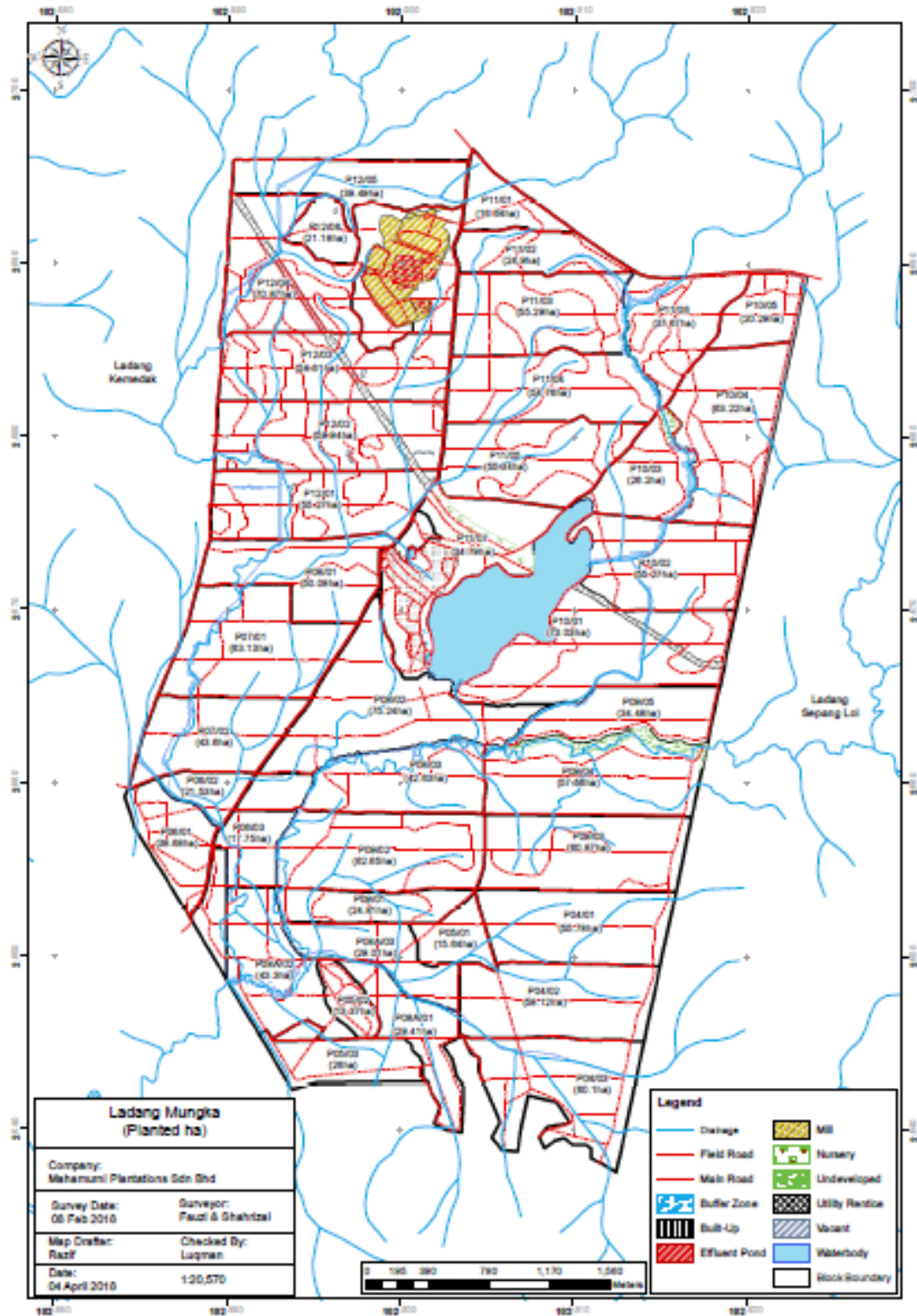
Appendix F: Location Map of Palong Cocoa Palm Oil Mill Certification Unit and Supply bases



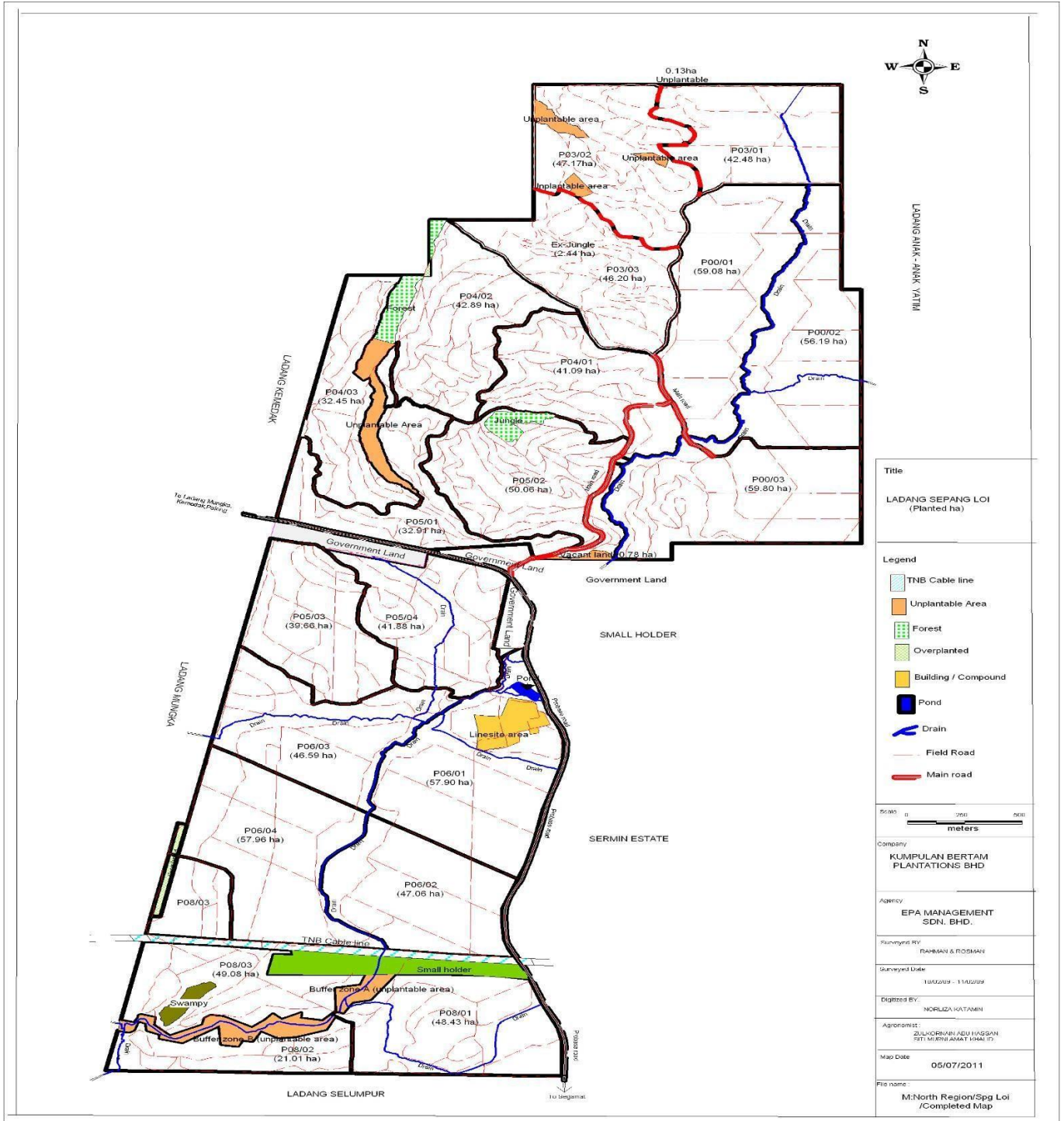
Appendix G: Palong Estate Field Map



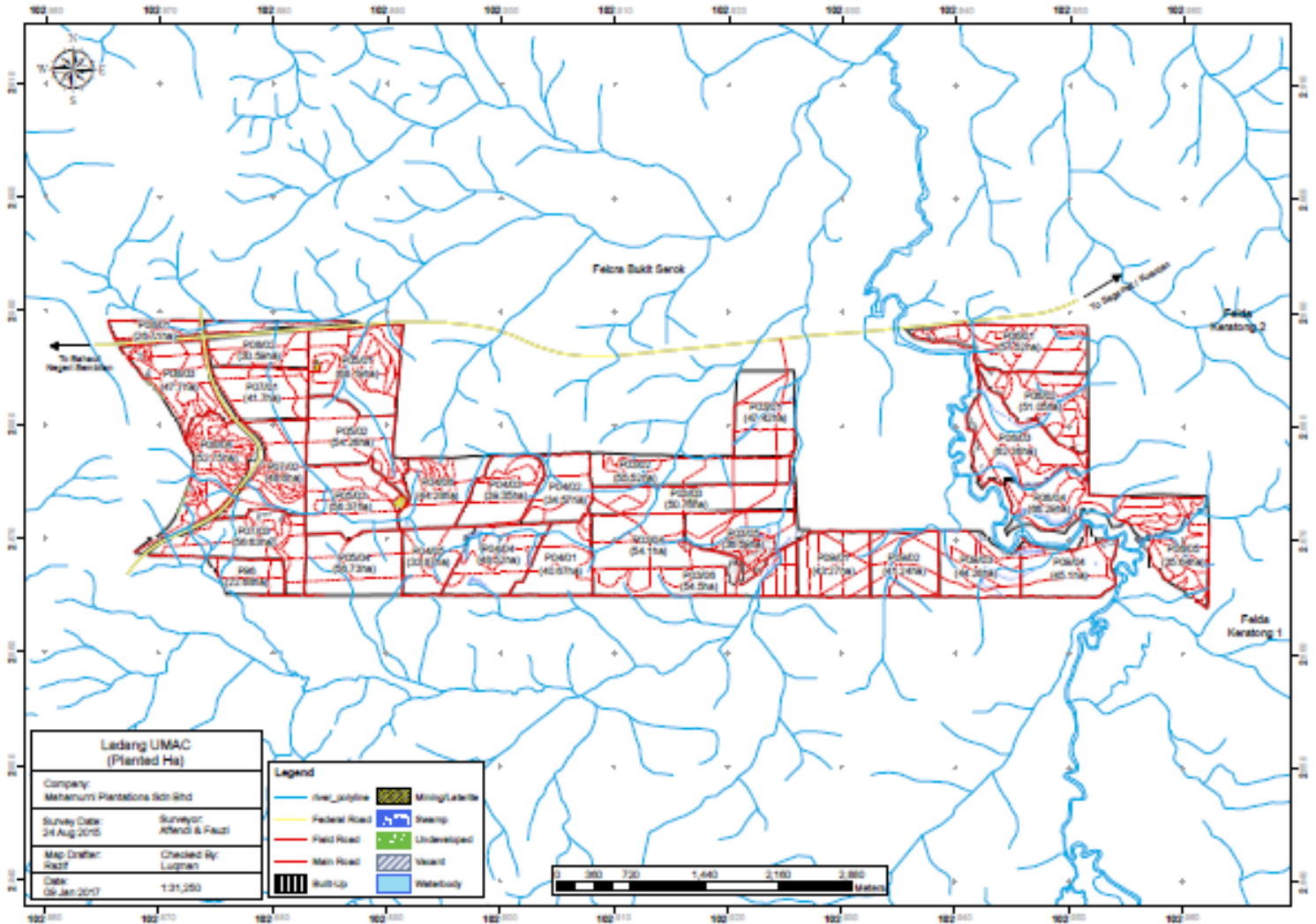
Appendix H: Mungka Estate Field Map



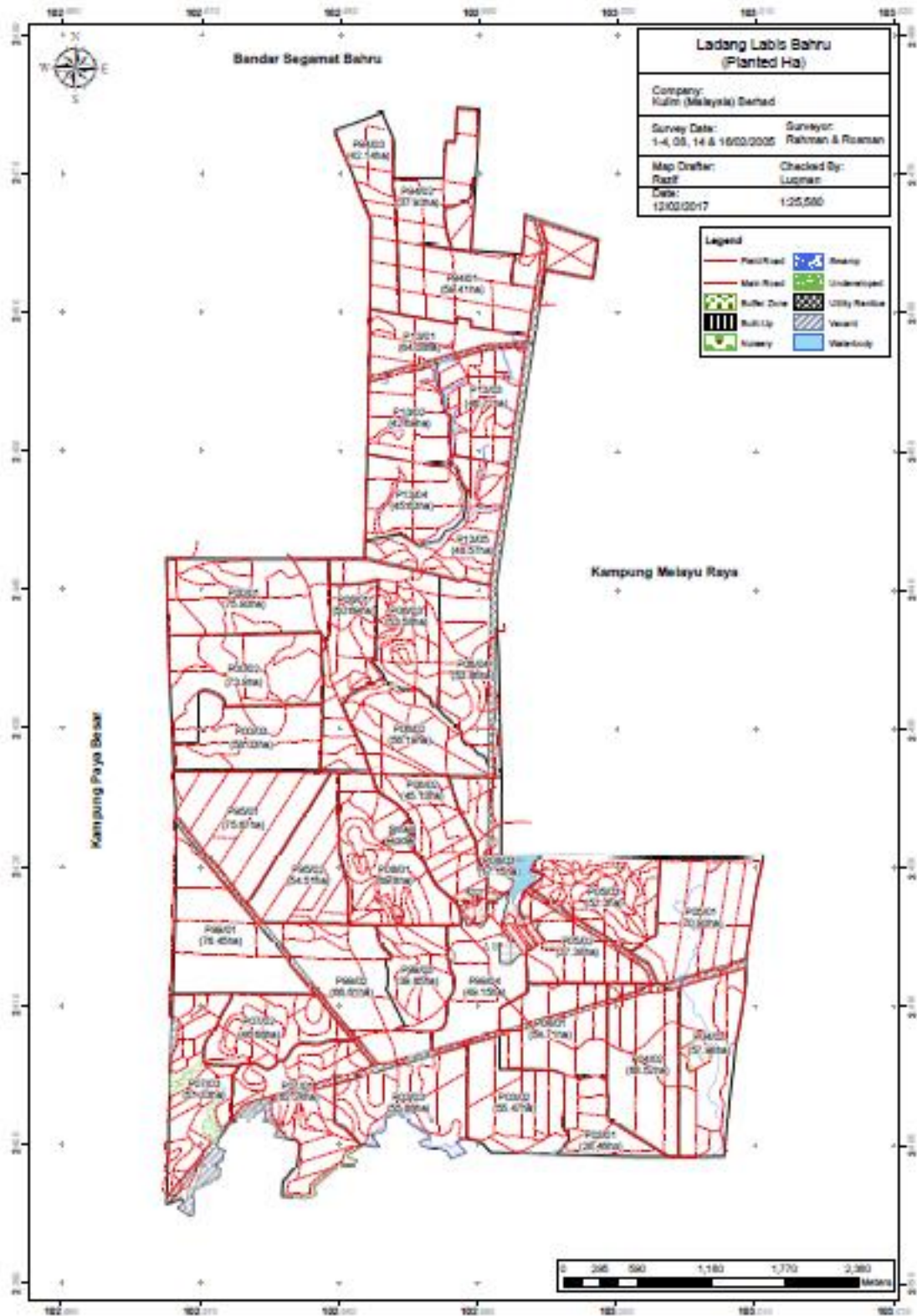
Appendix J: Sepang Loi Estate Field Map



Appendix K: UMAC Estate Field Map



Appendix L: Labis Bahru Estate Field Map



Appendix M: List of Smallholder Sampled *(If applicable – scheme/associated/group certification)*

Appendix N: List of Abbreviations

a.i	Active Ingredient
BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSPO	Certified Sustainable Palm Oil
CSPKO	Certified Sustainable Palm Kernel Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
IP	Identity Preserved
IS - CSPO	Independent Smallholder Certified Sustainable Palm Oil
IS – CSPKO	Independent Smallholder Certified Sustainable Palm Kernel Oil
IS – CSPKE	Independent Smallholder Certified Sustainable Palm Kernel Expeller
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MB	Mass Balance
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles & Criteria
RTE	Rare, Threatened or Endangered species
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure