

**RSPO PRINCIPLE AND CRITERIA
PUBLIC SUMMARY REPORT**

- Initial Assessment**
- Annual Surveillance Assessment (2_2)**
- Recertification Assessment (Choose an item.)**
- Extension of Scope**

Client Company name (Parent Company): Kulim (M) Berhad
Client company Address: Level 16, Menara Komtar, Johor Bahru City Centre, 80000 Johor Bahru, Johor Darul Takzim
Certification Unit: Palong Cocoa Palm Oil Mill and supply base
Location of Certification Unit: KM 8.5, Off Lebuhraya Tun Razak 85000 Segamat, Johor, Malaysia
Date of Final Report: 19/02/2021

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Section 1: Scope of the Certification Assessment

1. Company Details			
Parent Company	Johor Corporation		
RSPO Membership Number	1-0080-09-000-00	Membership Approval Date	15/06/2009
Address	Level 16, Menara Komtar, Johor Bahru City Centre 80000 Johor Bahru, Johor Darul Takzim		
Palm Oil Mill / Group Manager / Estate (Certification Unit)	Kulim (M) Berhad – Palong Cocoa Palm Oil Mill		
Location / Address	KM 8.5, Off Lebuhraya Tun Razak 85000 Segamat, Johor, Malaysia		
Website	www.kulim.com.my		
Management Representative	Salasah Elias	E-mail	salrasah@kulim.com.my
Telephone	07 8611611	Facsimile	07 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		
Visit Objectives	To conduct a surveillance assessment and look for positive evidence to ensure that elements of the scope of certification and the requirements of the management standard are effectively addressed by the organisation's management system and that the system is demonstrating the ability to support the achievement of statutory, regulatory and contractual requirements and the organisation's specified objectives, as applicable with regard to the scope of the management standard, and to confirm the on-going achievement and applicability of the forward strategic plan and where applicable to identify potential areas for improvement of the management system.		
Assessment Cycle	<input type="checkbox"/> Initial Assessment <input type="checkbox"/> Recertification Assessment (Choose an item.) <input checked="" type="checkbox"/> Annual Surveillance Assessment (RA 2 ; ASA 2) <input type="checkbox"/> Scope Extension		
Applicable Standards	<input type="checkbox"/> RSPO P&C 2018 for the Production of Sustainable Palm Oil <input checked="" type="checkbox"/> <i>Malaysia</i> National Interpretation 2019 for RSPO P&C 2018 for the Production of Sustainable Palm Oil <input type="checkbox"/> Group Certification 2016 <input type="checkbox"/> RSPO Independent Smallholders Standard 2019		
Supply Chain Module	<input checked="" type="checkbox"/> Identity Preserved <input type="checkbox"/> Mass Balance		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
QMS 00714	ISO 9001:2015	SIRIM QAS International Sdn Bhd	10/11/2020
A116161	MS 1500:2009	JAKIM	30/06/2021
EU-ISCC-Cert-DE119-60206780	ISCC	ASG Cert	8/05/2021
MSPO 698010	MS 2530-4:2013	BSI Services (M) Sdn Bhd	31/03/2024
MSPO 698011	MS 2530-3:2013		31/03/2024

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location	GPS Coordinates	
		Latitude	Longitude
Palong Cocoa Palm Oil Mill	KM 8.5, Off Lebuhraya Tun Razak 85000 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	95.523
Mungka Estate	1,746.50	68.10	113.46	1,928.06	90.583
Kemedak Estate	1,691.69	15.06	79.52	1,786.27	94.705
Sepang Loi Estate	899.92	12.69	57.60	970.21	92.755
UMAC Estate	1,549.81	2.24	58.01	1,610.06	96.258
Labis Bahru Estate	1,945.51	14.53	148.12	2,108.16	92.285

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Total	9,663.32	118.30	536.79	10,318.41	93.651
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6. Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Palong Estate	0	1,447.74	382.15	0	0	1,829.89	0
Mungka Estate	0	1,063.13	683.37	0	0	1,746.5	0
Kemedak Estate	0	526.66	1,165.03	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	3,459.11	5,911.87	292.34	0	9,663.32	0

7. Certified Tonnage of FFB (Own Certified Scope)				
Estate	Tonnage / year			
	Estimated (Jan – Dec 2020)	Actual (Sept 2019 – Nov 2020)		Forecast (Jan – Dec 2021)
		<i>Previous license period (Sept – Dec 2019)</i>	<i>Current license period (Jan – Nov 2020)</i>	
Palong Estate	38,050.00	13,833.50	31,171.68	35,849
Mungka Estate	39,173.00	13,103.29	31,861.79	36,859
Kemedak Estate	36,714.00	11,280.94	26,870.21	34,374
Sepang Loi Estate	22,009.00	6,950.78	17,999.89	20,451
UMAC Estate	37,094.00	6,840.05	25,938.20	33,893
Labis Bahru Estate	39,859.00	11,152.70	37,459.56	36,080
Total	212,899.00	234,462.59		197,506.00

8. Certified Tonnage of FFB (from other certified unit(s))				
Estate	Tonnage / year			
	Estimated (Jan – Dec 2020)	Actual (Sept 2019 – Nov 2020)		Forecast (Jan – Dec 2021)
	N/A	<i>Previous license period (Sept – Dec 2019)</i>	<i>Current license period (Jan – Nov 2020)</i>	N/A

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Total			

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)				
Independent FFB Supplier	Tonnage / year			
	Estimated (Jan – Dec 2020)	Actual (Sept 2019 – Nov 2020)		Forecast (Jan – Dec 2021)
N/A		Previous license period (Sept – Dec 2019)	Current license period (Jan – Nov 2020)	
Total				

10. Certified Tonnage				
	Estimated (Jan – Dec 2020)	Actual (Sept 2019 – Nov 2020)		Forecast (Jan – Dec 2021)
	FFB	FFB		FFB
Mill Capacity: 40 MT/hr	212,899.00	Previous license period (Sept – Dec 2019)	Current license period (Jan – Nov 2020)	197,506
		63,161.26	171,301.33	
SCC Model: IP	CPO (OER: 21.80 %)	CPO (OER: 21.30 %)		CPO (OER: 21.90 %)
	46,412.00	13,706.53	36,237.10	43,254
	PK (KER: 5.31 %)	PK (KER: 5.53 %)		PK (KER: 5.35 %)
	11,326.00	3,734.72	9,232.940	10,567
TOTAL	N/A			N/A

11. Actual Sold Volume (CPO)					
Current License period					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
CPO (MT)	13,547.91	0	0	19,105.57	32,653.48
Previous License period					
CPO (MT)	7,275.57	0	0	5,589.91	12,865.48

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12. Actual Sold Volume (PK)					
Current License period					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
PK (MT)	7,934.72	0	0	1,031.61	8,966.33
Previous License period					
PK (MT)	922.02	0	0	319.30	1,241.32

13. Independent Smallholders Certification Claims		
	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)
Suite 29.01 Level 29, The Gardens North Tower,
Mid Valley City, Lingkaran Syed Putra,
59200 Kuala Lumpur, Malaysia.
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BSI is a leading global provider of management systems assessment and certification, with more than 84,000 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.

2.1 Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted on **1-3/12/2020**. The audit programme is included as Section 2.3

The approach to the audit was to treat the mill and supply base as an RSPO Certification Unit. A range of occupational health and safety, environmental, best practice management, and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas, local communities engagement and workers welfare and safety.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria 2018 for the Production of Sustainable Palm Oil (**RSPO MYNI 2019**) was used to guide the assessment 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 (and 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 I.

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.

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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 2_1)	Year 3 (ASA 2_2)	Year 4 (ASA 2_3)	Year 5 (ASA 2_4)
Palong Cocoa Palm Oil Mill	✓	✓	✓	✓	✓
Palong Estate	-	✓	-	-	✓
Mungka Estate	✓	-	-	✓	-
Kemedak Estate	-	-	✓	-	-
Sepang Loi Estate	-	-	✓	-	-
UMAC Estate	✓	-	-	✓	-
Labis Bahru Estate	-	✓	-	-	✓

Tentative Date of Next Visit: November 29, 2021 - December 1, 2021

Total No. of Mandays: 9 man days

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>
Mohamed Hidhir Zainal Abidin	Team Leader	He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 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 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best

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		practices, safety and health, environmental and workers and stakeholders consultation.
Amir Bahari	Team Member	He obtained qualification in B.Sc. (Hons) Chemistry USM 1985 & Diploma in Palm Oil Milling Tech/Management MPOB 1996. He has been in the plantations industry for 30 years, among others managing rubber factories, palm oil mills and estates. During the tenure of employment he has been trained as an auditor in ISO 9001, ISO 14001, OHSAS 18001 & also RSPO. He has accumulated 38 man-days in the auditing profession after ending career in the plantation industry. During the assessment he covered mills and estates best practices, environmental, HCV and GHG. He is fluent in both verbal/written in Bahasa Malaysia and English.
Rahayu Zulkifli	Team Member	Holds a Degree in LLB (Hon), she was a practicing lawyer before joining WWF-Malaysia and RSPO as a Dispute Settlement Facility Manager. She is now working as a freelance RSPO auditor. In this assessment, the focus element includes social aspects, legal requirements, employees welfare and stakeholders consultations. She is able to communicate in Bahasa Malaysia and English.

Accompanying Persons: N/A

2.3 Assessment Plan

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

PRELIMINARY AGENDA					
Date	Time	Subjects	MH	RZ	AB
Monday 30/11/2020	PM	Audit travel to Segamat. Check in at VIP Hotel, Segamat	√	√	√
Tuesday 1/12/2020	0730 8.30 – 12.00	<p>Audit Team travelling to Palong Cocoa POM</p> <p>Opening Meeting:</p> <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). • Verification on previous audit findings <p>Palong Cocoa POM</p> <p>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.</p>	√	√	√

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PRELIMINARY AGENDA					
Date	Time	Subjects	MH	RZ	AB
	0830 - 1230	RSPO Supply chain requirements for mill - Identity Preserved Module - Internal Audit - Outsourcing activities - Purchasing and Goods In - Sales and Goods Out - Outsourcing Activities - Record keeping - Extraction Rate - Processing - Registration of transaction - Claims	√	-	-
	10.30 – 13.00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	√	-
	13.00 - 14.00	Lunch break	√	√	√
	14.00 - 16.30	Palong Cocoa POM: Visit to laboratory, weighbridge and palm product storage area. 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	√	√	√
	16.30 – 17.00	Interim Closing briefing (end of day 1)	√	√	√
Wednesday 2/12/2020	0730	Audit Team travelling to Sepang Loi Estate	√	√	√
Sepang Loi Estate	08.30 – 13.00	Sepang Loi 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.	√	√	√
	10.30 – 13.00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	√	-
	13.00 - 14.00	Lunch	√	√	√
	14.00 – 16.30	Sepang Loi Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc)	√	√	√
	16.30-17.00	Interim Closing briefing (end of day 2)	√	√	√
	Thursday 3/12/2020	0730	Audit team travel to Kemedak Estate	√	√

PRELIMINARY AGENDA					
Date	Time	Subjects	MH	RZ	AB
Kemedak Estate	0830 - 1230	Kemedak 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.			
	10.00 – 12.30	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	√	-
	13.00 - 14.00	Lunch break	√	√	√
	14.00 - 16.00	Kemedak Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc)	√	√	√
	16.00 – 16.30	Audit team discussion	√	√	√
	16.30 - 17.00	Closing meeting and presentation of finding	√	√	√
	1700	End of audit	√	√	√
Friday 4/12/2020	AM	Audit team travel back to Kuala Lumpur	√	√	-

Section 3: Assessment Findings

3.1 Normative requirement applied for this assessment:

- (Kulim (M) Berhad Multiple Management Units / Time Bound Plan
- RSPO Principle and Criteria (P&C) 2018 for the Production of Sustainable Palm Oil
- RSPO Group Certification Standard 2016
- (*Malaysia*) National Interpretation (*2019*) for RSPO P&C 2018
- Independent Smallholder Standard 2019

3.2 Multiple Management Units and Time Bound Plan

Requirement	Assessment	Compliance
Does the plan include all current subsidiaries, estates and mills that is under the control of the holding company?	Yes, the plan includes all current subsidiaries, estates and mills that is under management control.	Yes

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Have all the estates and mills certified within five years after obtaining RSPO membership?	Yes, all the estates and mills certified within 5 years after obtaining RSPO membership. Only Indonesian units, PT RAJ & PT TPR have not been certified yet and is proposed to be certified in 2021.	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.	No. There have not been any new acquisitions.	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?	There have been no changes to the time bound plan since all the estates and mill under Johor Corporation are already RSPO certified. This is consistent with the RSPO ACOP reporting. The link provided below: https://rspo.org/members/310/JohorCorporation	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 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	There has been no fundamental failure to proceed with the implementation of the plan.	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. 	As of to date there are no new plantings that replace primary forest under Johor Corporation.	Yes
Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure.	There are no new plantings since January 1st 2010 at Johor Corporation estates.	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. <i>Note:</i> <i>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.</i> <i>Please refer to BSI-RSPO Secretariat approval.</i>	No land conflict under all certification units as verified through RSPO RaCP case tracker.	Yes
Any Labor disputes are being resolved through a mutually agreed process, in accordance with	No labour dispute within all certification units.	Yes

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RSPO P&C criterion 6.3.		
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 certification 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
Have there been any stakeholder (including NGO) consultation conducted?	None noted. No stakeholder comments or complaints received	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? OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.	Not Applicable as there are no scheme smallholders or scheme out growers under this certification unit.	N/A

3.4 Details of Nonconformities

The nonconformities are listed below. The findings summary of the assessment by criteria are listed in Appendix A.

During this Assessment there were 0 Critical; 1 Minor nonconformities and 0 Opportunity For Improvement raised. The *Palong Cocoa POM* 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 Critical Nonconformity(ies) has been verified for its effectiveness and closed accordingly. The below is the summary of the non-conformity raised during this assessment.

Non-conformity			
NCR Ref #	1995620-202012-N1	Clause & Category (Critical / Minor)	7.12.7 (minor)
Date Issued	3/12/2020	Due Date	In the next annual surveillance assessment

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Closed (Yes / No)	No	Date of nonconformity Closure	"open"
Statement of Nonconformity:	Outcomes of RTE species monitoring are not fed back into the management plan.		
Requirement Reference:	The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.		
Objective Evidence:	<u>Sepang Loi Estate</u> There was no specific management plan for RTE species incorporated in the Biodiversity Management plan dated 5/5/20. Based on sighting record dated 26/11/20, a RTE species named "Tapir" spotted near field P03/01.		
Corrections:	<ol style="list-style-type: none"> 1. Estate to include the RTE species and incorporated in the Biodiversity management Plan. 2. SQD will list the RTE species and provide to all Operating Units for guide monitoring. 3. OU to record into animal sighting and submit to SQD immediately when any RTE species is sighted. 4. SQD shall initiate and include the RTE Management in the Biodiversity Management Plan. 		
Root Cause Analysis:	The Person In Charge of Biodiversity was unaware on the RTE species monitoring should be included in the biodiversity management plan.		
Corrective Actions:	<ol style="list-style-type: none"> 1. SQD will provide the communication briefing on updated Biodiversity Management Plan focusing on newly included RTE species Management plan to PIC for a better understanding. 2. SQD will provide the communication briefing related to RTE species Management plan to all operating unit. 		
Assessment Conclusion:	The corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next assessment.		

Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

Positive Findings	
PF #	Description
PF 1	Good and positive feedback given by internal and external stakeholders.

3.4.1 Status of Nonconformities Previously Identified and Observations

Non-conformity			
NCR Ref #	1825761-201903-M1	Clause & Category (Critical / Minor)	6.1.1 (critical)
Closed (Yes / No)	Yes	Date of nonconformity Closure	23/12/2019
Statement of Nonconformity:	SIA was not conducted for the impacts detected during the time of audit.		
Requirement Reference:	A social impact assessment (SIA) including records of meetings shall be documented.		
Objective Evidence:	Following impacts were not identified during SIA assessment: 1) Change of payment method of wages from cash to bank/ KASH card. 2) Impacts of delay in renewal of work permit due to late process of MyEG and Immigration Department.		
Corrective Actions:	1) HCMD is to liaise and advise SQD via memo and/or email should there' any expected change and/or review of social environment of the employees. 2) EOD is to liaise and advise SQD via memo and/or email should there' any expected change of practices and/or requirements that warrant social impacts (negative or positive) to OUs & its workers.		
Assessment Conclusion:	<p>ASA 2_2 verification:</p> <p>1. Verification during ASA2: It was confirmed during interviews with workers at the Palong Cocoa POM, Sepang Loi and Kemedak Estates the smooth implementation of the KASH card system. Workers interviewed confirmed that the KASH card system is beneficial to them, and vehicles are provided by management each month for them to withdraw their salaries at the ATM. There are no other social issues related to the implementation of the KASH card system. As of the date of this ASA 2, there has also been no expected change and/or review of workers' social aspects which warrant an advice to the SQD of the Company.</p> <p>2. Possible delay of work permits renewal has been identified as a potential issue in the Social Impact Management Plan of Palong Cocoa POM dated 20 September 2020. The action plan to avoid this potential negative impact is foreign workers work permits due for renewal be identified 3 months before to its expiry. Thereafter, the renewal progress be checked regularly with MyEG Sdn Bhd. Based on sampled passports and work permits, there was no evidence of any delay in passport and permit renewals for all sampled workers.</p> <p>No recurrence of issue observed, thus the major NC is remained closed</p>		

Non-conformity			
NCR Ref #	1825761-201903-M2	Clause & Category (Critical / Minor)	6.1.3 (critical)

Closed (Yes / No)	Yes	Date of nonconformity Closure	23/12/2019
Statement of Nonconformity:	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones with the affected parties was not sighted		
Requirement Reference:	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.		
Objective Evidence:	Kulim (Malaysia) Berhad has yet to develop the mitigation plan and promotion plan for the change of payment method for wages with the consultation with the affected parties and delay in renewal of work permit due to late process of MyEG and Immigration Department.		
Corrective Actions:	<p>HCMD is to liaise and advise SQD via memo and/or email should there' any expected change and/or review of social environment of the employees.</p> <p>EOD is to liaise and advise SQD via memo and/or email should there' any expected change of practices and/or requirements that warrant social impacts (negative or positive) to OUs & its workers.</p>		
Assessment Conclusion:	<p>ASA 2_2 verification: It was verified during interviews held with workers, that the KASH card system has been smoothly and successfully implemented. There are no other social issues related to the implementation of the KASH card system. As of the date of this ASA 2, there has also been no expected change and/or review of workers' social aspects which warrant an advice to the SQD of the Company.</p> <p>No recurrence of issue observed, thus the major NC is remained closed.</p>		

Non-conformity			
NCR Ref #	1825761-201903-N1	Clause & Category (Critical / Minor)	5.6.3 (minor)
Closed (Yes / No)	Yes	Date of nonconformity Closure	3/12/2020
Statement of Nonconformity:	Found inconsistency in data for GHG and estate issuance record.		
Requirement Reference:	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		
Objective Evidence:	<p>Data verification and Objective evidence as per below:- Palong estate Labis Bahru estate Data from GHG Fertiliser Fertiliser ERP - 3.55MT Mix 2+B – 227.7MT Mix2+B – 506MT Kieserite – 164 MT</p> <p>Data from Bin Card issuance ERP - 3.55MT Mix 2+B – 220.2MT</p>		

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	Mix2+B – 514MT Kieserite – 167 MT
Corrective Actions:	SQD will established template on data needed RSPO PalmGHG calculator. Estate to submit the data template with the evidence such as summary store issues note. SQD will verify all the data during internal audit.
Assessment Conclusion:	ASA 2_2 verification: Data template/input data was verified against submitted data via palm GHG v4 at both visited estates. No variance detected, thus the minor NC was closed effectively on 3/12/20. Continuous implementation will be further verified in next surveillance audit.

Opportunity for Improvement	
OFI#	Description
OFI 1	Nil

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Critical / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
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	Closed out on 27/09/2019
1825761-201903-M1	Major	6.1.1	27/09/2019	Closed out on 23/12/2019
1825761-201903-M2	Major	6.1.3	27/09/2019	Closed out on 23/12/2019
1825761-201903-N1	Minor	5.6.3	27/09/2019	Closed out on 3/12/2020
1995620-202012-N1	Minor	7.12.7	3/12/2020	"Open"

3.5 Stakeholders and previous land owner / user 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 POM 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.

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Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as below.

List of Stakeholders contacted	
<p>Internal Stakeholders</p> <p>Field workers Mill Operators Union representative (NUPW) Gender Committee (WOW) Workers representative (by nationalities) Medical Assistant</p>	<p>Union/Contractors</p> <p>Lee Engineering Bing Hong Hardware TCK Lee – Replanting Lim Son Peng</p>
<p>Government Departments</p> <p>SOCSCO Head Master, SK Kemedak</p>	<p>NGO and others</p> <p>Ketua Kg Padang Kiambang Ketua Kg Balai Bidang</p>

Stakeholders comment	
1	<p>Feedbacks:</p> <p>SOCSCO executive informed as follows:</p> <ol style="list-style-type: none"> a. That all foreign workers, and local workers aged 60 years and above do not have to make any SOCSCO contributions. All SOCSCO contributions for workers in this category would be borne fully by the employer, and they continue to receive protection for any injuries/accident at work, or during the journey to and from work place. b. For any workplace accidents, accident reports must be submitted to SOCSCO not more than 2 months after the accident. If it was a road-related accident, report must be submitted to SOCSCO within 3 months. Otherwise the employer would have to pay compound of RM5/person/day for each day of delay. c. Company was reminded to attach a complete set of relevant documentations when submitting claim form SOCSCO. This is to ensure prompt payment of SOCSCO benefits. Incomplete documents will delay payout which can be detrimental to the workers.
	<p>Management Responses:</p> <p>Noted the feedback from SOCSCO executive.</p>
	<p>Audit Team Findings:</p> <p>No further issue.</p>
	<p>Feedbacks:</p>

<p>2</p>	<p>Headmaster of Sekolah Kebangsaan Kemedak informed that he has been the headmaster for between five to six years, and have found the help, assistance and collaboration received from the Palong Cocoa Mill and Estates very encouraging. Pupils at the school are mainly children of mill and estates workers. Parents give the school full cooperation in terms of their children’s studies.</p> <p>So far, all requests made for cash or in-kind contributions (e.g. providing transport to send the pupils for school trips) have been approved by the Company. In addition, the school also invites mill and estate management to join in religious activities organised by the school, and visa-versa. This good harmonious relationship is very much appreciated by the school.</p> <p>Management Responses: Noted feedback from Headmaster of SK Kemedak.</p> <p>Audit Team Findings: No further issue. Records show that request from SK Kemedak for donations to build five small huts for each sports house (<i>rumah sukan</i>) was approved by the estate management.</p>
<p>3</p>	<p>Feedbacks: Contractors and suppliers confirmed their good business relationship with the mill and estates. They are aware of the Company’s policies of no child labour, ethics policy, grievance procedure, minimum wages, and understand the obligation to comply with all legal as well as safety requirements.</p> <p>Suppliers don’t have contracts. They only supply items to the mill and estates when there are requests. They will send the items with a delivery order and invoice, and payments are usually received within one month of the invoice.</p> <p>Contractor (harvesting, FFB transportation) will sign a 2-year contract with the company. The terms of the contracts are clear and well understood. Payments are received promptly from the company. Understand the need to comply with payment of minimum wages, no underaged workers, must supply workers with valid work permit and passports.</p> <p>They have all been invited to a stakeholder meeting and have been briefed of company policies and procedures, including ethics policy, no bribery, no conflict of interest, etc.</p> <p>All suppliers and contractors confirmed that overall, they have a good business relationship with the mill and estates.</p> <p>Management Responses: Noted the comments from suppliers and contractors.</p> <p>Audit Team Findings: Confirmed from review of contracts, invoices and payment vouchers that payments are made to the contractors and suppliers in a timely manner.</p> <p>Contractor’s list of workers, their payslips, copies of passports and work permits were reviewed and verified. All documents are in order.</p> <p>No further issue.</p>
<p>4</p>	<p>Feedbacks: Smallholder and Ketua Kampong Balai Badang confirmed the good relationship with the Company. Kg Balai Badang existed prior to the oil palm plantation. The Ketua Kampong confirmed that there has been no overlapping land claims or disputes between the local community and the Company.</p> <p>The village and company extend reciprocal invitations received to each other to attend events such as Prophet Muhammad’s birthday celebrations. The mill and estate operations also provide job opportunities</p>

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	to the local community. So far there has been no social issues involving foreign workers when they come to eat at the village foodstalls. The village also has a covered badminton court which is occasionally rented by the company employees.
	Management Responses: Noted the comments from smallholder and Ketua Kampong Balai Badang.
	Audit Team Findings: No further issue.
5	Feedbacks: Ketua Kampong Padang Kiambang. This village existed before the estate and mill operations commenced. The village shares its boundary with Mukah Estate and Kemedak Estate. The boundaries are clearly demarcated. There are no overlapping land claims between the estates and the villagers. Villagers also sometimes request to use the estate road to access their oil palm/rubber smallholdings, and this has always been granted.
	Management Response: Noted comments from Ketua Kampong Padang Kiambang.
	Audit Team Findings: No further issue.

List of land owner / user contacted					
Name	Years of ownership / used	Land area (ha)	Agreement (Yes / No)	Agreement base on FPIC (Yes/No)	Compliance on the agreement terms and conditions

Not applicable as the company has acquired and planted since 1980 and underwent 2 rounds of replanting.



Previous land owner / user comment	
	Feedbacks: N/A
	Management Responses: N/A
	Audit Team Findings: NA

3.6 Impartiality and conflict of interest

During this assessment there *was no* circumstances or pressure that had influenced the independence or confidentiality of the assessment team.

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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 POM certification unit has complied with the RSPO Principles and Criteria 2018 for Sustainable Palm Oil RSPO MYNI 2019 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 POM certification unit is continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
Name: Mohamed Hidhir Zainal Abidin	Name: Salasah Elias
Company Name: BSI Services (M) Sdn Bhd	Company Name: Kulim (Malaysia) Berhad
Title: Lead Auditor	Title: Deputy General Manager
<p>Signature:</p> 	<p>Signature:</p> <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: 7th February 2021	Date: 10 February 2021

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance
Principle 1: Behave ethically and transparently		
Criterion 1.1: The unit of certification provides 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>(C) Documents that are specified in the RSPO P&C are made available to the public.</p> <p>- Critical (Major) compliance -</p> <p>Palong Cocoa Palm Oil Mill and its supply base make available documents specified in the RSPO P&C to the public. These documents are either available via the Company's website http://www.kulim.com.my or available at the office, or can be accessible at each operating unit:</p> <ul style="list-style-type: none"> - Land titles/user rights - Occupational health and safety plans - Plans and impact assessments relating to environmental and social impacts - HCV documentation - Pollution prevention and reduction plans - Details of complaints and grievances - Continuous improvement plans - Public summary of certification assessment report - Human Rights Policy - Summary report of contributions to community development <p>Stakeholders were also informed of the availability of these documents during stakeholder meeting for all units on 26 August 2020.</p>	Complied

1.1.2	<p>Information is provided in appropriate languages and accessible to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>The information is provided in either English or Bahasa Malaysia, or both. This was evidenced from the documents itself, and also during stakeholder meeting held on 26 August 2020 attended by 17 stakeholders. The briefing was conducted in Bahasa Malaysia by the Environmental Officer, Kulim (Malaysia) Sdn Bhd.</p>	Complied
1.1.3	<p>(C) Records of requests for information and responses are maintained.</p> <p>- Critical (Major) compliance -</p>	<p>Evidence was available that records for information and responses were being maintained at each unit. This was based on letters from Palong Cocoa POM dated 4 August 2020 and 3 Sept 2020 to Labour Office Segamat enclosing reports via Form PA 2/13 of foreign workers who have ceased employment.</p> <p>Also sighted were letters from:</p> <ul style="list-style-type: none"> - SK Buloh Kasap dated 26 July 2020 requesting for donations to enhance classes, café and kitchen at the school. - Cash donation pursuant to letter from SK Buloh Kasap dated 26 July 2020 requesting for financial assistance to build huts for use by sports houses. <p>Responses to these letters were also available.</p>	Complied
1.1.4	<p>(C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.</p> <p>- Critical (Major) compliance -</p>	<p>Kulim (Malaysia) Sdn Bhd has developed an SOP known as Communication and Consultation Management System Issue No. 1 Doc. No. SQD/SMS/1.1 dated 1 August 2020. This SOP applies to all communications and consultations between the Company and its internal and external stakeholders. The objective of the procedure is to ensure the Company has an open and transparent communication methods with local communities and other stakeholders. This procedure was disclosed and explained during stakeholder meeting held at Palong Cocoa POM (26 August 2020), at Sepang Loi Estate (26 August 2020), and at Kemedak Estate (26 Aug 2020).</p>	Complied

1.1.5	<p>There is a current list of contact and details of stakeholders and their nominated representatives.</p> <p>- Minor compliance -</p>	<p>Current stakeholder lists for Palong Cocoa POM (updated on 20 July 2020), Sepang Loi Estate (updated in August 2020) and Kemedak Estate (updated on 1 Sept 2020) were sighted. This list contains all relevant stakeholders and details of their nominated representatives. These stakeholders include suppliers, contractors, service providers, transporters, list of CPO and PKO buyers, government agencies such as Dept of Safety and Health, Indonesian Consulate, Labour Department, surrounding villages such as Kg Jawa, Kg Sepang Loi nearby schools, clinics, etc.</p>	Complied
<p>Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and transactions.</p>			
1.2.1	<p>A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.</p> <p>- Minor compliance -</p>	<p>Kulim (Malaysia) Berhad has developed an Ethics Policy signed by the Executive Director on 1 May 2018. Additionally, there is also the No Gift and Entertainment Policy also signed by its Executive Director on 1 May 2018. A review of the stakeholder meeting minutes confirmed that these Policies were communicated to all external stakeholders during stakeholder meetings.</p> <p>An addendum to contractors' letter of acceptance also included a provision which requires the contractor to comply with all of Kulim's relevant business policies, where failure to comply may result in termination of the contract. Sighted were the contract Addendum signed by Mirzafiz Sdn Bhd, Teo Tuan Kwee Sdn Bhd and Fica Sdn Bhd. During stakeholder consultations held with auditors, the transporters, contractors and service providers also confirmed their awareness, compliance and implementation of the Policies.</p> <p>The Ethics Policy is also imposed on recruitment agents. Sighted was the contract dated 13 February 2020 for Indonesian manpower supply between Kulim (Malaysia) Berhad and PT Hamparan Karya Insani. This contract contains the contractor's undertaking that it complies with all applicable laws and codes relating to anti-bribery,</p>	Complied

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		fraud and corruption, and undertakes not to offer or accept bribe or any improper advantage from anyone in Kulim (Malaysia) Berhad.	
1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. - Minor compliance -	The system in place to monitor compliance and implementation of the No Gift and Entertainment Policy, Ethics Policy and overall business practice include: <ul style="list-style-type: none"> a. Internal audits at Palong Cocoa POM (20.09.2020), Sepang Loi Estate (21.09.2020) b. Contracts Administration Guidelines & Procedures for Kulim Malaysia Bhd (Head Office/Estates/Mill) updated August 2019. This guideline imposes a limit on the value of transaction for each management level; c. Integrity ethics declaration signed by all levels of employees (management, workers). d. Conflict of Interest Declaration forms signed by all levels of employees. 	Complied
Principle 2: Operate legally and respect rights			
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	(C) The Unit of Certification complies with legal requirements - Critical (Major) compliance -	Palong Certification Unit is committed to comply with all applicable local, national and ratified international laws and regulations. Licences and permits checked as per the following: <u>Palong Cocoa POM</u> i) DOE License @ Compliance Schedule no. 004720, validity 1/7/2020 to 30/6/2021 for processing capacity of 40 mt/hr. BOD ₃ limit is 2500 mg/l and method of discharge is land application and composting	Complied

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		<p>ii) DOE license @ contravene of license (CL) no. 005335, validity 5th June 2020 to 31st December 2020. Compliance with EQA, Clean Air Regulation 2014 except for;</p> <ul style="list-style-type: none"> - PM (particulate matter) 400 mg/m³ - Opacity < Ringelmann 2 <p>iii) MPOB License no. 578392004000 selling and transporting of FFB with processing capacity of 192,000 mt/year validity 1/12/2020 to 30/11/2020</p> <p>iv) Diesel permit serial no. J002457 [ref.: JH(SGT)0143/08 PSK], licensee: Palong Cocoa POM, diesel=14,000 liter/month, validity 30/7/20 to 29/7/21</p> <p>v) Energy commission license for private installation, license no: 2020/02495; (validity period 1/11/2020 – 31/10/2021) for 2.17 MW installation capacity.</p> <p>vi) All UPVs and steam boiler CF's belonged to the mill covering various equipment such as sterilizers, hoist and crane and boilers.</p> <ul style="list-style-type: none"> - Boiler no.5 (JH PMD 1273, valid until 21/12/21) - Vertical Sterilizer (JH PMT 27041, PMT 27042, PMT 20585, , valid until 20/12/21) <p>vii) Permit for water abstraction, License no: 07/A/Sgt/116, file no: BAKAJ/334/300/05/06/07/18 with approval for industrial total 250 meter cube/day valid until 31/12/2020.</p> <p>viii) Permit under Section 34 Employment Act 1955 exemption for women workers to work at night. Ref: BHG PU/9/135 Jld 16 (15) dated 30 Nov 2018.</p> <p>ix) Permits Ref TK(NJ) U-24 dated 30 Oct 2018 for salary deductions for electricity, mosque fund, AMESU, NUPW, Tabung Haji, <i>skim khairat</i>, and insurance.</p> <p>x) Permit of up to 130 hours for overtime under Section 60A(4)(a) Employment Act 1955 Ref BHG. PU/9/134 Jld 17(16) dated 30 Nov 2018</p>	
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		<p><u>Sepang Loi estate</u></p> <ul style="list-style-type: none"> a) MPOB license referred to 501828802000 valid from 11/12/2019 until 31/12/20 for 970.21 ha. b) SPAN Water Services Industry (Licensing) Reg 2007 Class License No: SPAN/EKS/(PT)/800-4(2)/29/09 valid 16/8/2017 – 15/08/2023 c) Diesel Permit ref: JH(SGT)0101/03 PSK, serial no. P:J002485, quantity: 10,000 litre, valid until 6/9/21 d) Air Compressor certificate of fitness (CF), JH PMT 22244 valid until 12/10/21 e) BAKAJ River water extraction license (07/A/Sgt/024 validity until 31/12/2020). Maximum extraction per day: 68 m3/day f) Permit Ref No. TK (NJ) -2 dated 25 October 2018 for salary deductions for <i>khairat keluarga</i>; g) Permit Ref No. PP3/29/049/2009 dated 1 Nov 2009 for electricity deductions; h) Permit Ref No. PP3/29/028/2010 dated 1 Sept 2010 for sports and surau funds. <p><u>Kemedak Estate</u></p> <ul style="list-style-type: none"> a) MPOB license referred to 570583002000 valid from 1/4/2020 until 31/3/2021 for 1,786.27 ha. b) SPAN Water Services Industry (Licensing) Reg 2007 Class License No: SPAN/EKS/(PT)/800-4(2)/2/14 valid 13/4/2020 – 12/04/2023 c) Diesel Permit ref: JH(SGT)0013/99 PSK, serial no. P:J00176, quantity: 9,080 litre, valid until 21/1/21 d) Air Compressor certificate of fitness (CF), JH PMT 16512 valid until 14/12/21 	
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		<p>e) BAKAJ River water extraction license (07/A/Sgt/023 validity until 31/12/2020). Maximum extraction per day: 110 m3/day</p> <p>f) Permit ref No. TJ (NJ) U-24 dated 3 October 2018 for salary deductions for mosque fund, electricity payment and <i>khairat keluarga</i>.</p>	
2.1.2	<p>A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.</p> <p>- Minor compliance -</p>	<p>Palong Cocoa POM certification unit continued to implement and maintain their established documented system for identifying, accessing, tracking updates and monitoring of compliance with the legal requirements that are applicable to the CU's operation. Each office of the operating unit (mill and estate) has its own legal requirements register (LRR) and were being evaluated individually from time to time for compliance mainly through internal audit. Among the applicable legal laws registered are EQA, OSHA, Factory & Machinery Act, Employment Act, Workers' Minimum Standard of Housing and Amenities Act, Minimum Wages order 2020 to name a few. Other related legal for COVID19 pandemic under Prevention and Control of Infectious Diseases (Measure Within The Infected Local Areas) Regulation 2020 was also has been identified. 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.</p>	Complied
2.1.3	<p>Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.</p> <p>- Minor compliance -</p>	<p>Whenever the land boundaries are adjacent with third party (smallholders, villages, other oil palm companies, etc.) the normal practice of Kulim (M) Berhad to indicate the legal boundaries are through construction of trenches. This was confirmed through the field visit at Sepang Loi and Kemedak estate. Apart from that,</p>	Complied

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		erection of concrete slab with GPS coordinate/peg no. along the boundaries was also commonly practiced and clearly visible. Sepang Loi Estate – trenches and markers available along the boundary with smallholders (peg no. 66 – P05/02) and Selumpur estate (peg no. 9 – P08/02)	
Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.			
2.2.1	A list of contracted parties is maintained. - Minor compliance -	List of contracted parties is maintained under stakeholder list dated July 2020 for Sedenak Mill. In Kemedak estate, the list of contractors were made available under stakeholder list dated 1/9/20. This contractor included for activities such as transportation, road maintenance, harvesting and others.	Complied
2.2.2	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available. - Minor compliance -	All contracts (short and long term), contain specific clauses on meeting applicable legal requirements were spelled out in the contract. - MPSB/KEMEDAK 3/2017 (harvesting of FFB in P10 (246.84 ha) and P11 (279.11 ha) at Ladang Kemedak, Segamat, Johor. Evidence of due diligence is demonstrated via declaration between contactor based on letter for Kulim (M) Berhad’s General Manager, Procurement and Contract Department. Each addendum contract signed attached with the employee data and employment practice checklist for self-declaration for compliance. Refer addendum contract signed and self-declared form for harvesting contractor, Lim Son Peng, contract ref.: MPSB/KEMEDAK 3/2017 (harvesting of FFB in P10 (246.84 ha) and P11 (279.11 ha) at Ladang Kemedak, Segamat, Johor. Addendum contract signed dated 11/6/20 available for verification.	Complied

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2.2.3	<p>All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.</p> <p>- Minor compliance -</p>	<p>All contracts included with the addendums; “The contractors represent and warrant that the Contractor shall comply with applicable labour and employment laws regarding; and prohibit any form of child labour, forced and trafficked labour. Any eligible your labour will be employed only in accordance with Children and Young Person (Employment) 1966.” Addendum agreement signed on 13/10/20 for Yewtan and 30/11/20 for FICA Sdn Bhd.</p>	Complied
<p>Criterion 2.3: All FFB supplies from outside the unit of certification are from legal sources.</p>			
2.3.1	<p>(C) For all directly sourced FFB, the mill requires:</p> <ul style="list-style-type: none"> • Information on geo-location of FFB origins • Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder • One or more supporting documents for claims • Valid MPOB license <p>- Critical (Major) compliance -</p>	<p>All directly sourced FFB are from Kulim (M) Berhad’s own estates. Information of each estates detailed out under table 4 & 5 of the report.</p>	Complied
2.3.2	<p>For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator2.3.1.</p> <p>- Minor compliance -</p>	<p>No indirect sourced of FFB as Palong Cocoa POM is under Identity preserved module.</p>	Complied
<p>Principle 3: Optimise productivity, efficiency, positive impacts and resilience</p>			
<p>Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>			
3.1.1	<p>(C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.</p> <p>- Critical (Major) compliance -</p>	<p>The annual business plan is available. The document is in the form of annual budget and the projection for 5 years (Budget year 2020 / PY2 / PY3 / PY4 / PY5) prepared as guidance for future planning. The annual business plan is available as per the Group Financial</p>	Complied

		<p>Procedure. & Guidelines. The Mill budget contains the following components;</p> <ul style="list-style-type: none"> i. FFB processed ii. Mill throughput/utilization iii. Extraction ratios iv. Revenue & expenditure (general charges/production/maintenance) v. General expenditure vi. Profit/Loss, projected cash flow <p>Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building/machinery, workers amenities for the mill.</p> <p>Similarly the estate possessed a business management plan among others to include the following components:</p> <ul style="list-style-type: none"> a) Mature area / Immature area b) FFB production & forecast c) Income – FFB selling price d) Revenue expenditure (general charges upkeep & cultivation, harvesting) e) Mechanisation operation f) Depreciation /amortisation g) Capital expenditure h) Gross profit /Loss <p>The cost of production was reviewed and compared against expenditure each year with projections in place for future years. The parameters of the projections are as follows: <i>All figures were extracted out for reason of confidentiality.</i></p>	
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3.1.2	<p>An annual replanting programme projected for a minimum of five years with yearly review, is available.</p> <p>- Minor compliance -</p>	<p>All the estates maintained record of replanting program from 2021 to 2046. For purpose of auditing record the horizon is limited to 5 years. Figures in ha otherwise stated.</p> <table border="1" data-bbox="1137 475 1930 655"> <thead> <tr> <th>Estate</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Sepang Loi</td> <td colspan="5">No replanting programme in the next 5 years.</td> </tr> <tr> <td>Kemedak</td> <td colspan="5">No replanting programme in the next 5 years.</td> </tr> </tbody> </table>	Estate	2020	2021	2022	2023	2024	Sepang Loi	No replanting programme in the next 5 years.					Kemedak	No replanting programme in the next 5 years.					Complied
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3.1.3	<p>The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake.</p> <p>- Minor compliance -</p>	<p>The latest management review was carried out on 12th November 2020 for Palong Cocoa POM.</p>	Complied																		
<p>Criterion 3.2: The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.</p>																					
3.2.1	<p>(C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p> <p>- Critical (Major) compliance -</p>	<p>Continuous Improvement Plans to address the Social, Environmental, Productivity and OSH aspects were available in Palong Cocoa POM and its supply bases for verification.</p> <p>Process efficiency and improvement:</p> <ul style="list-style-type: none"> - New thermal deaerator - LTDS replacement <p>Environmental impacts</p> <ul style="list-style-type: none"> - Early warning system (Ammonia detection) - New furrow system (18 ha) - Biogas and polishing plant project (BOD < 100 ppm) - Online desludging (dewatering system) - Bund level repair (increase freeboard) 	Complied																		

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3.2.2	<p>As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].</p> <p>PROCEDURAL NOTE:</p> <p>The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed.</p> <p>Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required.</p> <p>- Minor Compliance -</p>	<p>The RSPO metrics template has not been finalized by RSPO Secretariat. Hence this requirement is not yet applicable during this assessment. RSPO PalmGHG Calculator is used by the certification unit as a reporting method of its continuous improvement progress</p> <p>The ACOP was submitted on 05/06/2020 as per email dated 13/10/2020. The ACOP 2019 was available for review at site.</p>	Complied
Criterion 3.3: Operating procedures are Appropriately documented, consistently implemented and monitored.			
3.3.1	<p>(C) Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>- Critical (Major) compliance -</p>	<p>The Mill operations are guided by the following documents</p> <ul style="list-style-type: none"> - Quality Manual (PCPOM/QM) document no PCPOM/QM.4.0 recent reviewed dated 01/2/18 - Standards Operating Procedure (PCPOM/SOP) dated 01/2/18 covering the following stations/operations among others 	Complied
3.3.2	<p>A mechanism to check consistent implementation of procedures is in place.</p> <p>- Minor Compliance -</p>	<p>The following mechanism is available and adopted as standard practices and procedures in the mill and estates operations.</p> <p>Palong Cocoa Palm Oil Mill</p> <ul style="list-style-type: none"> a) Mill inspectorate Visit program 2x /year b) Internal audit by Sustainability SQD 2x /year c) Task Force visits d) Visiting Accounts Audit 4x/year e) Monthly and weekly ad hoc meeting f) Daily /monthly grading production & financial report g) Daily and monthly lab analysis report. h) Daily supervision by the mill Supervisors/Executives 	Complied

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		<p>Sepang Loi/Kemedak Estates</p> <ul style="list-style-type: none"> a) Plantation Inspectorate Visit program 2x /year b) Internal audit by Sustainability Unit 2x /year c) Task Force visits d) Monthly and weekly ad hoc meeting e) Daily /monthly production & financial report f) Daily supervision by the field staff/Executives. <p>General Manager visits the estates on quarterly basis to review estate performance against Kulim Sustainability standard. Latest Plantation Inspectorate visit at Sepang Loi estate was carried out on 7-8th September 2020 (Report No. 2/2020). Overall estate score was rated at 75% (good: 77-89 %) for 2nd visit in 2020 compared to 78.5%. For Kemedak Estate, the latest PI visit was carried out on 11th October 2020.</p>	
<p>3.3.3</p>	<p>Records of monitoring and any actions taken are maintained and available. - Minor Compliance -</p>	<p>Records of monitoring with regards to EHS and RSPO implementation are maintained and available for verification. Among monitoring records checked:</p> <ul style="list-style-type: none"> i) Noise boundary monitoring dated 22nd June 2020 by engineering department. ii) Ambient Air monitoring (boiler no.3 & 4), report ref. PAC-AA-200614 – 16 to 17th June 2020 PM₁₀ (Point A1: 66 vs 100), (Point A2: 32 vs 100) iii) Ambient Air monitoring (boiler no.3 & 4), report ref. PAC-AA-200906 – 14 to 15th September 2020 PM₁₀ (Point A1: 40 vs 100), (Point A2: 21 vs 100) iv) Stack sampling, boiler no.3 (16th June 2020), ref. PAC-AE-200613. Particulate matter emission reported at 148 mg/m³ dry @ 12% CO₂ 	<p>Complied</p>

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		v) Stack sampling, boiler no.4 (28 th February 2020), ref. PAC-AE-200219. Particulate matter emission reported at 144 mg/m ³ dry @ 12% CO ₂	
Criterion 3.4: A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.			
3.4.1	(C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/out-grower scheme, is documented. - Critical (Major) compliance -	There are no new plantings or new operations within Palong Cocoa Mill and its supply base. Nevertheless, each unit has its own Social Impact Assessments done which have been prepared internally by the Company's Sustainable Palm Oil team. Details of the Social Impact Assessment are contained in Indicator 3.4.2 below.	Complied
3.4.2	For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders. - Minor Compliance -	Social Impact Assessment (SIA) as well as the Social Management Plans for the Palong POM and its supply base are available. The SIA has been prepared with participation of affected stakeholders via interviews and feedback received, NUPW and WOW meeting minutes. Sighted during the audit were the Social Management Plans for: <ul style="list-style-type: none"> a. Palong Cocoa POM 2020 dated 20 September 2020; b. Sepang Loi Estate dated 15 October 2020; c. Kemedak Estate dated 20 September 2020 Each the Social Management Plan has identified the positive and negative issues for the unit, and recommendations for social improvement, action, person in charge and monitoring. For example, positive impacts identified include: <ul style="list-style-type: none"> - Mill school uniforms and school transport for workers' children. It was noted that this continues. 	Complied

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		<ul style="list-style-type: none"> - Positive response to requests from SK Kemedak which is also a beneficiary of Kulim (Malaysia) Berhad's Pintar Foundation. - Provision of free PPE to all workers. <p>Potentially negative impact identified includes:</p> <ul style="list-style-type: none"> - Delay in renewal of foreign workers' permit. The action taken was to identify expiring permits three months before expiry date. Additionally, application status will be monitored regularly with MyEG Sdn Bhd. 													
3.4.3	<p>(C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.</p> <p>- Critical (Major) compliance -</p>	<p>Evidence is available that the Management Action Plans are being updated on a yearly basis.</p> <table border="1" data-bbox="1153 767 1928 959"> <thead> <tr> <th>Mill/Estates</th> <th>Date action in 2019</th> <th>Date action in 2020</th> </tr> </thead> <tbody> <tr> <td>Palong Cocoa POM</td> <td>15 Aug 2019</td> <td>20 Sept 2020</td> </tr> <tr> <td>Sepang Loi</td> <td>20 Aug 2019</td> <td>15 Oct 2020</td> </tr> <tr> <td>Kemedak</td> <td>21 Aug 2019</td> <td>20 Sept 2020</td> </tr> </tbody> </table> <p>Based on minutes of meetings, evidence is available that the reviews were done in a participatory way as evidenced from minutes of discussions, written feedbacks/responses from stakeholders.</p>	Mill/Estates	Date action in 2019	Date action in 2020	Palong Cocoa POM	15 Aug 2019	20 Sept 2020	Sepang Loi	20 Aug 2019	15 Oct 2020	Kemedak	21 Aug 2019	20 Sept 2020	Complied
Mill/Estates	Date action in 2019	Date action in 2020													
Palong Cocoa POM	15 Aug 2019	20 Sept 2020													
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Criterion 3.5: A system for managing human resources is in place.															
3.5.1	<p>Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.</p> <p>- Minor Compliance -</p>	<p>Reviewed and verified during the audit were the following SOPs:</p> <ol style="list-style-type: none"> a. Recruitment of New Foreign Workers Rev. No. 1 Issue No. 1 dated 1 Jan 2019. It was observed that this SOP does not contain procedures related to termination, promotion and retirement of foreign workers. Nevertheless, it was noted that termination is clearly stipulated under workers' employment contracts. And although the procedure for 	Complied												

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		<p>promotion is not available in the SOP for foreign worker, evidence is available that this is being practiced at the Mill via letter dated 29 December 2019 issued to Worker No. 637128 which confirmed his change from General Worker to Kernel Plant operator.</p> <p>b. Recruitment of Local Workers for Operating Units Rev No. 00 Issue No. 01 dated 1 October 2020. This SOP contains procedures for recruitment, promotion, retirement, and termination.</p> <p>The Policy was briefed to all levels of employees at the Palong Cocoa POM (25 October 2020), Sepang Loi (28 September 2020) and Kemedak Estate (15 October 2020).</p>	
3.5.2	<p>Employment procedures are implemented, and records are maintained.</p> <p>- Minor Compliance -</p>	<p>Based on the files sighted, Palong Cocoa POM and its supply base are able to demonstrate the implementation of the employment procedures, and records are maintained. Records for Malaysian workers include job application form, resume, copies of relevant certificates, NRIC and medical reports. For foreign workers, records include copies of passports, request for salary deductions for paying electricity bills, mosque funds, and consent for passports to be kept in the office. Among the files sighted belong to the following employees:</p> <p><u>Palong Cocoa POM:</u> Workers No. 637202, 637157, 637157, 637023, 637193, 637188, 637209, 637222.</p> <p><u>Sepang Loi Estate:</u> Workers No. 620402, 620364, 620372, 620399, 620396.</p> <p><u>Kemedak Estate:</u> Workers No. 636549, 636731, 636748, 636548, 636750.</p>	Complied

Criterion 3.6: An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.																																															
3.6.1	<p>(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>The estates had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC is subject for a review in event of the following;</p> <ul style="list-style-type: none"> a) Change in work process b) Revision/changes in legislative requirement c) Occurrence of accidents <p>The estates had list of review on HIRARC dated 20/4/20 and 21/10/20 respectively for Sepang Loi and Kemedak Estates.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th>Areas/Activities</th> <th></th> <th>Areas /Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Palm /bunch census</td> <td>11</td> <td>Harvesting & collection</td> </tr> <tr> <td>2</td> <td>Circle /selective spraying</td> <td>12</td> <td>Transportation workers</td> </tr> <tr> <td>3</td> <td>Confined space</td> <td>13</td> <td>Walking palm to palm</td> </tr> <tr> <td>4</td> <td>Drainage-machine</td> <td>14</td> <td>Loose fruit collection</td> </tr> <tr> <td>5</td> <td>Grass cutting</td> <td>15</td> <td>In field machine 15 mt</td> </tr> <tr> <td>6</td> <td>Compound sanitation</td> <td>16</td> <td>Water catchment</td> </tr> <tr> <td>7</td> <td>Fertilizer application</td> <td>17</td> <td>Chemical mixing</td> </tr> <tr> <td>8</td> <td>Replanting</td> <td>18</td> <td>EFB/Bio Compost</td> </tr> <tr> <td>9</td> <td>Bridge maintenance</td> <td>19</td> <td>Housing Complex</td> </tr> <tr> <td>10</td> <td>Water treatment plant</td> <td>20</td> <td>Workshop operations</td> </tr> </tbody> </table> <p>HIRARC for the mill was formalized on in 2008 with review made annually recent being on 24/6/20. The significant and routine</p>		Areas/Activities		Areas /Activities	1	Palm /bunch census	11	Harvesting & collection	2	Circle /selective spraying	12	Transportation workers	3	Confined space	13	Walking palm to palm	4	Drainage-machine	14	Loose fruit collection	5	Grass cutting	15	In field machine 15 mt	6	Compound sanitation	16	Water catchment	7	Fertilizer application	17	Chemical mixing	8	Replanting	18	EFB/Bio Compost	9	Bridge maintenance	19	Housing Complex	10	Water treatment plant	20	Workshop operations	Complied
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		<p>activities for mill were adequately covered with details among others as follows;</p> <table border="1" data-bbox="1169 438 1901 821"> <thead> <tr> <th></th> <th>Areas/Activities (Mill)</th> <th></th> <th>Areas /Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Reception –Weighbridge</td> <td>10</td> <td>Engine Room</td> </tr> <tr> <td>2</td> <td>Fruit Handling</td> <td>11</td> <td>Product storage</td> </tr> <tr> <td>3</td> <td>Sterilizer</td> <td>12</td> <td>Laboratory</td> </tr> <tr> <td>4</td> <td>Threshing / pressing</td> <td>13</td> <td>Water treatment</td> </tr> <tr> <td>5</td> <td>Clarification / Oil Room</td> <td>14</td> <td>Effluent Treatment Pond</td> </tr> <tr> <td>6</td> <td>Boiler House</td> <td>15</td> <td>Crop reception – Ramp</td> </tr> <tr> <td>7</td> <td>Confined space</td> <td>16</td> <td>Working at height</td> </tr> <tr> <td>8</td> <td>EFB press</td> <td>17</td> <td>Housing Complex</td> </tr> <tr> <td>9</td> <td>Bio Compost</td> <td>18</td> <td>Store lubricant / chemical</td> </tr> </tbody> </table> <p>The mill reviewed the HIRARC by including the ESP, Biogas Plant and the Bio Polishing Installation anticipated to commission in early 2021 upon handling over from the manufacturer.</p> <p>Appropriate risk control measures were determined and implemented for the respective activities and operation. Most of the moving part and rotating machinery were installed with machine guarding and properly covered. Appropriate administrative controls such as safety signage were displayed at all work stations in the mill and estate office and workshop. In general, the control measures were appropriate to the identified risks.</p>		Areas/Activities (Mill)		Areas /Activities	1	Reception –Weighbridge	10	Engine Room	2	Fruit Handling	11	Product storage	3	Sterilizer	12	Laboratory	4	Threshing / pressing	13	Water treatment	5	Clarification / Oil Room	14	Effluent Treatment Pond	6	Boiler House	15	Crop reception – Ramp	7	Confined space	16	Working at height	8	EFB press	17	Housing Complex	9	Bio Compost	18	Store lubricant / chemical	
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3.6.2	<p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored. - Critical (Major) compliance -</p>	<p>KMB Health and Safety Improvement Plan among others include the following. The implementation of OSH plan was monitored by internal audits conducted by OSH executives from SQD Unit.</p>	Complied																																								

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		No	Task	Activity	
		1	OSH Legal Compliance	Review all relevant legal compliance	
		2	Emergency Response Plan	ERP Training	
				Fire drill	
				Enforcement Visit	
		3	OSH Management System	Review documentation	
				HIRARC review	
		4	Risk Management	Identify High Risk Area	
				maintenance	
				Hygiene Tech	
		5	Accident Investigation/ Reporting	Accident Investigation	
				JKKP 8/6 submission	
				Chemical Register	
Criterion 3.7: All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.					
3.7.1	<p>(C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into account gender-specific needs, and which covers applicable aspects of the RSPOP&C, in a form they understand, and which includes assessments of training.</p> <p>- Critical (Major) compliance -</p>	<p>The annual training program has been established and significantly covers all aspects of the RSPO requirements. There were also additional subjects including the estate operating procedures, parameters, vehicles maintenance etc. The training program also specified the target group of employees to be trained under the allocated subjects. The program mainly covers both requirement of the estates and mill in the CU. The subjects for the training are issued and assisted by the SQD personnel. The following topics</p>			Complied

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included in the annual training program 2020 among others as follows;

	(Estate) subject	schedule		
		1-4	5-9	9-12
1	Requirement RSPO MSPO		/	
2	ESH objective, target & program	/		
3	New FW – Induction Program	/	/	/
4	Equal Opportunity		/	
5	ESH role & function	/		/
6	SW/Waste Management	/		
7	ERP procedure and evacuation			/
8	Legal & other requirement		/	
9	Permit - work / tools equipment	/	/	
10	HIRARC & EAI		/	
11	Equality /Freedom of Unionized		/	
12	Housing Amenities (Hygiene)		/	
13	Chemical Management/Handling	/		
14	SOP & ECP for individual procedure	/	/	/
15	PPE adherence	/	/	/
16	Scheduled waste management	/		/
17	Wages Guidelines	/		
18	Mill/Estates practices SOP	/	/	/
19	SDS understanding / IPM	/	/	
20	Riparian Zone Management	/	/	
21	Sexual Harassment		/	
22	Safe driving technique		/	/
23	IPM Management		/	
24	Water Treatment Plant	/		/
25	First Aid Guidelines	/		
26	Zero Burning		/	

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<p>3.7.2</p>	<p>Records of training are maintained. - Minor Compliance -</p>	<p>The estates and mill training are held/organized during the daily briefing prior to work commencement. Mainly the issues discussed/briefed were related to estate and mill operations, environmental and safety compliance. These training records are maintained and were sighted during the audit.</p>	<p>Complied</p>																																																																																																																																							
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27	Health Awareness	25/11/20	15/10/20	-
28	Harvesting SOP	-	13/8/20	-
30	Gen set operations	05/10/20	-	-
31	Vicon spreader - Manuring	-	14/5/20	-
32	Pesticides Handling	04/2/20	12/3/20	-
33	CNCP - Product	-	-	27/7/20
34	Chemical spraying	27/1/20	5/2/20	-
35	IPM Management	11/2/20	20/8/20	-
36	First Aid Kit & ERP	10/9/20	27/10/20	-
37	GHG - Mass Balance	-	-	17/1/20
38	RSPO - Supply chain	-	-	22/11/20
39	Protection -HCV /Buffer	21/5/20	12/3/20	-
40	fertilizer - application	06/5/20	4/3/20	-
41	Harvesting activities SOP	12/3/20	29/7/20	-
42	ETP management	-	-	21/2/20
43	Process SOP	-	-	24/6/20
44	Driving SOP & PPE	11/10/20	-	26/2/20
45	Line site hygiene	21/4/20	20/8/20	12/11/20
46	WTP management	07/10/20	2/4/20	18/8/20
47	PPE adherence	12/8/20	-	12/5/19
48	SW management	10/3/20	26/8/20	22/11/20
49	Spraying P& D	14/9/20	10/4/20	-
50	Hearing awareness	-	-	01/12/19
51	Covid 19 reminders -MCO	10/9/20	20/3/20	-
52	Sexual harassment / COBC	-	16/4/20	28/10/20
53	HALAL certification	-	-	01/6/20
54	Creche management	16/4/20	-	-
55	TKI induction program	27/9/20	12/11/20	14/6/20
56	ISCC Awareness	22/9/19	28/2/20	04/2/20
57	Sampling - fertilizer	-	7/4/20	-

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3.7.3	<p>Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.</p> <p>- Minor Compliance -</p>	<p>Supply chain training carried out for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS).</p> <p>Training conducted on 22nd November 2020 – attended by security personnel, weighbridge operator and laboratory supervisor.</p>	Complied
<p>Criterion 3.8: Supply chain requirement for mills (note: All supply chain requirements are considered as Critical (C). However it will not contribute to suspension if there is more than 5 non-compliance within a principle)</p>			
3.8.1	<p>Identity Preserved Module</p> <p>A mill is deemed to be Identity Preserved (IP) if the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme.</p> <p>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 Mass Balance Module is applicable.</p>	<p>Palong Cocoa Palm Oil Mill only receives certified FFB from own certified supply base. Therefore, qualifies for the Identity Preserved supply chain system and module. During the P&C 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>	Complied
3.8.2	<p>Mass Balance Module</p> <p>A mill is deemed to be Mass Balance (MB) if the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>Palong Cocoa POM is under Identity Preserved module.</p>	Complied
3.8.3	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this</p>	Complied

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	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.	public summary report. Summary of CPO and PK deliver in a year (from the last audit date) reported under table C Appendix D.	
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization, PalmTrace.</p> <p>The registration of PalmTrace will be carried out by the Marketing Department in HQ. Company has registered in PalmTrace system as follows: Members ID: RSPO_PO1000001265 License valid until 22/01/2021 Member category : Oil Mill</p>	Complied
3.8.5	<p>Documented procedures</p> <p>The mill 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> <ol style="list-style-type: none"> Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). 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 mill's procedures for the implementation of this standard. 	<p>Kulim (Malaysia) Berhad has developed Traceability Procedure (Doc. No.: SQD/SMS/1.2, Issue No. 1, Rev. No.: 05 dated 1/8/20) and RSPO Supply Chain Procedure (Doc. No.: MKD/001, Rev. 01 dated 9/10/2018). On the marketing side, Procedure title: RSPO Supply Chain; Procedure # MKD/001; Date: 9/10/2018 is referred to.</p> <p>Seen the records that included in the procedure are as below:</p> <ol style="list-style-type: none"> Weighbridge tickets Training records Internal audit report Invoice and contracts Delivery and storage records Daily Production Report <p>Training records for RSPO Supply Chain & Stamping was sighted where the training was conducted on 19/9/2019 for the critical</p>	Complied

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	<p>d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill.</p>	<p>control point responsible person such as Weighbridge Operators and Security Guards. Seen the attendance list and interviewed with the attendees confirmed that they are understand the procedure.</p> <p>c) Head of each operating unit has automatically appointed as person responsible for all certification inclusive of RSPO SCCS. Responsibility of the person-in-charge has clearly stated in the appointment letter dated 22/9/2019.</p> <p>d) Kulim (Malaysia) Berhad has developed Traceability Procedure (Doc. No.: SQD/SMS/1.2, Issue No. 1, Rev. No.: 05 dated 1/8/20) and RSPO Supply Chain Procedure (Doc. No.: MKD/001, Rev. 01 dated 9/10/2018) which has covered the process of incoming of FFB and ensuring no contamination in the IP mill.</p>	
<p>3.8.6</p>	<p>Internal Audit</p> <p>i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill:</p> <p>a. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>b. Effectively implements and maintains the standard requirements within its organisation.</p> <p>ii) Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The mill shall maintain the internal audit records and reports.</p>	<p>Kulim (Malaysia) Berhad has developed Internal Audit Procedure (Doc. No.: SQD/SMS/5/0, Issue No.: 1, Rev. No.: 0 dated 1/7/2018) where the objective is to ensure that the implementation of company's RSPO, ISCC and MSPO management system is in line with the policies, procedures and other requirements. The frequency of the internal audit to be carried out is at least once within 12 months (before expiry of the certificate). The latest internal audit was carried out on 20/9/2020 by SQD team. There no non-conformance was raised based on Internal Audit Report. All the clauses in RSPO SCCS and RSPO Market Communications and Claims were covered during the audit.</p>	<p>Complied</p>
<p>3.8.7</p>	<p>Purchasing and Goods In</p> <p>i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p>	<p>When FFB delivered to the mill from the estate, the transporters presented FFB despatch report to the mill weighbridge clerk in order the FFB to be received by the mill.</p>	<p>Complied</p>

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	<p>ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents.</p>	<p>E.g. of information available in the FFB despatch report is as follows:</p> <ul style="list-style-type: none"> • FFB despatch no. (DB A No. 94312) • Estate’s names (Sepang Loi Estate) • Date of delivery (30/11/20) • Field No. (field P06/12) • Lorry no. LSL 1 • Weight (7.99 mt) • WB ticket: 150055 • Traceability Identification: RSPO certified FFB (RSPO 613087) <ul style="list-style-type: none"> • FFB despatch no. (DB A no. 35165) • Estate’s names (UMAC Estate) • Date of delivery (30/11/20) • Field No. (field P03/04/06/08) • Lorry no. JMB 7398 • Weight (37.28 mt) • WB ticket: 150059 • Traceability Identification: RSPO certified FFB (RSPO 613087) 	
<p>3.8.8</p>	<p>Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The 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> <p>a) The name and address of the buyer;</p> <p>b) The name and address of the seller;</p> <p>c) The loading or shipment / delivery date;</p>	<p>Palong Cocoa POM ensured the required information is available in document form. Sampled of CPO contract: CPOIP-M20051 dated 27/08/20, quantity 500 mt (delivery month – September 2020)</p> <ul style="list-style-type: none"> • The name and address of the buyer; XXX • The name and address of the seller: The loading or shipment/ delivery date; e.g. 22/9/20 • 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); Crude Palm Oil (CPO) RSPO IP 	<p>Complied</p>

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	<ul style="list-style-type: none"> d) The date on which the documents were issued; e) RSPO certificate number; f) A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations); g) The quantity of the products delivered; h) Any related transport documentation; i) A unique identification number. 	<ul style="list-style-type: none"> • The quantity of the products delivered; e.g. 44.4 mt • Any related transport documentation; e.g. Despatch note e.g. #C08264 • Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 613087 • A unique identification number: palm trace no. TR-a7e89ece-508d • Available in a few forms e.g. DN no., seal no., etc. <p>Palong Cocoa POM ensured the required information is available in document form. Sampled of PK contract: MPOK 2037 IP dated 22/6/20, quantity 2500 mt (delivery month – September 2020)</p> <ul style="list-style-type: none"> • The name and address of the buyer; XXX • The name and address of the seller: Palong Cocoa POM • The loading or shipment/ delivery date; e.g. 29/9/20 • 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); Palm Kernel (PK) RSPO IP • The quantity of the products delivered; e.g. 38.86 mt • Any related transport documentation; e.g. Despatch note e.g. #K02146 • Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 613087 • A unique identification number: palm trace no. TR-eb950faf-e762 • Available in a few forms e.g. DN no., seal no., etc. 	
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3.8.9	<p>Outsourcing Activities</p> <p>i) The mill shall not outsource its milling activities. In cases where he mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification</p> <p>ii) The mill shall ensure the following:</p> <p>a) The mill has legal ownership of all input material to be included in outsourced processes</p> <p>b) The mill 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 mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary.</p> <p>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The mill 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 all information, when this is announced in advance.</p>	<p>No CPO and PK process, bulking facilities outsourced by the mill. Transporter for PK was assigned by buyer. For CPO, contract agreement with a few contractors as per below:</p> <p>i) FICA Sdn Bhd, MPSB/CPO 1/2016 (FICA), refer to LOA, MPSB/G1/6/2(2020) dated 16th June 2020. Date commencement: 1st June 2020, completion date: 31st May 2023.</p> <p>ii) Yewtan Enterprise, MPSB/CPO 1/2016 (YESTAN), refer to LOA, MPSB/G1/6/2(2020) dated 15th June 2020. Date commencement: 1st June 2020, completion date: 31st May 2023.</p> <p>Under clause 6 on the contract; <i>For contract operation in RSPO, ISCC and MSPO certified mills or estates, the contractor is required to comply with all RSPO, ISCC and MSPO requirements related to the execution of the contract.</i></p>	Complied
3.8.10	The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.	Names and contact details of all contractors used for the physical handling of CSPO listed under stakeholder list 20 th July 2020.	Complied
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	No change of names and contract details of transporter for the physical handling of RSPO certified oil palm products	Complied

<p>3.8.12</p>	<p>Record keeping</p> <p>i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.</p> <p>ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.</p> <p>iii) For Identity Preserved Module, the mill 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>iv) For Mass Balance Module, the mill:</p> <p>a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.</p> <p>b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock).</p>	<p>i) The mill has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these Sustainability Management System as below:</p> <ul style="list-style-type: none"> - Dispatch of CPO/PK delivery order - Daily Production Report - FFB Despatch Report from supplying estate - Training records - FFB Transaction records <p>ii) Traceability Procedure (Doc. No.: SQD/SMS/1.2, Issue No. 1, Rev. No.: 02 dated 28/2/2019), the records retention for all RSPO Supply Chain related records to be retained for a minimum of 5 years' period</p> <p>iii) Records and balance of all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK monitored on a real-time basis on daily/monthly production figure.</p>	<p>Complied</p>
<p>3.8.13</p>	<p>Extraction Rate</p> <p>The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.</p>	<p>Conversion factor of CPO and PK production is depending on the actual OER and KER. Last year's average from November 2019 to November 2020 were 21.30 % (OER) & 5.53 % (KER).</p>	<p>Complied</p>

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3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	The facility is using the actual extraction rate and therefore updating of rates is not necessary.	Complied
3.8.15	Processing For Identity Preserved Module, the mill 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 products, including during transport and storage to strive for 100% separation.	It has been confirmed through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation. No incoming of uncertified FFB and mill only process RSPO certified FFB from Kulim (M) Berhad group estates.	Complied
3.8.16	Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.	Shipping announcement in the RSPO IT platform carried out by the mills when RSPO certified products are sold as certified to refineries. Details of transaction summarized under table D. Total of registered transaction from November 2019 to November 2020; CPO :20,823.48 mt PK : 8,856.74 mt	Complied
3.8.17	Claims The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.	Kulim (Malaysia) Berhad has obtained Trademark License from RSPO and seen the trademark license# 1-0080-09-100-00 which valid from 23/8/2019 – 22/8/2021 for IP Model for Palong Cocoa POM. The facility is aware with the requirements of the RSPO Rules on Market Communications and Claims.	Complied
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.	Kulim (Malaysia) Berhad has stated the member's history with regard to RSPO in the company's website and annual report 2017 without the use of trademark logo.	Complied

4.2	<p>In corporate communications a member is allowed to:</p> <ul style="list-style-type: none"> a. Display its RSPO membership status b. Display the RSPO web address (www.rspo.org) 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. <p>Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text ‘Check our progress at www.rspo.org’ where the link must lead to the member’s profile page.</p>	<p>Kulim (Malaysia) Berhad has stated the member’s history with regard to RSPO in the company’s website and annual report 2017 without the use of trademark logo.</p>	Complied
4.3	<p>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.</p>	<p>The company does not make any statement that may misleading to the consumers to believe that RSPO membership by itself implies that selling of RSPO-certified oil palm products by verified through the website.</p>	Complied
4.4	<p>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.</p>	<p>The communication that made via website is consistent, clear and does not mislead the consumer and stakeholders as to the certified content of oil palm products in their own products.</p>	Complied
4.5	<p>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.</p>	<p>There was no RSPO corporate logo has been used verified through website, notice board, business card, shipping documentation and procurement/ purchasing document.</p>	Complied
Business to business communications			
5.1	<p>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.</p>	<p>Business to business communication is demonstrated via shipping documentation and invoices to the next supply chain actor or buyer. Verified the weighbridge tickets to buyer where claim of CSPO (Identity Preserved) was stamped on the tickets.</p>	Complied
5.2	<p>When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the</p>	<p>Shipping documentation verified and conformance with the requirements of RSPO SCCS. In the weighbridge ticket, it stated</p>	Complied

	supply chain model and certificate number under which the claim is being made.	that the product is CSPO (Identity Preserved) with RSPO certificate number: RSPO 613087.	
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> <p>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.</p> <p>b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.</p>	Palong Cocoa Palm Oil Mill is not under distributor or wholesaler category. Thus, this requirement is not applicable.	Not Applicable
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.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not Applicable
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.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not Applicable
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.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not Applicable
6.4	Business to consumer communication shall not include information about the claimant’s RSPO membership status.	No business to consumer communication on product specific	Not Applicable

		claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	
6.5	Members shall not communicate to consumers’ information about their suppliers’ RSPO membership status.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not Applicable
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.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not Applicable
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.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not Applicable
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.rsपो.org .	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not Applicable

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.	Oil palm content is 100% CPO and claim as RSPO IP-certified.	Complied
	For SG, 95% or above of the oil palm content must be SG, or a combination of SG and IP.	No SG claim made.	Complied
	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.	Oil palm content is 100% CPO and claim as RSPO IP-certified. All infeed material (FFB) is RSPO certified.	Complied
Labelling and trademark (IP)			
	Members are allowed to use the RSPO label in one of the following ways: <ul style="list-style-type: none"> • RSPO trademark which includes the tag 'CERTIFIED' or • 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. 	As to date, no RSPO trademark used on the RSPO products. Kulim (Malaysia) Berhad has stated the member's history with regard to RSPO in the company's website and annual report 2019 without the trademark logo used.	Complied
Messaging (IP)			
	Messaging ALLOWED in storytelling in product-related communications may include some or all of the following elements: <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 	As to date, no RSPO trademark used on the RSPO products. Kulim (Malaysia) Berhad has stated the member's history with regard to RSPO in the company's website and annual report 2019 without the trademark logo used.	Complied

	<ul style="list-style-type: none"> • 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 • 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. 		
<p>Principle 4: Respect community and human rights and deliver benefits</p>			
<p>Criterion 4.1: The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.</p>			
<p>4.1.1</p>	<p>(C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.</p> <p>- Critical (Major) compliance -</p>	<p>Kulim (Malaysia) Berhad has a Sustainability Policy which among others, states its commitment to respect, support and protect international human rights against violence, threats, all forms of retaliation, and effective elimination of all forms of violation of human rights which include against HRD, whistleblowers, complainants and community spokespersons.</p> <p>This Policy was communicated to all levels of workforce during briefing held at Palong Cocoa POM (25 October 2020), Sepang Loi Estate (3 September 2020), Kemedak Estate (18 June 2020).</p>	<p>Complied</p>
<p>4.1.2</p>	<p>The unit of certification does not instigate violence or use any form of harassment in their operations.</p> <p>- Minor compliance -</p>	<p>There is no evidence of any use of violence or the instigation of violence within the Palong Cocoa POM & its supply base. This was further verified during interviews held with external stakeholders such as villagers from Kg. Balai Badang and Kg Padang Kiambang.</p>	<p>Complied</p>

Criterion 4.2: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties			
4.2.1	<p>(C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.</p> <p>- Critical (Major) compliance -</p>	<p>An agreed and documented system which deals with complaints and grievances is available and documented as Grievance Procedure Doc No. SQD/SMS/4.1 dated 1 August 2020. This SOP is to ensure that the Company has a documented system for dealing with complaints and grievances that is agreeable to all sides and accepted by all stakeholders. This SOP is applicable to all parties who deal with the Company who may have complaints and grievances. Clause 5.8 states that complainants' anonymity would be respected and protected if requested.</p>	Complied
4.2.2	<p>Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.</p> <p>- Minor compliance -</p>	<p>Briefings on grievance procedures are given to ensure that the system is understood by affected parties. The external stakeholders were briefed on 26 October 2020 during stakeholder meeting.</p> <p>To ensure understanding by illiterate parties, the briefings were given verbally, and when necessary, translators from among the workers (usually a worker representatives) are sought to translate documents including procedures for dealing with complaints and grievances. This was duly confirmed by the workers interviewed. At Kemedak Estate, the briefing on grievance procedure was given on 14 July 2020, and at Palong Cocoa POM on 25 October 2020.</p>	Complied
4.2.3	<p>The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>Based on complaints book sighted, aggrieved parties were informed of the progress of their grievance, and the outcome was communicated and acknowledged by the complainant. This was seen from housing defects report at the Palong Cocoa POM dated 15 July 2020 where the repair works were carried out on the same day and acknowledged by the complainant. Similarly, a complaint made on 15 Aug 2020 regarding bedroom door which was repaired</p>	Complied

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		on 22 Aug 2020, was also acknowledged by the complainant. At Sepang Loi Estate, the complainant’s acknowledgement was also seen on work carried out on 21 October 2020.	
4.2.4	The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator. - Minor compliance -	Clause 5.5 of Grievance Mechanism Doc. No. SQD/SMS/4.1 Issue No. 1 dated 1 August 2020 gives the option to engage independent legal, technical advice and third-party mediator.	Complied
Criterion 4.3: The unit of Certification contributes to local sustainable development as agreed by local communities.			
4.3.1	Contributions to community development that are based on the results of consultation with local communities are demonstrated. - Minor compliance -	Evidence was available that contributions to local development was made based on results of consultation with the respective communities. Among the contributions made were: Palong Cocoa POM: <ul style="list-style-type: none"> - School uniforms and school transport for workers’ children; - About 1/3 of the Palong Cocoa POM employees are from the nearby communities. Sepang Loi Estate: <ul style="list-style-type: none"> - Cash donation pursuant to letter from SK Buloh Kasap dated 26 July 2020 requesting for financial assistance to enhance classes, café and kitchen at the school. - Cash donation pursuant to letter form SK Kemedak dated 16 Nov 2020 to build huts for use by sports houses. Kemedak Estate: As confirmed by the Village Head, allowing local community from Kg Padang Kiambang to have access via the estate property to get to their orchards and oil palm smallholding	Complied

Criterion 4.4: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.																																																								
4.4.1	<p>(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available.</p> <p>- Critical (Major) compliance -</p>	<p>Copies of land titles were available and verified. Details of the respective land titles to demonstrate the right to use the land as shown below. Quit rents were paid accordingly. There was no evidence of any part of the land overlapping with customary land owners.</p> <table border="1" data-bbox="1126 587 1937 1273"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Mill/Estates</th> <th colspan="4">Land title</th> </tr> <tr> <th>HS(D) No.</th> <th>PTD Ref</th> <th>Size (ha)</th> <th>Expiry date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Palong Cocoa POM (located in Ladang Mungka, separated by fencing)</td> <td>11071</td> <td>1354</td> <td>17.03</td> <td>18/8/2044</td> </tr> <tr> <td rowspan="6">2</td> <td rowspan="6">Sepang Estate Loi</td> <td>45484</td> <td></td> <td>20.11</td> <td>perpetual</td> </tr> <tr> <td>45485</td> <td></td> <td>20.52</td> <td>perpetual</td> </tr> <tr> <td>45490</td> <td></td> <td>21.7</td> <td>perpetual</td> </tr> <tr> <td>45492</td> <td></td> <td>20.24</td> <td>perpetual</td> </tr> <tr> <td>45500</td> <td></td> <td>48.53</td> <td>perpetual</td> </tr> <tr> <td>45504</td> <td></td> <td>20.23</td> <td>perpetual</td> </tr> <tr> <td></td> <td>45510</td> <td></td> <td>19.81</td> <td>perpetual</td> </tr> <tr> <td>3</td> <td>Kemedak Estate</td> <td>11069</td> <td>793</td> <td>931.0</td> <td>11/9/2112</td> </tr> </tbody> </table>		Mill/Estates	Land title				HS(D) No.	PTD Ref	Size (ha)	Expiry date	1	Palong Cocoa POM (located in Ladang Mungka, separated by fencing)	11071	1354	17.03	18/8/2044	2	Sepang Estate Loi	45484		20.11	perpetual	45485		20.52	perpetual	45490		21.7	perpetual	45492		20.24	perpetual	45500		48.53	perpetual	45504		20.23	perpetual		45510		19.81	perpetual	3	Kemedak Estate	11069	793	931.0	11/9/2112	Complied
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4.4.2	<p>Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:</p>	<p>Based on documents sighted and interviews conducted with stakeholders, there was no evidence of any dispute with any</p>	Not Applicable																																																					

		previous owner or occupants. Therefore, this indicator is not applicable.	
4.4.2a	Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making. - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable
4.4.2b	Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable
4.4.2c	Evidence that the legal, economic, environmental and social implications of 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 unit of certification's title, concession or lease on the land. - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable
4.4.3	(C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable
4.4.4	All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any	Not Applicable

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	- Minor compliance -	previous owner or occupants. Therefore, this indicator is not applicable.	
4.4.5	(C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose. - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable
4.4.6	There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable
Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			
4.5.1	(C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available. - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable
4.5.2	(C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation. - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable

4.5.3	<p>Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.</p> <p>- Minor compliance -</p>	<p>Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.</p>	Not Applicable
4.5.4	<p>To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.</p> <p>- Minor compliance -</p>	<p>Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.</p>	Not Applicable
4.5.5	<p>Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p> <p>- Minor compliance -</p>	<p>Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.</p>	Not Applicable
4.5.6	<p>Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator.</p> <p>- Minor compliance -</p>	<p>Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.</p>	Not Applicable
4.5.7	<p>New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations.</p>	<p>Based on documents sighted no new lands were acquired for plantations and mills after 15 November 2018.</p>	Not Applicable

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	- Minor compliance -		
4.5.8	<p>(C) New lands are not acquired in areas inhabited by communities in voluntary isolation.</p> <p>- Critical (Major) compliance -</p>	Based on documents sighted and interviews conducted with stakeholders, there was no evidence of new lands acquired in areas inhabited by communities who live in voluntary isolation.	Not Applicable
<p>Criterion 4.6: 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.</p>			
4.6.1	<p>(C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.</p> <p>- Critical (Major) compliance -</p>	Procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation is in place and is contained in the SPO Negotiations Concerning Compensation Program dated 4 September 2007. This procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly.	Complied
4.6.2	<p>(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.</p> <p>- Critical (Major) compliance -</p>	An SOP known as Negotiations Concerning Compensation Program dated 4 September 2007 was established by Kulim (Malaysia) Berhad to identify legal and customary rights as well as people entitled to compensation as per procedure in place and is contained in the SPO Negotiations Concerning Compensation Program dated 4 September 2007. The procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly.	Complied
4.6.3	<p>Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings.</p> <p>- Minor compliance -</p>	The Palong Cocoa POM does not have any arrangements for scheme smallholdings. Therefore, this indicator is not applicable.	Not Applicable
4.6.4	<p>The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them.</p> <p>- Minor compliance -</p>	Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable

<p>Criterion 4.7: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.</p>			
4.7.1	<p>(C) A mutually agreed procedure for identifying people entitled to compensation is in place. - Critical (Major) compliance -</p>	<p>Procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation is in place and is contained in the SPO Negotiations Concerning Compensation Program dated 4 September 2007. This procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly.</p>	Complied
4.7.2	<p>(C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties. - Critical (Major) compliance -</p>	<p>An SOP known as Negotiations Concerning Compensation Program dated 4 September 2007 was established by Kulim (Malaysia) Berhad to identify legal and customary rights as well as people entitled to compensation as per procedure in place and is contained in the SPO Negotiations Concerning Compensation Program dated 4 September 2007. The procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly, and briefed to stakeholder on 25 October 2020.</p>	Complied
4.7.3	<p>Communities that have lost access and rights to land for plantation expansion are given opportunities including employment and supply contracts to benefit from plantation development. - Minor compliance -</p>	<p>Based on documents sighted and interviews conducted with stakeholders from nearby villagers of Kg Padang Kiambang and Kg Balai Badang, there was no evidence of any dispute with any previous owner or occupants. However, Palong Cocoa POM and its supply base offer job opportunities to local communities living within its vicinity.</p>	Not Applicable
<p>Criterion 4.8: 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.</p>			
4.8.1	<p>Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition</p>	<p>Based on documents sighted and interviews conducted with stakeholders, there was no evidence of any dispute with any</p>	Not Applicable

	is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. - Minor compliance -	previous owner or occupants. Therefore, this indicator is not applicable.	
4.8.2	(C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms. - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders, there was no evidence of any dispute with any previous owner or occupants. Palong Cocoa POM and its supply base were not newly acquired units. Therefore, this indicator is not applicable.	Not Applicable
4.8.3	Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4) - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders, there was no evidence of any acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations. Therefore, this indicator is not applicable.	Not Applicable
4.8.4	For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable
Principle 5: Support smallholder inclusion			
Criterion 5.1: The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.			
5.1.1	Current and previous period prices paid for FFB are publicly available and accessible by smallholders. - Minor compliance -	The Palong Cocoa POM is an Identity Preserved Mill as evidenced by Certificate No. RSPO 613087 which is valid from 19 March 2019 to 22 Jan 2024. The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates, and therefore this Indicator is not applicable.	Not Applicable

5.1.2	<p>(C) Evidence is available that the unit of certification explains the FFB pricing to smallholders on request from individual smallholders (at least once a year or upon request).</p> <p>- Critical (Major) compliance -</p>	<p>The Palong Cocoa POM is an Identity Preserved Mill as evidenced by Certificate No. RSPO 613087 which is valid from 19 March 2019 to 22 Jan 2024. The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates, and therefore this Indicator is not applicable.</p>	Not Applicable
5.1.3	<p>(C) Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented.</p> <p>- Critical (Major) compliance -</p>	<p>The Palong Cocoa POM is an Identity Preserved Mill as evidenced by Certificate No. RSPO 613087 which is valid from 19 March 2019 to 22 Jan 2024. The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates, and therefore this Indicator is not applicable.</p>	Not Applicable
5.1.4	<p>(C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.</p> <p>- Critical (Major) compliance -</p>	<p>The Palong Cocoa POM is an Identity Preserved Mill as evidenced by Certificate No. RSPO 613087 which is valid from 19 March 2019 to 22 Jan 2024. The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates, and therefore this Indicator is not applicable.</p>	Not Applicable
5.1.5	<p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p>	<p>Sighted during the audit were the following contracts:</p> <ol style="list-style-type: none"> 1. Between Mahamurni Plantations Sdn Bhd and Mirzafiz Sdn Bhd (Contract No. MPSB/CPO 1/2016) for transportation of CPO from POM to various refineries. The original contract commenced on 1 March 2016 and have been renewed every two years. The latest renewal was from 1 June 2020 until 31 May 2023. 2. Between Mahamurni Plantations Sdn Bhd and Teo Tuan Kwee Sdn Bhd (Contract No. MPSB/CPO 1/2016) for transportation of CPO from POM to various refineries. The original contract commenced on 1 March 2016 and have been renewed every 	Complied

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		<p>two years. The latest renewal was from 1 June 2020 until 31 May 2023.</p> <ol style="list-style-type: none"> 3. Between Mahamurni Plantations Sdn Bhd and Liew Kim Fah Plantations Sdn Bhd (Contract No. MPSB/LSL /2017 for loading and transporting of FFB from fields at Ladang Sepang Loi to Palong Cocoa POM. 4. Between Mahamurni Plantations Sdn Bhd and Lim Son Peng (Contract No. MPSB/Kemedak 3/2017 for harvesting of FFB at Kemedak Estate valid from 1 Jan 2018 to 31 Dec 2020. <p>The above contracts are fair, legal and transparent as they contain agreed time frame, scope of work, fees and payment of services, rights and obligations of both parties, mutual termination clause, force majeure, etc.</p> <p>This was further confirmed during audit interviews conducted with contractors and suppliers.</p>	
5.1.6	<p>(C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given. - Critical (Major) compliance -</p>	<p>Clause 5.3 of all contracts signed state that parties agree that payment of fees shall be made within 30 days of submission of invoice. Based on the following, Palong Cocoa Mill and its supply base were able to demonstrate that payments were made within 30 days of invoice as agreed in the contracts:</p> <ol style="list-style-type: none"> a. Invoice No. I-000607 dated 31 Aug 2020 from Mirzafiz Sdn Bhd for RM19,663.30 was paid via payment voucher No. 20000571 dated 23 Sept 2020 for RM19.663.30 b. Invoice No. TV20080025 dated 31 Aug 2020 from Teo Tuan Kwee Sdn Bhd for RM36,623.76 was paid via payment voucher No. 20000572 dated 23 Sept 2020 for RM36,623.76. c. Invoice No. 2009001 dated 30 September 2020 from Liew Kim Fah Plantations Sdn Bhd for RM58,113.45. After 	Complied

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		<p>deducting services amounting to RM5939.81 provided by the estate, a balance of RM52,173.64 was paid via payment voucher No. 20000398 dated 4 October 2020.</p> <p>d. Invoice No. D 38350 dated 1 Nov 2020 from Lim Son Peng for RM46,538.75 was paid via payment voucher No 20000467 dated 5 Nov 2020 for RM46,538.75.</p> <p>This was further confirmed during audit interviews conducted with contractors and suppliers.</p>												
<p>5.1.7</p>	<p>Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government).</p> <p>- Minor compliance -</p>	<p>Records of weighing equipment stamping was maintained on annual basis at visited operating units even though there is no smallholder within Sedenak certification unit. Summary of stamping records as follows:</p> <table border="1" data-bbox="1137 794 1930 1200"> <thead> <tr> <th>Weighing equipment</th> <th>Model/capacity</th> <th>Date of stamping, certificate no.</th> <th>Operating Unit</th> </tr> </thead> <tbody> <tr> <td>Serial no. B1219429</td> <td>ATK (E) BDI-2001, 80,0000 kg</td> <td>6/8/2020, JW-ATK 069848</td> <td rowspan="2">Palong Cocoa POM</td> </tr> <tr> <td>Serial no. 26699</td> <td>ATK (E) GSE-350 60,000 kg</td> <td>6/8/2020, JMU-ATK 000368</td> </tr> </tbody> </table>	Weighing equipment	Model/capacity	Date of stamping, certificate no.	Operating Unit	Serial no. B1219429	ATK (E) BDI-2001, 80,0000 kg	6/8/2020, JW-ATK 069848	Palong Cocoa POM	Serial no. 26699	ATK (E) GSE-350 60,000 kg	6/8/2020, JMU-ATK 000368	<p>Complied</p>
Weighing equipment	Model/capacity	Date of stamping, certificate no.	Operating Unit											
Serial no. B1219429	ATK (E) BDI-2001, 80,0000 kg	6/8/2020, JW-ATK 069848	Palong Cocoa POM											
Serial no. 26699	ATK (E) GSE-350 60,000 kg	6/8/2020, JMU-ATK 000368												
<p>5.1.8</p>	<p>The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.</p>	<p>No independent smallholder at Palong Cocoa POM Certification Unit.</p>	<p>Complied</p>											

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	- Minor compliance -		
5.1.9	<p>(C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.</p> <p>- Critical (Major) compliance -</p>	<p>An agreed and documented system which deals with complaints and grievances are available and documented as follows:</p> <ul style="list-style-type: none"> a. Grievance Policy dated 1 May 2018. This Policy commits to a transparent process ensuring stakeholder’s grievances and complaints are dealt with fairly, consistently and promptly. b. Grievance Procedure Doc No. SQD/SMS/4.1 dated 1 August 2020. This SOP is applicable to all parties who deal with the Company who may have complaints and grievances. <p>This the grievance mechanism which the Company has, are applicable to all parties, including smallholders.</p>	Complied
Criterion 5.2: The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.			
5.2.1	<p>The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification.</p> <p>- Minor compliance -</p>	<p>Palong Cocoa POM is an Identity Preserved Mill as evidenced by Certificate No. RSPO 613087 which is valid from 19 March 2019 to 22 Jan 2024. The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates, and does not purchase FFB from any smallholders.</p>	Not Applicable
5.2.2	<p>The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS).</p> <p>- Minor compliance -</p>	<p>Palong Cocoa POM is an Identity Preserved Mill as evidenced by Certificate No. RSPO 613087 which is valid from 19 March 2019 to 22 Jan 2024. The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates, and does not purchase FFB from any smallholders.</p>	Not Applicable
5.2.3	<p>Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.</p> <p>- Minor compliance -</p>	<p>Palong Cocoa POM is an Identity Preserved Mill as evidenced by Certificate No. RSPO 613087 which is valid from 19 March 2019 to 22 Jan 2024. The Mill processes only FFB from its own estates</p>	Not Applicable

		namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates, and does not purchase FFB from any smallholders.	
5.2.4	(C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Critical (Major) compliance -	The mill received no crop from smallholders. The outside crop suppliers being invited in the stakeholders meetings and briefing cum training are made in these sessions. Details as per minutes of meeting with the stakeholders.	Complied
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance -	The mill received no crop from smallholders.	Not Applicable
Principle 6: Respect workers' rights and conditions			
Criterion 6.1: Any form of discrimination is prohibited.			
6.1.1	(C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age. - Critical (Major) compliance -	The Policies that have been developed by Kulim (Malaysia) Berhad to deal with equal opportunity and non-discrimination are: a. Business Policy b. Core Labour Standard c. People Policy where fairness and equal opportunities for relevant group such as all employees, including foreign and local are embedded. These Policies prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.	Complied
6.1.2	(C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for foreign workers. - Critical (Major) compliance -	Based on interviews held with Malaysian and foreign workers from Indonesia and Bangladesh, Palong Cocoa Mill and its supply base have been able to demonstrate that no form of any discrimination occurs.	Complied

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		Reviewed during the audit was contract dated 13 February 2020 between Kulim (Malaysia) Berhad and PT Hamparan Karya Insani for manpower supply from Indonesia. The agreement states among others that cost of workers' transportation to the respective estates/mill will be borne by Kulim. The Demand Letter issued by Indonesian consulate dated 17 Feb 2020 also specifies that levy and PLKS fees are to be borne by employer. No recruitment fees are imposed on any of the foreign workers, and this was further confirmed by foreign workers interviewed.	
6.1.3	The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available. - Minor compliance -	Evidence was available that the process of recruitment, selection and hiring are based on skills, capabilities, qualities and medical fitness. This was evidenced by the recruitment process of Sepang Loi Worker No. 620402 who was employed after satisfying the pre-employment medical examination for new workers. Sighted was the medical report dated 25 Sept 2019 issued by Klinik Razak.	Complied
6.1.4	Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women. - Minor compliance -	Based on interview held with the Medical Assistant at Sepang Loi Estate and representatives of Women On Wards (WOW) Committee members at the Palong Cocoa Mill and estates, pregnancy tests are not conducted on discriminatory manner and health screenings are conducted only when legally mandated (when handling chemicals). However, during audit, there was no women employees were handling chemicals. Spraying and fertiliser application jobs were carried out by male workers.	Complied
6.1.5	(C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.	In place at the Palong Cocoa Mill and its supply base is Women OnWards (WOW) committee which is a women employee outreach programme endorsed and funded by the Company. Its members	Complied

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	- Critical (Major) compliance -	comprise female employees and wives of workers. WOW promotes gender equality and empower women’s knowledge and skills. In 2020, committee meetings were held as follows: Palong Cocoa POM: 29 January 2020 and 10 Feb 2020. Sepang Loi Estate: 13 August 2020 Kemedak Estate: 18 Oct 2020 Based on minutes sighted, committee members were briefed on sexual harassment, domestic violence, how to make complaints if there was a case, reproductive rights, the new census for new mothers, and briefings on Company policies.	
6.1.6	There is evidence of equal pay for the same work scope. - Minor compliance -	From payslips reviewed, evidence was available that workers receive equal pay for the same work scope. Sampled were drivers at Sepang Loi Estate (Workers No. 620335 and No. 620402) who were paid RM46.15 per day, and received the same allowance of RM4 per day.	Complied
Criterion 6.2: Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).			
6.2.1	(C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand. - Critical (Major) compliance -	Kulim (Malaysia) Berhad is a member of the Malaysian Agricultural Producers Association (MAPA) and is therefore subjected to the agreement between MAPA and the National Union of Plantation Workers (NUPW). Applicable labour laws related to duration, hours of work, overtime, annual/medical leave, public holiday, mutual termination, salary deductions, maternity entitlement, etc are contained in workers’ employment contracts. Sampled were employment contracts for Malaysian and Indonesian workers which have been prepared in Bahasa Malaysia. For Bangladeshi workers, the contracts were in the workers’ language, i.e. Bengali. For Bangladeshi workers whose contracts were in Bahasa Malaysia, they	Complied

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		<p>were briefed on the contents. Interviews conducted with the workers confirmed their understanding.</p> <p>Clause 9 of the employment contract also specifically states that unless otherwise stated, all terms and conditions of contract are subjected to the Employment Act 1955 and SOCSO Act 1969, and the current MAPA/NUPW contract.</p> <p>Also confirmed via sampled payslips that wages were paid in accordance with the relevant laws. Salary deductions and overtime were in accordance with the relevant laws (SOCSO, EPF, EIS) and Labour Office permits.</p>	
6.2.2	<p>(C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Critical (Major) compliance -</p>	<p>Details of payments and conditions of employment are stated and documented in the employment contracts given to all workers. The contract contains terms related to duration, hours of work, overtime, annual/medical leave, public holiday, mutual termination, salary deductions, maternity entitlement, etc. The terms are in compliance with the Employment Act 1955, Minimum Wages Order 2020, SOCSO Act 1969, EPF Act 1991, EIS Act 2017, and the MAPA/NUPW agreement.</p> <p>Payroll documents, namely the payslip, also give accurate information on compensation for all work done. This includes those who receive daily-rated wages, piece rated wages, payment for any overtime work done, and public holiday pay. Also confirmed via sampled payslips that wages were paid in compliance with national legal requirements. Salary deductions and overtime were in accordance with the relevant laws (SOCSO, EPF, EIS) and Labour Office permits.</p> <p>None of the sampled workers had any family members performing work.</p>	Complied
6.2.3	<p>(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave,</p>	<p>Based on review of punch cards, workers' employment contracts and payslips, evidence was available that Palong Cocoa POM and its</p>	Complied

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	<p>reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Critical (Major) compliance -</p>	<p>supply base were able to demonstrate compliance with Employment Contracts 1955 related to regular working hours, overtime, sickness and holiday entitlement, maternity leave, etc. This includes statutory deductions (SOCSSO, EPF, EIS) and non-statutory deductions (e.g. mosque funds, electricity bills, etc) in accordance with Labour Office permits. These permits are as detailed out under Indicator 2.1.1 above.</p> <p>Sampled during the audit were the following workers' employment contracts and payslips:</p> <p><u>Palong Cocoa POM:</u> Workers No. 637202, 637157, 637157, 637023, 637193, 637188, 637209, 637222.</p> <p><u>Sepang Loi Estate:</u> Workers No. 620402, 620364, 620372, 620399, 620396.</p> <p><u>Kemedak Estate:</u> Workers No. 636549, 636731, 636748, 636548, 636750.</p>	
6.2.4	<p>(C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p> <p>- Critical (Major) compliance -</p>	<p>Based on visits made to the Cocoa Palong mill and estate linesite, adequate housing, sanitation facilities, water supplies, medical and welfare amenities are being provided to all employees and their family members residing within the premises. Houses have between 2 to 3 bedrooms with between 2 to 3 occupants per house. Electricity and water are available 24 hours a day, and electricity usage of up to 50kW per month is subsidised. Water is provided free of charge.</p> <p>The areas surrounding the housing area are generally clean and well maintained. The houses were generally in good state of repair and grass kept reasonable short. Domestic waste bins are emptied thrice per week. Perimeter drains are clear of any blockages.</p>	Complied

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		<p>Housing inspections are conducted once a week where records of inspections were sighted. Medical facilities are available at the Palong Cocoa mill and visited once a fortnight by a Visiting Medical Officer from Klinik Razak in Segamat who also attends to patients. Educational facility is available at the government school, SK Kemedak which is located next to the Palong Cocoa Mill housing.</p> <p>Based on the above, Palong Cocoa Mill and its supply base were able to demonstrate that the housing and amenities are being provided in accordance the Employees' Standard of Housing, Accommodation and Amenities Act 1999.</p> <p>Available amenities include children's playground, takraw court, and surau. Linesite inspections are carried out on weekly. At Palong Cocoa POM, the linesite inspections were carried out on 23 Nov 2020, 16 Nov 2020, 13 Nov 2020, 4 Nov 2020, 28 Oct 2020, 21 Oct 2020, 14 Oct 2020.</p> <p>Workers interviewed also confirmed the above. Any repair that need to be done are written in a housing repair book and repair works carried out as soon as possible,</p>	
6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>Evidence is available that efforts are made to improve workers' access to adequate, sufficient and affordable food. A canteen is available at the Palong Cocoa mill and is open from 7AM to 7PM serving breakfast, lunch and dinner. At Sepang Loi estate, a sundry shop is also available. The shop is required to submit the list of items sold to the estate office for price monitoring.</p>	Complied
6.2.6	<p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE: STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</p>	<p>Based on pay slips sighted, all sampled workers who complete the number of days offered in a month receive at least minimum wages applicable, which is RM1,200 per month, or more.</p> <p>Palong Cocoa Mill and its supply base have also carried out the calculation of prevailing wages and in-kind benefits. The calculation</p>	Complied

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<p>With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavour to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (As of September 2019, GLWC has developed national benchmarks in Bangladesh, Belize, Brazil, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Ethiopia, Ghana, Guatemala, India, Kenya, Malawi, Mexico, Nicaragua, Pakistan, South Africa, Sri Lanka, Uganda and Vietnam These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).</p> <p><i>Where a GLWC living wage standard (benchmark), or one that fulfils the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.</i></p> <p>In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country). These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers’ union, authorities and/or relevant organisations.</p> <p><i>For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage (RSPO Guidance for Implementing a Decent Living Wage. The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO endorsed methodology which may include independent studies by local experts in their respective region or country).</i></p> <p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> • Updated assessment on prevailing wages and in-kind benefits • There is annual progress on the implementation of living wages 	<p>took into account housing, electricity, water, education and healthcare. The breakdown of the prevailing wage calculation is therefore as follows:</p> <table border="1" data-bbox="1160 472 1939 683"> <thead> <tr> <th>Mill/Estate</th> <th>In-kind benefits</th> <th>Average take-home pay</th> <th>Prevailing wage</th> </tr> </thead> <tbody> <tr> <td>Palong Cocoa</td> <td>RM712.09.00</td> <td>RM1703.00</td> <td>RM2,415.09</td> </tr> <tr> <td>Sepang Loi</td> <td>RM588.53</td> <td>RM2113.00</td> <td>RM2,701.53</td> </tr> <tr> <td>Kemedak</td> <td>RM236.15</td> <td>RM2049.00</td> <td>RM2,285.15</td> </tr> </tbody> </table> <p>Based on the breakdown given, the calculation of prevailing wages including in-kind benefits is reasonable.</p>	Mill/Estate	In-kind benefits	Average take-home pay	Prevailing wage	Palong Cocoa	RM712.09.00	RM1703.00	RM2,415.09	Sepang Loi	RM588.53	RM2113.00	RM2,701.53	Kemedak	RM236.15	RM2049.00	RM2,285.15	
Mill/Estate	In-kind benefits	Average take-home pay	Prevailing wage															
Palong Cocoa	RM712.09.00	RM1703.00	RM2,415.09															
Sepang Loi	RM588.53	RM2113.00	RM2,701.53															
Kemedak	RM236.15	RM2049.00	RM2,285.15															

	<ul style="list-style-type: none"> Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment The UoC may choose to implement the living wage payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation. <p>- Minor compliance -</p>		
6.2.7	<p>Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.</p> <p>- Minor compliance -</p>	<p>Based on documents sighted and interviews conducted with workers and management, Palong Cocoa Mill its supply base only employ full-time employees. All employees are employed on either permanent or contractual full-time basis. There is no casual, temporary or day labour employed.</p>	Complied
<p>Criterion 6.3: The unit of Certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			
6.3.1	<p>(C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.</p> <p>- Critical (Major) compliance -</p>	<p>A published statement on freedom of association is available and displayed at the main notice boards within the Palong Cocoa Mill and its supply base. Also sighted were:</p> <ul style="list-style-type: none"> - Paragraph 2 of the Employees' Guide Book which confirms and respects workers' rights to join a union recognized by the Kulim (Malaysia) Berhad. - Kulim (Malaysia) Berhad's Core Labour Standards on Rights of Employees which states that Kulim recognises and respects the rights of employees to form and/or join trade unions of their choice which are given due recognition by KULIM. <p>Trainings were also held during Policy training held on 25 October 2020 (Palong Cocoa Mill), and on 15 October 2020 (Sepang Loi Estate).</p>	Complied

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6.3.2	<p>Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.</p> <p>- Minor compliance -</p>	<p>Sighted at Kemedak Estate was the minutes of meeting held between NUPW and Kemedak Estate management on 16 Oct 2020. The NUPW representatives comprise female worker representative, Malaysian, Indonesian and Bangladeshi representatives.</p> <p>At the Palong Cocoa Mill, a meeting between NUPW/AMESU/Indonesian Workers and Mill management was held on 17 Aug 2020.</p> <p>All minutes of meetings were prepared and documented in Bahasa Malaysia.</p>	Complied
6.3.3	<p>Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.</p> <p>- Minor compliance -</p>	<p>Based on interviews held with NUPW representatives, review of minutes of meeting between NUPW representatives, evidence was available that management does not interfere with the formation of operation of the NUPW. Workers' representatives were chosen from among the workers as confirmed by the workers during interview.</p>	Complied
Criterion 6.4: Children are not employed or exploited.			
6.4.1	<p>A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.</p> <p>- Minor compliance -</p>	<p>Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1 May 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. This requirement is also included in all agreements with its contractors via Addendum to the Agreement. Sighted were the addendums signed by by Mirzafiz Sdn Bhd, Teo Tuan Kwee Sdn Bhd and Fica Sdn Bhd and harvesting contractor, Lim Son Peng.</p>	Complied
6.4.2	<p>(C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.</p>	<p>Documentary evidence is available that minimum age requirements are met. This is based on workers' check roll list and copies of their passport/NRIC details. Based on workers' NRIC and passports, all workers were at least 18 years old when employed.</p>	Complied

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	- Critical (Major) compliance -		
6.4.3	<p>(C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.</p> <p>- Critical (Major) compliance -</p>	Based on the workers list of all Palong Cocoa Palm Oil Mill and its supply base, interviews conducted and observations made, there is no evidence that young persons are being employed.	Complied
6.4.4	<p>The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.</p> <p>- Minor compliance -</p>	<p>Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1 May 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. This Policy is displayed on main notice boards.</p> <p>This Policy was also communicated during stakeholder meeting held on 26 October 2020. Further, an Addendum to agreements signed with contractors also contains a provision which states that the contractor shall comply with applicable labour and employment laws regarding and prohibit any form of child labour, forced or trafficked labour. Reviewed during the audit were the contract Addendum signed by Mirzafiz Sdn Bhd, Teo Tuan Kwee Sdn Bhd and Fica Sdn Bhd and harvesting contractor, Lim Son Peng.</p> <p>Interviews held with contractors and suppliers also confirmed their understanding of this obligation.</p>	Complied
Criterion 6.5: There is no harassment or abuse in the workplace, and reproductive rights are protected.			
6.5.1	<p>(C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.</p> <p>- Critical (Major) compliance -</p>	<p>A Policy to prevent sexual and other forms of harassment are available in Sexual Harassment Policy dated 1 May 2018 signed by Executive Director. This Policy has been communicated to all levels of workforce via Wow meetings as follows:</p> <p>Palong Cocoa POM: 29 January 2020 and 10 Feb 2020.</p> <p>Sepang Loi Estate: 13 August 2020</p> <p>Kemedak Estate: 18 Oct 2020</p>	Complied

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		<p>Further briefing was also given during Policy training and during muster briefings as follows: Palong Cocoa Mill: 25 Oct 2020 Kemedak Estate: 8 June 2020 Sepang Loi Estate: 6 September 2020. Interviews held with women employees also confirmed their awareness of this Policy and its implementation.</p>	
6.5.2	<p>(C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce. - Critical (Major) compliance -</p>	<p>Kulim (Malaysia) Berhad’s Core Labour Standard dated 1 May 2018 signed by Executive Director provides protection of reproductive rights of all workers. The Labour Standard specifies that the Company recognizes the rights of employees to reproduction and reproductive health, including the right to make decision on reproduction. Based on interviews with the workers, there is evidence that this Standard is being implemented where female workers are entitled to 60 days paid maternity leave, and pregnant women are given light work to do. This Standard has been communicated to all levels of workforce during muster briefings as follows: Palong Cocoa Mill: 25 October 2020 Sepang Loi Estate: 5 October 2020 Kemedak estate: 18 June 2020 Briefing on reproductive rights were also given during WoW meetings as follows: Palong Cocoa POM: 29 January 2020 and 10 Feb 2020. Sepang Loi Estate: 13 August 2020 Kemedak Estate: 18 Oct 2020</p>	Complied

		Interviews held with women employees also confirmed their awareness of this Policy and its implementation.	
6.5.3	Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified. - Minor compliance -	Assessment of new mothers' needs were done via a census form. The census form assessed the mothers' needs for creche/childcare, antenatal, vaccination, maternity and paternity, postpartum care, prenatal check-up, breastfeeding facilities, awareness and counselling. Reviewed the census forms at Sepang Loi Estates where a census was carried out on 20 November 2020 for 3 new mothers. At Kemedak Estate, the assessment was done on 2 new mothers, one of which was a staff and a worker's wife.	Complied
6.5.4	A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce. - Minor compliance -	Available and reviewed during the audit was Grievance mechanism Doc. No. SQD/SMS/4.1 Issue No. 1 dated 1 Aug 2020. The aim of this mechanism is to have a documented system for dealing with complaints and grievances that is agreeable and accepted by all stakeholders. The scope covers all parties who deal with Kulim (Malaysia) Berhad who may have complaints or grievances. Clause 5.8 states that anonymity of complainants will be respected and protected if requested. This was briefed during muster briefings on 25 October 2020 (Palong Cocoa Mill), 17 September 2020 (Sepang Loi Estate) and 17 July 2020 (Kemedak Estate).	Complied
Criterion 6.6: No forms of forced or trafficked labour are used.			
6.6.1	(C) All workers have entered into employment voluntarily and the following are prohibited: <ul style="list-style-type: none"> • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees. • Contract substitution 	Palong Cocoa Mill and its supply base are able to demonstrate that all workers have entered into employment voluntarily. This was further confirmed from interviews conducted with the workers themselves. Passports: Workers are given the option of either keeping their own passports, or to keep their passports at the management office for safety	Complied

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<ul style="list-style-type: none"> • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages <p>- Critical (Major) compliance -</p>	<p>reasons. Sighted during the audit, letters from workers confirming their preference to keep their passports at the office for safety reasons. Among those sighted were letters from the following workers:</p> <p>Palong Cocoa POM: Workers No. 637193, 637188, 637209 Sepang Loi Estate: Workers No. 620364, 620372, 620396. Kemedak Estate: Workers No. 636549, 636731, 636748.</p> <p>Sighted at Sepang Loi Estate were records of workers' passports returned to the workers as requested. Requests for passports were made by workers on 17 July 2020, 14 Feb 2020, and 28 August 2020 and records indicate that these were given to the workers on the same day.</p> <p>Recruitment fees:</p> <p>Reviewed was contract dated 13 February 2020 between Kulim (Malaysia) Berhad and PT Hamparan Karya Insani for manpower supply from Indonesia. The agreement states among others, that cost of transportation to the respective estates/mill will be borne by Kulim. The Demand Letter issued by Indonesian consulate dated 17 Feb 2020 also specifies that levy and PLKS fees are to be borne by employer. No recruitment fees are imposed on any of the foreign workers. This was further confirmed in interviews held with the workers from Indonesia and Bangladesh.</p> <p>Contract substitution:</p> <p>Employment contracts with workers, recruitment agent contracts with PT Hamparan Karya Insani, and interviews held with the workers from Indonesia and Bangladesh confirmed that no contract substitution has occurred within the Palong Cocoa Mill and its supply base.</p> <p>Involuntary overtime:</p>	
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		<p>Based on documents signed by workers on overtime, and based on interviews conducted, there is no evidence of involuntary overtime within the Palong Cocoa Mill and its supply base.</p> <p>Lack of freedom of workers to resign & penalty for termination of employment:</p> <p>Clause 5 of employment contracts allow for early termination of contract by giving of 2 months’ notice (upon confirmation) and 2 weeks’ notice (on probation). There is no mention of any penalty payable.</p> <p>Debt bondage & withholding of wages:</p> <p>Based on payslips sighted and interview with workers, there was no evidence of any debt bondage and withholding of wages.</p>	
6.6.2	<p>(C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>A special labour policy and procedures have been established under the Kulim (Malaysia) Berhad Core Labour Standard signed by Executive Director dated 1 May 2018. This Policy:</p> <ul style="list-style-type: none"> - prohibits the employment of children and young persons, forced and bonded labour - provides for signing of written employment contracts in a language they understand with clear remuneration and description of duties - workers’ entitlement to housing and basic amenities which are at par with statutory requirements - free of discrimination, coercion or violence - rights of employees to join trade unions - accessibility to grievance procedure - entitled to one day off per week. <p>Based on pay slips, employment contracts, punch cards reviewed, and interviews conducted with workers, Palong Cocoa Mill and its</p>	Complied

		supply base are able to demonstrate the implementation of this Policy.																																	
Criterion 6.7: The unit of certification ensures that the working environment under its control is safe and without undue risk to health.																																			
6.7.1	<p>(C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Critical (Major) compliance -</p>	<p>Both the estates/mill management conduct regular two-way communication with their employees through the quarterly ESH meeting. The dates of meetings held are recorded below.</p> <table border="1" data-bbox="1169 608 1883 794"> <thead> <tr> <th>No</th> <th>Estate</th> <th>Ist</th> <th>2nd</th> <th>3rd</th> <th>4th</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>SLE</td> <td>11/3/20</td> <td>18/6/20</td> <td>25/8/20</td> <td>11/11/20</td> </tr> <tr> <td>2</td> <td>KE</td> <td>06/2/20</td> <td>29/6/20</td> <td>30/9/20</td> <td>06/11/20</td> </tr> <tr> <td>3</td> <td>PCPOM</td> <td>11/10/19</td> <td>24/2/20</td> <td>24/6/20</td> <td>14/9/20</td> </tr> </tbody> </table> <p>Agenda discussed among others;</p> <ul style="list-style-type: none"> a) Confirmation of minutes previous meeting b) Workplace inspection report c) Accident report d) General Safety e) Complaint from Employee/External Party. f) Other matters <p>Workplace inspections are made prior to the ESH meeting. There was deferment in the meeting in view of the MCO restriction control. This was remarked in the minutes of meeting dated 24/6/20 for PCPOM. The respective Managers were appointed as ESH Chairman (PIC) through letter signed by Chairman ESH Head Office. All letters were sighted and verified.</p> <table border="1" data-bbox="1169 1353 1872 1393"> <thead> <tr> <th>No</th> <th>Estate</th> <th>Chairman</th> <th>Date</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	No	Estate	Ist	2nd	3rd	4th	1	SLE	11/3/20	18/6/20	25/8/20	11/11/20	2	KE	06/2/20	29/6/20	30/9/20	06/11/20	3	PCPOM	11/10/19	24/2/20	24/6/20	14/9/20	No	Estate	Chairman	Date					Complied
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		<table border="1"> <tr> <td>1</td> <td>Kemdak Estate</td> <td>Manager</td> <td>22/9/19</td> </tr> <tr> <td>2</td> <td>Sepang Loi Estate</td> <td>Manager</td> <td>22/9/20</td> </tr> <tr> <td>3</td> <td>Palong Cocoa POM</td> <td>Manager</td> <td>22/9/19</td> </tr> </table>	1	Kemdak Estate	Manager	22/9/19	2	Sepang Loi Estate	Manager	22/9/20	3	Palong Cocoa POM	Manager	22/9/19	
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6.7.2	<p>Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>The procedures for accident and emergencies has been established. There is formation of ERP Team & ERP for all the identified incidences. In addition the procedures have been summarized in a chart flow form and displayed for information of all employees in the estates/mill. They includes emergencies relating fire, chemical spillage, flood and accident at work place.</p> <p>a) <i>Ahli J/Kuasa Pasukan Bertindak Kecemasan 2020</i> headed by the Estate/Mill Manager</p> <p>b) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Kebakaran</i></p> <p>c) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Berlaku Banjir</i></p> <p>d) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Berlaku Tumpahan Kimia</i></p> <p>The organization chart for the ERP team was established and displayed for information of the employees. The important telephone contact numbers were also provided therein. Procedures guidelines were issued by SQD and amended to tailor to the situation differences in the estates and mill.</p> <table border="1"> <thead> <tr> <th></th> <th>Emergency situation</th> <th>Mill</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Fire</td> <td>/</td> <td>/</td> </tr> <tr> <td>2</td> <td>Oil spillage</td> <td>/</td> <td>-</td> </tr> </tbody> </table>		Emergency situation	Mill	Estate	1	Fire	/	/	2	Oil spillage	/	-	Complied
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		<table border="1" data-bbox="1227 363 1854 550"> <tr> <td>3</td> <td>Effluent overflow</td> <td>/</td> <td>-</td> </tr> <tr> <td>4</td> <td>Chemical spillage</td> <td>/</td> <td>/</td> </tr> <tr> <td>5</td> <td>Flood</td> <td>-</td> <td>/</td> </tr> <tr> <td>6</td> <td>Accident at work place</td> <td>-</td> <td>/</td> </tr> </table> <p data-bbox="1137 726 1930 885">ERT members received training and practice in emergency procedures appropriate to their respective workplace and degree of risk. The training are conducted by an accredited or qualified organization who can demonstrate their suitability to provide training.</p> <p data-bbox="1137 901 1930 1085">The trained personnel for the First Aid were among the employees working as field staff/mandores. The first aid boxes were available at various points in the estate office, workshop, and store. The estate distributed the first aid box to the mandores and brought along to the field during operations. In addition, there are also first aid boxes kept in the office, store and workshops</p> <p data-bbox="1137 1109 1930 1308">Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. (Lost Man day MC.) This is summarized officially in the JKKP 8. Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKKP 8 a mandatory requirement with submission as follows. Accident Statistics are being maintained in a satisfactory manner</p>	3	Effluent overflow	/	-	4	Chemical spillage	/	/	5	Flood	-	/	6	Accident at work place	-	/	
3	Effluent overflow	/	-																
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		<table border="1" data-bbox="1169 402 1899 635"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Estate</th> <th colspan="4">No of cases in 2019</th> <th rowspan="2">JKKP 8 submission</th> </tr> <tr> <th>cases</th> <th>LTI</th> <th>Non LTI</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kemedak</td> <td>3</td> <td>13</td> <td>0</td> <td>3</td> <td>14/01/20</td> </tr> <tr> <td>2</td> <td>Sepang Loi</td> <td>1</td> <td>70</td> <td>-</td> <td>1</td> <td>27/01/20</td> </tr> <tr> <td>3</td> <td>PC POM</td> <td>1</td> <td>4</td> <td>0</td> <td>1</td> <td>27/01/20</td> </tr> </tbody> </table> <p data-bbox="1137 678 1930 1029">PCPOM on 07/1/2019 a workshop operator injured his left while opening the tool box. Investigation was made on 21/1/2019 and HIRARC was revised to increase the severity of the hazard identified in the general work. SLE had 1 incident on 17/1/19 with LTI of 70 days involving a harvester injuring his right hand upon slipped at place of stand. Investigation was made 03/2/19 with area being flattened and training provided. Ldg Kemedak had 3 cases with 1 incident 04/11/19 with 8 LTI involving a workshop personnel having eye injury while performing grinding work. Investigation was also initiated with corrective/preventive actions proposed and implemented.</p>		Estate	No of cases in 2019				JKKP 8 submission	cases	LTI	Non LTI	Total	1	Kemedak	3	13	0	3	14/01/20	2	Sepang Loi	1	70	-	1	27/01/20	3	PC POM	1	4	0	1	27/01/20	
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6.7.3	<p>(C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>- Critical (Major) compliance -</p>	<p>The estates and mill provide PPE to the employees such as apron, safety helmets, and safety shoes relevant to the work handled by the workers. Records of PPE issuance for the estate were sighted. During the site visit workers was observed to be in PPE. Based on the HIRARC carried out at the estates/mill the PPE types for the various activities has been identified and implemented.</p> <ul style="list-style-type: none"> a) Harvester- Safety helmet, sickle cover, hand glove. wellington boots b) Sprayers- Respirator, nitrile glove (chemical resistant) goggles, wellington boots, apron. 	Complied																																

		<p>c) Manuring- Apron, wellington boots, dust mask, nitrile glove. d) Water treatment Plant Operator - Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask.</p> <p>The mill issued PPE to its employees for their protection at workplace. Records of PPE issued are maintained individually to all employees. PPE issued to the workers is safety helmets, safety shoes. Special PPE for workers assigned to height, confined space. Safety shoes issued on a 6 monthly basis and recorded.</p> <p>a) Mill operator – Safety boots, ear muff, safety vest, helmet, cotton glove b) Water treatment Plant Operator - Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask.</p> <p>Sighted issuance of PPE records for the estates/mill employees in 2020.</p>													
<p>6.7.4</p>	<p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work- related incidents leading to injury or sickness are covered in accordance with Malaysian law. - Minor compliance -</p>	<p>Both the Estates and Mill in the CU uses SOCSO for the coverage for the local and foreign workers. The insurance coverage has ceased effective 2018 following the Government directive on the coverage.</p> <table border="1" data-bbox="1220 1082 1724 1267"> <thead> <tr> <th></th> <th>Estate/Mill</th> <th>SOCSO ref no</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kemedak Estate</td> <td>E1400000629Y</td> </tr> <tr> <td>2</td> <td>Sepang Loi Estate</td> <td>E1400415M</td> </tr> <tr> <td>3</td> <td>Palong Cocoa POM</td> <td>E140109TV</td> </tr> </tbody> </table>		Estate/Mill	SOCSO ref no	1	Kemedak Estate	E1400000629Y	2	Sepang Loi Estate	E1400415M	3	Palong Cocoa POM	E140109TV	<p>Complied</p>
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<p>6.7.5</p>	<p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics. - Minor compliance -</p>	<p>Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. (Lost Man day MC.) This is summarized officially in the JKPP 8. Records are kept for a</p>	<p>Complied</p>												

		minimum 10 years in the office. Summary for the year is described in the JKPP 8 a mandatory requirement with submission as follows.	
Principle 7: Protect, conserve and enhance ecosystems and the environment			
Criterion 7.1: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.			
7.1.1	<p>(C) IPM plans are implemented and monitored to ensure effective pest control.</p> <p>- Critical (Major) compliance -</p>	<p>Both the Estates continued to monitor the Implementation of Integrated Pest Management (IPM) plans.</p> <ul style="list-style-type: none"> a) The estates had in place documented the IPM plan which covered monitoring of pest, control of pest population levels at below threshold levels by using cultural, biological, physical/mechanical and use of pesticides. The plan was guided by ARM Section J01-J10. b) In order to minimize use of insecticides on leaf-eating pest, the estates planted beneficial plants such as <i>Turnera subulata</i>, <i>Cassia cobanensis</i>, <i>Antigonon leptopus</i>, <i>Euphorbia heterophylla</i>, along the roadsides and designated points in the fields and also within the nursery perimeter. c) The plan also advocated single layer compost mulching in order to prevent the breeding of rhinoceros beetles. Monthly detection and observation of leaf eating pests, mammalian pests and diseases had been continued. These monthly detection and observations were carried by staff. d) Census records for Ganoderma affected palms were sighted. All the estates carried census on rat damage and diseases like Ganoderma. e) Rat baiting was by calendar baiting at 2 campaigns per year where recommended by the PI /Agronomist. Baiting are continued until bait acceptance threshold level 	Complied

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7.1.2	Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented. - Minor compliance -	This is not practiced in the two estates visited. None of species were referenced in the Global Invasive Species Database and CABI.org are used in the management of IPM. The estates have declared this compliance in the status of IPM species invasiveness.	Complied
7.1.3	There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities. - Minor compliance -	There was no land preparation in CU Mill and Estates by burning ever since KMB practiced zero burning as per the policy in: a) ARM-SOP-Section A04 - Under felling/clearing & land preparation b) Kulim Sustainability Handbook - Pollution Management pg 29 KMB has a policy of no open burning. As advocated, the estates practiced zero burning. There was no evidence that fire had been used to prepare land for replanting in the estate No fire was used for waste disposal.	Complied
Criterion 7.2: Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.			
7.2.1	(C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised. - Critical (Major) compliance -	All pesticides used were those officially registered under the Pesticide Act 1974. The CU confined usage to only class II, class III & class IV pesticides. (There were stock of 36 litres of class 1B Methamidophos 60% in Sepang Loi Estate used for the previous bagworm treatment. The management has discontinued usage of this chemical and had plan for disposal upon expiry date). a) No illegal agrochemicals (stated by local and international laws) paraquat was used in the 2 estates. b) The usage of the agrochemicals was based on the Agricultural Reference Manual (ARM) Section H01, SOP and in the Pictorial Safety Standard Book where written justifications had been provided for various fields operations. c) The Manual has included chemical register list which indicates the use of selective products that are specific to the targeted pest, weed or disease. The procedures also covered the use	Complied

		<p>of PPE when handling the chemicals. The estates continued to use pesticides as per the SOPs in ARM Section H01.</p> <p>d) Purchases of pesticides are made on a centralized arrangement via Head Office thus a control by the organization.</p>	
7.2.2	<p>(C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided.</p> <p>- Critical (Major) compliance -</p>	<p>The 2 Estates had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and active ingredients (ai) per ha.</p> <p>a) Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field-cost books and in progress reports. Records of pesticides used were available and verified.</p> <p>b) All pesticides used were those officially registered under the Pesticide Act 1974. The CU had used only class II ,class III & class IV pesticides.</p> <p>c) No illegal agrochemicals (stated by local and international laws) in particular paraquat were used in their estates.</p>	Complied
7.2.3	<p>(C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.</p> <p>- Critical (Major) compliance -</p>	<p>During the audit, it was observed and recorded that the 2 Estates had not use chemicals categorized as World Health Organization (WHO) type 1A or 1B or listed by the Stockholm or Rotterdam Conventions.</p> <p>a) Paraquat usage has been prohibited in all units and the entirety of the organization.</p> <p>b) (There were stock of 36 litres of class 1B Methamidophos 60% in Sepang Loi Estate used for the previous bagworm treatment. The management has discontinue usage of this chemical and had plan for disposal upon expiry date).</p> <p>c) The Safety Procedures for pesticides application were well described in Pictorial Safety Standard.</p>	Complied

<p>7.2.4</p>	<p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>- Minor compliance -</p>	<p>The 2 estates are committed to minimize the usage of agrochemicals through the implementation of IPM practices among others;</p> <ul style="list-style-type: none"> a) The planting of beneficial plants i.e. <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> rate of 10 dm: 1 ha. b) Blanket spraying was not practiced by this CU and soft grasses maintained in the field. It had also been the practice that insecticides are used only after a threshold level has been exceeded as per the Agricultural Reference Manual (ARM) Section J51-Intergrated Pest Management c) There is no prophylactic use of pesticides. The quantity of agrochemicals required for various field conditions are documented and justified in KMB Agriculture Reference Manual Section H01. 	<p>Complied</p>
<p>7.2.5</p>	<p>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, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <ul style="list-style-type: none"> a) Judgment of the threat and verify why this is a major threat b) Why there is no other alternative which can be used c) Which process was applied to verify why there is no other less hazardous alternative d) What is the process to limit the negative impacts of the application e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak. <p>- Minor compliance -</p>	<p>The 2 estates in the confined usage of pesticides which are were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A) and in accordance with USECHH Regulations 2000.</p> <ul style="list-style-type: none"> a) The review of the chemical register concluded that all pesticides used were of class II, III & class IV. The use of paraquat had been prohibited in all KMB estates. b) There was no evidence of pesticides that are categorized as World Health Organization Class 1A or 1B, or that were listed by the Stockholm or Rotterdam Conventions been used. (<i>There were stock of 36 litres of class 1B Methamidophos 60% in Sepang Loi Estate used for the previous bagworm treatment. The management has discontinue usage of this chemical and had plan for disposal upon expiry date</i>). c) Sighted from records and interviews with workers, staff and estate assistants, concluded that training were held with all precautions being taken and all legal requirements met. 	<p>Complied</p>

		<p>d) The chemical used in the estates among others as listed below;</p> <table border="1" data-bbox="1160 419 1912 986"> <thead> <tr> <th></th> <th>Chemical name</th> <th>Clas s</th> <th></th> <th>Chemical name</th> <th>Clas s</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Glyphosate</td> <td>IV</td> <td>9</td> <td>Triclopyr butoxy ethyl ester</td> <td>III</td> </tr> <tr> <td>2</td> <td>isopropylamine</td> <td>II</td> <td>10</td> <td></td> <td></td> </tr> <tr> <td>3</td> <td>Thiram</td> <td>II</td> <td>11</td> <td>Cypermethrin</td> <td>III</td> </tr> <tr> <td>4</td> <td>Glufosinate ammonium</td> <td>III</td> <td>12</td> <td>Canyon 20G</td> <td>IV</td> </tr> <tr> <td>5</td> <td>Propineb</td> <td>IV</td> <td>13</td> <td>Miracle</td> <td>IV</td> </tr> <tr> <td>6</td> <td>Antracol</td> <td>IV</td> <td>14</td> <td>Bayfolan</td> <td>IV</td> </tr> <tr> <td>7</td> <td>kenlon</td> <td>III</td> <td>15</td> <td>Metsulfuron-methyl</td> <td>IV</td> </tr> <tr> <td>8</td> <td>multiphos</td> <td>1B</td> <td>16</td> <td>Sodium Chlorde</td> <td>IV</td> </tr> </tbody> </table>		Chemical name	Clas s		Chemical name	Clas s	1	Glyphosate	IV	9	Triclopyr butoxy ethyl ester	III	2	isopropylamine	II	10			3	Thiram	II	11	Cypermethrin	III	4	Glufosinate ammonium	III	12	Canyon 20G	IV	5	Propineb	IV	13	Miracle	IV	6	Antracol	IV	14	Bayfolan	IV	7	kenlon	III	15	Metsulfuron-methyl	IV	8	multiphos	1B	16	Sodium Chlorde	IV	
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7.2.6	<p>(C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criteria 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out. - Critical (Major) compliance -</p>	<p>Records showed that pesticides were handled, used and applied by trained persons and as per the SDS of the product.</p> <p>a) The staff and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involved and how the chemicals should be handled in a safe method.</p> <p>b) The trade and generic names of the chemicals were made known to the workers through the SDS training. SDS was also displayed at all storage areas as observed during the audit.</p> <p>c) The training included the safety aspects and usage of PPE when handling with pesticides. Records of training are shown in 3.7.2 and verified.</p>	Complied																																																						

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		<p>d) All workers involved in pesticide application were provided with appropriate PPE and replaced when worn-out. PPE issuance & replacement records were verified by the auditors.</p> <p>e) From interviews conducted with workers and staffs in the field and stores clerks it was established that they had been trained and were aware of safe handling procedure.</p> <p>f) Training in relation to pesticides & chemical handling among others as shown below.</p> <table border="1" data-bbox="1137 639 1917 979"> <thead> <tr> <th></th> <th>Subject</th> <th>SLE</th> <th>KE</th> <th>PCPOM</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>SOP Weeding / HIRARC</td> <td>22/9/19</td> <td>15/1/20</td> <td>-</td> </tr> <tr> <td>2</td> <td>Circle raking /spraying</td> <td>09/9/20</td> <td>-</td> <td>-</td> </tr> <tr> <td>3</td> <td>Spraying SOP</td> <td>14/9/20</td> <td>2/1/20</td> <td>-</td> </tr> <tr> <td>4</td> <td>Bag worm management</td> <td>30/1/20</td> <td>19/3/20</td> <td>-</td> </tr> <tr> <td>5</td> <td>Chemical spillage ERP</td> <td>08/7/20</td> <td>10/6/20</td> <td>-</td> </tr> <tr> <td>6</td> <td>Pesticides Handling</td> <td>04/2/20</td> <td>12/3/20</td> <td>-</td> </tr> <tr> <td>7</td> <td>Chemical spraying</td> <td>27/1/20</td> <td>5/2/20</td> <td>-</td> </tr> <tr> <td>8</td> <td>PPE adherence</td> <td>12/8/20</td> <td>-</td> <td>12/5/19</td> </tr> <tr> <td>9</td> <td>SW management</td> <td>10/3/20</td> <td>26/8/20</td> <td>22/11/20</td> </tr> <tr> <td>10</td> <td>Spraying P& D</td> <td>14/9/20</td> <td>10/4/20</td> <td>-</td> </tr> </tbody> </table>		Subject	SLE	KE	PCPOM	1	SOP Weeding / HIRARC	22/9/19	15/1/20	-	2	Circle raking /spraying	09/9/20	-	-	3	Spraying SOP	14/9/20	2/1/20	-	4	Bag worm management	30/1/20	19/3/20	-	5	Chemical spillage ERP	08/7/20	10/6/20	-	6	Pesticides Handling	04/2/20	12/3/20	-	7	Chemical spraying	27/1/20	5/2/20	-	8	PPE adherence	12/8/20	-	12/5/19	9	SW management	10/3/20	26/8/20	22/11/20	10	Spraying P& D	14/9/20	10/4/20	-	
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7.2.7	<p>(C) Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Critical (Major) compliance -</p>	<p>The chemical stores in the estates were found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149).</p> <p>a) Records of purchase, storage and use were maintained.</p> <p>b) All store buildings were equipped with exhaust fans with the door secured. Only authorized personnel are assigned to handle the chemicals.</p> <p>c) All the chemicals were segregated in storage accordingly.</p> <p>Empty pesticides containers were triple rinsed, holes punched and stored separately in the scheduled wastes store. Thereafter disposal arrangement will follow accordingly as per procedures.</p>	Complied																																																							

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7.2.8	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes.</p> <p>- Minor compliance -</p>	<p>The procedure SPO/W1/06–Scheduled Wastes (Hazardous Waste) Management dated 01/10/2020 has been established.</p> <p>a) Collection of SW is made by Kualiti Alam Sdn Bhd.licensed vendor registered with DOE.</p> <p>b) The clinical waste SW 404 is disposed to Kualiti Alam Sdn Bhd</p> <p>c) Empty containers were tripled rinsed, pierced and delivered to a registered recycler company M/s G-Planter Sdn Bhd.</p>	Complied															
7.2.9	<p>(C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.</p> <p>- Critical (Major) compliance -</p>	<p>Aerial application of agrochemicals is not practiced in both Estates. This is confirmed through observation during the site visit, estate complex and interview with the employees. Such method is no longer in existence in the KMB estates practices.</p>	Complied															
7.2.10	<p>(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p> <p>- Critical (Major) compliance -</p>	<p>The CHRA for the estates/mill in the CU was conducted with details as shown below.</p> <table border="1" data-bbox="1155 995 1879 1139"> <thead> <tr> <th>OU</th> <th>Date</th> <th>Assessor</th> <th>DOSH no</th> </tr> </thead> <tbody> <tr> <td>KE</td> <td>07/5/18</td> <td>QMSPRO Sdn Bhd</td> <td>JKKP</td> </tr> <tr> <td>SLE</td> <td>13/8/18</td> <td>QMSPRO Sdn Bhd</td> <td rowspan="2">HQ/03/ASS/00/154-2018/060</td> </tr> <tr> <td>PCPOM</td> <td>21/5/18</td> <td>QMSPRO Sdn Bhd</td> </tr> </tbody> </table> <p>The recommendation from the CHRA is mainly on the training for operators working in laboratory, ETP, WTP, Boiler, workshop, scheduled waste and chemical store. In addition the assessor recommended medical surveillance be conducted for the categories of employees in the workshop and laboratory and chemicals handlers. Similar CHRA was compiled for the estates with details provided therein. below. The CHRA report among others described</p>	OU	Date	Assessor	DOSH no	KE	07/5/18	QMSPRO Sdn Bhd	JKKP	SLE	13/8/18	QMSPRO Sdn Bhd	HQ/03/ASS/00/154-2018/060	PCPOM	21/5/18	QMSPRO Sdn Bhd	Complied
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		<p>requirement of medical surveillance to be made for the listed category of employees.</p> <p>The medical surveillance was carried out on in the CU as follows;</p> <table border="1" data-bbox="1137 507 1924 614"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">OU</th> <th colspan="5">Employees categories</th> </tr> <tr> <th>Date</th> <th>Wshop/store</th> <th>Fertilizer</th> <th>sprayers</th> <th>WTP</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kemedak</td> <td>29/07/20</td> <td>0</td> <td>7</td> <td>12</td> <td>1</td> </tr> <tr> <td>2</td> <td>S Loi</td> <td>01//11/20</td> <td>4</td> <td>4</td> <td>7</td> <td>0</td> </tr> </tbody> </table> <table border="1" data-bbox="1137 667 1924 746"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">OU</th> <th colspan="5">Employees categories</th> </tr> <tr> <th>Date</th> <th>Wshop/Store</th> <th>Lab</th> <th>Operator</th> <th>WTP</th> </tr> </thead> <tbody> <tr> <td>3</td> <td>PCPOM</td> <td>04/10/20</td> <td>8</td> <td>5</td> <td>11</td> <td>1</td> </tr> </tbody> </table> <p>All medical surveillance was conducted an OHD Doctor (HQ/08/DOC/00/468) from Klinik RZ Medicare. The results for the entire workers were positive and declared FIT to handle chemical.</p>		OU	Employees categories					Date	Wshop/store	Fertilizer	sprayers	WTP	1	Kemedak	29/07/20	0	7	12	1	2	S Loi	01//11/20	4	4	7	0		OU	Employees categories					Date	Wshop/Store	Lab	Operator	WTP	3	PCPOM	04/10/20	8	5	11	1	
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7.2.11	<p>(C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>- Critical (Major) compliance -</p>	<p>All the estates and mill in the CU complied with procedure and guidelines provided the Standard Operating Procedure adopted by KMB Agrochemical Management ref SQD/SMS/6.1 dated 01/8/2020 whereby;</p> <ol style="list-style-type: none"> No work with pesticides is given to pregnant or breast-feeding women. <i>Tidak dibenarkan pekerja wanita yang MENGANDUNG / MENYUSUKAN anak membuat kerja-kerja penyemburan)</i> The estates maintained the list of sprayers. There was no lady workers engaged to spraying operations /chemical handling in both the estates. Field interviews with the lady workers confirmed that such a regulation is a standard practice in the estates and in compliance. 	Complied																																													
<p>Criterion 7.3: Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.</p>																																																

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<p>7.3.1</p>	<p>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.</p> <p>- Minor compliance -</p>	<p>Palong Cocoa Mill and all the 2 estates had identified all wastes and sources of pollution. The Waste Management Action Plan 2020 were established to mitigate and control the identified wastes and source of pollution. The common significant environmental receptors for the estates and mill operations among others as summarized below;</p> <table border="1" data-bbox="1137 539 1921 858"> <thead> <tr> <th></th> <th>Receptor</th> <th>Sources</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Air</td> <td>Sources from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping)- GHG</td> </tr> <tr> <td>2</td> <td>Water</td> <td>Cleaning water/run-off/process station waters (hydro-cyclone /sterilizer condensate/clarification waste) & boiler quenching water and blow down</td> </tr> <tr> <td>3</td> <td>Land</td> <td>Scheduled waste, clinical waste, Industrial waste, domestic waste and industrial/process waste.</td> </tr> </tbody> </table> <p>All waste and pollution are identified and documented in the Waste Management Plan and Pollution Prevention Plan Financial Year 2020 renewed in Aug 2020. The waste generated from the mill/estates operations as shown below:</p> <table border="1" data-bbox="1167 1050 1910 1289"> <thead> <tr> <th></th> <th>Type of waste</th> <th>Details</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Scheduled waste</td> <td>Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries</td> </tr> <tr> <td>2</td> <td>Domestic waste</td> <td>rubbish from the mill/estate complex and employees' quarters</td> </tr> <tr> <td>3</td> <td>Industrial waste</td> <td>Fiber, palm kernel shell, boiler ash, scrap iron</td> </tr> <tr> <td>4</td> <td>Sewage</td> <td>Sewage from housing/office complex</td> </tr> </tbody> </table> <p>The pollution identified from the mill/estates activities:</p>		Receptor	Sources	1	Air	Sources from boiler stack (smoke and particulate), vehicle & generator (smoke and gases), anaerobic processes (ETP, EFB dumping)- GHG	2	Water	Cleaning water/run-off/process station waters (hydro-cyclone /sterilizer condensate/clarification waste) & boiler quenching water and blow down	3	Land	Scheduled waste, clinical waste, Industrial waste, domestic waste and industrial/process waste.		Type of waste	Details	1	Scheduled waste	Spent IPA, hexane, filter, lubricants, hydraulic oil, grease, used batteries	2	Domestic waste	rubbish from the mill/estate complex and employees' quarters	3	Industrial waste	Fiber, palm kernel shell, boiler ash, scrap iron	4	Sewage	Sewage from housing/office complex	<p>Complied</p>
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7.3.2	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <p>- Minor compliance -</p>	<p>In Palong Cocoa POM and the estates in the CU, procedure SPO/W1/06-10– Scheduled Wastes (Hazardous Waste) Management has been established.</p> <p>a) Management and disposal of waste water 2020 has been established compiled by Assistant Engineer/Assistants/Staff.</p> <p>b) Waste Management Plan 2020 has been established prepared by SQD and verified by the Assistant Engineer/Assistants/Manager.</p> <p>c) Based on Environmental Impact Evaluation improper disposal of clinical items will be impact on community, depletion of natural resources and land contamination.</p> <p>d) Interview with staffs and workers i.e. storekeepers and chemical mixer were trained and they had understood the hazards involved and how the chemicals should be used and disposed in a safe manner.</p> <p>e) Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticides containers were washed at washing station prior to disposal.</p> <p>f) Inventory and consignment documents verified for confirmation of proper management and disposal. The CU scheduled waste is disposed to <i>Kualiti Alam Sdn Bhd</i> registered with DOE. Recent records of disposal as shown below.</p> <p>PCPOM - 07/9/2020</p>	Complied												

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SW 429	SW 409	SW 410	SW 306	SW 109	SW 110	SW 305	SW 408
0.073	0.025	0.019	0.005	0.018	0.007	0.357	0.005
<i>Kemedak Estate -27/11/20 &07/10/20 SW 404</i>							
SW 404	SW 409	SW 410	SW 306	SW 102	SW 110	SW 305	SW 408
0.001	0.031	-	-	0.036	-	-	0.024
<i>Sepang Loi Estate - 17/6/20</i>							
SW 429	SW 409	SW 410	SW 306	SW 109	SW 110	SW 305	SW 408
-	0.105	0.077	-	-	-	0.230	0.050

The CU scheduled waste is disposed to the following vendors registered with DOE.

	Estate	Regn Date	SW Buyers/Vendor
1	Kemedak	20/4/2021	Kualiti Alam Sdn Bhd
2	Sepang Loi	20/4/2021	Kualiti Alam Sdn Bhd
3	PCPOM	20/4/2021	Kualiti Alam Sdn Bhd

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Empty containers for class 1B (*Ldg Sepang Loi*) are disposed as scheduled waste SW409. Empty containers for the estates were dispatched to licensed buyer G -Planter upon triple rinsing and pierced. Sighted the following transaction.

	Type container	Quantity/ units	
		Sepang Loi	Kemedak
	Date	21/6/2019	29/11/20
1	20 L	36	-
2	4 L	84	-
3	10kg	42	-
4	20 L	-	-
5	1 L	-	-
6	10 kg	-	269
7	500 ml	58	25

Domestic waste for the operating units in CU was disposed as follows;

Estate	Landfill site	Remarks
Kemedak	P11/ Blk 6	Collection 2/3 x week
Sepang Loi	P06 Blk 04	Collection 2/3 x week
PCPOM	Ldg Mungka P12/05	Collection 2/3 x week

All

landfill sites except for the PCPOM were visited and verified for compliance.

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There are procedures and guidelines in the disposal of wastes and pollutants guided by SQD Head Office level to minimize pollution on the routine operation.

Estate/mill			
	Type	Description	Location
1	Domestic waste	Rubbish	Line sites, office, workshop, store,
2	Industrial waste	Fertilizer bags	Empty bags store
		Scrap metal	workshop
		POME	ETP
3	Sewage waste	sewage	Workers &housing toilets & office
4	Schd Waste	SW 404 Clinical waste	clinic
		SW rags, plastics, filters	workshop
		Spent lubricant & hydraulic oil	workshop
		Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store

	Type	Description	Action
1	Domestic waste	Rubbish	Collection/disposal min 2x-3x /week internally. Establish landfill/collection SOP Landfill site S Loi P06/B4 Landfill site Kemedak P11/B6 Establish collection schedule & PIC Create awareness on hygiene

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			Monitoring of line site
2	Industrial waste	Fertilizer bags	Inventory of bags, reuse for LF collection, sell to appointed contractor
		Scrap metal	Inventory maintained, tender at zone level for sale to licensed contractor.
		POME	Daily monitoring of application at designated field.
3	Sewage waste	sewage	To monitor during housing inspection and residents' complaints. Engagement with licensed contractor for sewage management.
4	Schedule d Waste	SW 404 Clinical waste	Inventory maintained. Storage in sharp bin in clinic. Disposal to Kualiti Alam Sdn Bhd.
		SW rags, plastics, filters	Inventory maintained. Storage in scheduled waste store. Disposal to licensed contractor.
		Spent lubricant & hydraulic oil	Collection by licensed vendor. Inventory maintained.
		Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW	Inventory maintained. Storage in SW store. All containers are labeled. Empty containers collected by authorized vendor.

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		<table border="1"> <tr> <td colspan="2" style="text-align: center;">Palong Cocoa Mill (waste peculiar to the mill processing)</td> </tr> <tr> <td style="width: 10%;"></td> <td style="width: 90%;">Waste Type Action</td> </tr> <tr> <td style="text-align: center;">1</td> <td>POME Application at designated field specified by Agronomist.</td> </tr> <tr> <td style="text-align: center;">2</td> <td>EFB Application at designated field specified by Agronomist.</td> </tr> <tr> <td style="text-align: center;">3</td> <td>Fibre/shell Utilization as fuel in the boiler. Surplus fibre used in compost production & shell sold externally</td> </tr> <tr> <td style="text-align: center;">4</td> <td>Boiler Ash Placed in area far from water source to prevent water pollution.</td> </tr> </table>	Palong Cocoa Mill (waste peculiar to the mill processing)			Waste Type Action	1	POME Application at designated field specified by Agronomist.	2	EFB Application at designated field specified by Agronomist.	3	Fibre/shell Utilization as fuel in the boiler. Surplus fibre used in compost production & shell sold externally	4	Boiler Ash Placed in area far from water source to prevent water pollution.	
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7.3.3	<p>The unit of certification does not use open fire for waste disposal.</p> <p>- Minor compliance -</p>	<p>KMB practices of "Zero open burning" is enforced and elaborated in the Sustainability Policy.</p> <p>a) The operating units adhered to the policy of "Zero open burning" for any replanting. From field visits and interviews with the workers there is no open burning being practiced in the estates. All the estates had replanting program spanned over the forthcoming years as shown in 3.1.2.</p> <p>b) There was no evidence that fire had been used to prepare land for replanting in the estate No fire was used for waste disposal.</p>	Complied												
Criterion 7.4: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.															
7.4.1	<p>Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.</p> <p>- Minor compliance -</p>	<p>Kulim (M) Berhad Agriculture Manual has established covers Replanting, roads drains Bridges culverts and fences, construction of estate building, manuring, harvesting, pruning and ablation, soil conservation, justification of chemical use, weed management, integrated pest management and plant diseases. There are 19 SOPs and 18 WI's covering all aspects of oil palm management. The related SOP, namely Leaf and Soil Sampling Notes procedure was</p>	Complied												

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		<p>sighted. New revised Agriculture Manual dated 31/10/17 was sighted under A07-02-Planting Terrace and A20 – Standard Operating Guidelines For Conversion of Oil Crop Other Than Oil Palm To Oil.</p> <p>All estates operate in accordance with the Agriculture Manual and standard operating procedures. The practices consistently monitored by estate operation management and estate inspectorate. The recommendations for improvements are given to maintain the sustainable practices</p>										
7.4.2	<p>Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health.</p> <p>- Minor compliance -</p>	<p>Foliar and soil sampling was carried out by Internal Agronomist from Agronomy Advisory and Services Department prior to the fertilizer recommendation for the next financial year. 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. Analysis reports were summarized as per below:</p> <table border="1" data-bbox="1137 1010 1928 1374"> <thead> <tr> <th data-bbox="1137 1010 1402 1075">Estates</th> <th data-bbox="1402 1010 1666 1075">Foliar analysis (yearly)</th> <th data-bbox="1666 1010 1928 1075">Soil Sampling (5 yearly)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1137 1075 1402 1225">Sepang Loi Estate</td> <td data-bbox="1402 1075 1666 1225">Report ref: F1/2020/11/35 dated 4/11/20</td> <td data-bbox="1666 1075 1928 1225">Report ref: SI/1908/0237-0240 dated 27/8/19</td> </tr> <tr> <td data-bbox="1137 1225 1402 1374">Kemedak Estate</td> <td data-bbox="1402 1225 1666 1374">Report ref: L1/2002/0097-0106 dated 9/2/20</td> <td data-bbox="1666 1225 1928 1374">Report ref: SI/2002/0001-0004 dated 12/2/20</td> </tr> </tbody> </table>	Estates	Foliar analysis (yearly)	Soil Sampling (5 yearly)	Sepang Loi Estate	Report ref: F1/2020/11/35 dated 4/11/20	Report ref: SI/1908/0237-0240 dated 27/8/19	Kemedak Estate	Report ref: L1/2002/0097-0106 dated 9/2/20	Report ref: SI/2002/0001-0004 dated 12/2/20	Complied
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<p>7.4.3</p>	<p>A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.</p> <p>- Minor compliance -</p>	<p>POME and composting were applied as per agricultural manual:</p> <ol style="list-style-type: none"> 1. D05: EFB Utilization at rate 50mt/ha. 2. D08: Bio-compost application at the rate of 7mt/ha or 50kg/palm on selected area. <table border="1" data-bbox="1137 539 1930 1008"> <thead> <tr> <th>Estate</th> <th>Amount</th> <th>Type</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>Sepang Loi</td> <td>1,513.30 mt</td> <td>Manual application (bio-compost)</td> <td>Field P03, P04, P05, P06 and P08 (206 ha)</td> </tr> <tr> <td>Kemedak</td> <td>2072.42 mt</td> <td>Manual application (bio-compost)</td> <td>Field P06, P07, P08 and P12 (296.06 ha)</td> </tr> <tr> <td></td> <td>3,401.4 mt</td> <td>EFB programme</td> <td>Field P09, P10, P11 (113.38 ha)</td> </tr> </tbody> </table>	Estate	Amount	Type	Remark	Sepang Loi	1,513.30 mt	Manual application (bio-compost)	Field P03, P04, P05, P06 and P08 (206 ha)	Kemedak	2072.42 mt	Manual application (bio-compost)	Field P06, P07, P08 and P12 (296.06 ha)		3,401.4 mt	EFB programme	Field P09, P10, P11 (113.38 ha)	<p>Complied</p>
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<p>7.4.4</p>	<p>Records of fertiliser inputs are maintained.</p> <p>- Minor compliance -</p>	<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.</p> <p><u>Sepang Loi Estate</u> Fertilizer recommendation included in the agronomist report by R&D department dated 20/7/2020, The latest application (5th programme) was carried out on August 2020 at P00/2 (53.96 ha) for AS (2 kg/palm) (190 bags x 50 kg/bag).</p> <p><u>Kemedak Estate</u></p>	<p>Complied</p>																

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		Fertilizer recommendation included in the agronomist report by R&D department dated 20/7/2020 (2 nd amendment). The latest application (3 rd programme) was carried out on August 200 at P12/5 for MIX1 (2.75 kg/palm) (595 bags x 50 kg/bag)																																																													
Criterion 7.5: Practices minimise and control erosion and degradation of soils.																																																															
7.5.1	<p>(C) Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>- Critical (Major) compliance -</p>	<p>Description of the soil characteristics such as texture, depth, drainage, parent material and key aspect for management was available. The soil series in the estates were classified as follows:</p> <table border="1" data-bbox="1249 654 1814 1353"> <thead> <tr> <th></th> <th></th> <th>Kemedak</th> <th>Sepang Loi</th> </tr> </thead> <tbody> <tr><td>1</td><td>Bungor</td><td>13.73</td><td>40.37</td></tr> <tr><td>2</td><td>Kekura</td><td>-</td><td>2.04</td></tr> <tr><td>3</td><td>Nami</td><td>-</td><td>7.86</td></tr> <tr><td>4</td><td>Local alluv</td><td>30.45</td><td>-</td></tr> <tr><td>5</td><td>Gol</td><td>0.24</td><td>-</td></tr> <tr><td>6</td><td>Jabor</td><td>2.96</td><td>-</td></tr> <tr><td>7</td><td>Katong</td><td>8.07</td><td>-</td></tr> <tr><td>8</td><td>Kedah</td><td>5.96</td><td>-</td></tr> <tr><td>9</td><td>Melaka</td><td>33.64</td><td>-</td></tr> <tr><td>10</td><td>Sitiawan</td><td>-</td><td>13.26</td></tr> <tr><td>11</td><td>Serdang</td><td>2.00</td><td>11.71</td></tr> <tr><td>12</td><td>Telemong</td><td>-</td><td>13.26</td></tr> <tr><td>13</td><td>High Slope</td><td>2.95</td><td>18.93</td></tr> <tr><td></td><td>TOTAL</td><td>100.00</td><td>100.00</td></tr> </tbody> </table>			Kemedak	Sepang Loi	1	Bungor	13.73	40.37	2	Kekura	-	2.04	3	Nami	-	7.86	4	Local alluv	30.45	-	5	Gol	0.24	-	6	Jabor	2.96	-	7	Katong	8.07	-	8	Kedah	5.96	-	9	Melaka	33.64	-	10	Sitiawan	-	13.26	11	Serdang	2.00	11.71	12	Telemong	-	13.26	13	High Slope	2.95	18.93		TOTAL	100.00	100.00	Complied
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		There were no other problem soils (e.g. podzols and acid sulphate soils) in the 2 estates.																									
7.5.2	<p>No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification.</p> <p>- Minor compliance -</p>	<p>Like all KMB Estates, the estates visited in CU continued to have a management strategy for planting on slopes in order to minimize and control erosion and degradation of soils. The plantings on slopes between 9 and 25 degrees was guided by:</p> <ul style="list-style-type: none"> a) Slope & River Protection Policy in Section A17 KMB Manual b) Buffer Zone & 25-degree slope in Section A07 KMB Manual c) Land Preparation for Terracing in Section A08 KMB Manual. <p>It was observed that practices to minimize and control erosion and degradation of soils were in place through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in the interlines. Cover crops were planted in the replants and in certain mature areas. The cover crop <i>mucuna bracteata</i> had been planted along crucial slopes by management. Large areas with <i>neprolepis biserrata</i> in the inter rows were sighted during the visit. The slope maps were provided by the AASD (Agronomy Advisory Service Dept) with details as follows:</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>Gradient</th> <th>0-2</th> <th>2-6</th> <th>6-12</th> <th>12-20</th> <th>20-25</th> <th>>25</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kemedak</td> <td>40.5</td> <td>16.03</td> <td>36.8</td> <td>5.71</td> <td>0.96</td> <td>0</td> </tr> <tr> <td>2</td> <td>S Loi</td> <td>13.26</td> <td>53.42</td> <td>3.42</td> <td>1.07</td> <td>9.9</td> <td>0</td> </tr> </tbody> </table>		Gradient	0-2	2-6	6-12	12-20	20-25	>25	1	Kemedak	40.5	16.03	36.8	5.71	0.96	0	2	S Loi	13.26	53.42	3.42	1.07	9.9	0	Complied
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7.5.3	<p>There is no new planting of oil palm on steep terrain.</p> <p>- Minor compliance -</p>	<p>This compliance being addressed in the Sustainable Policy - "Slope and River Protection" signed by the Executive Director dated May 2018 stating the following among others;</p>	Complied																								

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		<i>"Slope of >25 degree to be excluded from any new plantation development and replanting program. For slope <25 degree the existing crop all vegetative shall be maintained accordingly".</i>	
Criterion 7.6: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.			
7.6.1	(C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations. - Critical (Major) compliance -	Soil surveys are made and available in a soil map for all the estates. Topographic contour map are also available which are both used to manage the drainage and road works in the estates. All estates in the CU had no new planting for the current year and also for the forthcoming 5 years operations.	Complied
7.6.2	Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices. - Minor compliance -	KMB Group had no planting on areas of more than 25 degree. Plantings on steep slope are either avoided or minimized.	Complied
7.6.3	Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure. - Minor compliance -	Soil surveys are made and available in a soil map at all estates. Topographic contour map are also available which are both used to manage the drainage and road works in the estates. Details as per 7.5.1 and 7.5.2.	Complied
Criterion 7.7: No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.			
7.7.1	(C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas. - Critical (Major) compliance -	There is no peat soil or soil categorized as marginal or fragile soil in all estates visited. There was also no new planting in the estates. Thus, this indicator is not applicable	Not Applicable
7.7.2	Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE:	There is no peat soil or soil categorized as marginal or fragile soil in all estates visited. There was also no new planting in the estates. Thus, this indicator is not applicable	Not Applicable

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	<p>Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>- Minor compliance -</p>		
7.7.3	<p>(C) Subsidence of peat is monitored, documented and minimised.</p> <p>- Critical (Major) compliance -</p>	<p>There is no peat soil or soil categorized as marginal or fragile soil in all estates visited. There was also no new planting in the estates. Thus, this indicator is not applicable</p>	Not Applicable
7.7.4	<p>(C) A documented water and ground cover management programme is in place.</p> <p>- Critical (Major) compliance -</p>	<p>The water and ground cover management programme is documented in the KMB Agricultural Manual (Water Management in Inland, Costal and Peat lands) issued on 01.07.2011. Details are described in 7.8.1. individual estates and mill had their respective water management plan mainly to monitor among others the following;</p> <ul style="list-style-type: none"> a) Monitor the quality of main water inlet/outlet for pollutants from estate's operations. b) Good drainage system to ensure adequate water supply for the palm trees via growth monitoring. c) Construction of road side pits for a good road drainage. d) Contingency during water shortage. e) Monitoring of water level at low lying fields during the monsoon months for flood mitigation. 	Complied
7.7.5	<p>(C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with</p>	<p>There is no peat soil or soil categorized as marginal or fragile soil in all estates visited. There was also no new planting in the estates. Thus, this indicator is not applicable</p>	Complied

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	<p>crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</p> <p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Critical (Major) compliance -</p>		
7.7.6	<p>(C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	<p>There is no peat soil or soil categorized as marginal or fragile soil in all estates visited. There was also no new planting in the estates. Thus, this indicator is not applicable</p>	Complied
7.7.7	<p>(C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	<p>There is no peat soil or soil categorized as marginal or fragile soil in all estates visited. There was also no new planting in the estates. Thus, this indicator is not applicable</p>	Complied
<p>Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.</p>			
7.8.1	<p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>a) The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>b) Workers have adequate access to clean water.</p>	<p>The mill water management plan has been established with the recent review made on respectively by the OU. Among others the plan therein has emphasized;</p> <p>a) rain water harvesting for cleaning purposes, b) water from the reservoir/catchment for the mill operations c) continual training for workers on water efficiency consumption, d) desilting of water reservoir to retain the reservoir optimal capacity.</p>	Complied

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	<p>- Minor compliance -</p>	<p>e) The action plan in event of draught/water pollution and</p> <p>The estates similarly possessed the following water management plan. Among others containing the following initiatives.</p> <table border="1" data-bbox="1137 520 1904 1311"> <thead> <tr> <th></th> <th>Source</th> <th>Activity</th> <th>Threat</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td rowspan="4">Reservoir/ pond/ Rain</td> <td>Chemical mixing</td> <td>Pollution Draught Wastage</td> <td>Enforcement of buffer zone as non-spraying activities.</td> </tr> <tr> <td>2</td> <td>General Upkeep</td> <td>Pollution Draught Wastage</td> <td>Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW.</td> </tr> <tr> <td>3</td> <td>Line site</td> <td>Pollution Draught Wastage</td> <td>Every house is supplied with containers. To schedule water supply to avoid wastage. Awareness on water usage efficiency. Outsource from neighboring estates.</td> </tr> <tr> <td>4</td> <td>Drain upkeep</td> <td>Interrupt on water flow at drainage system.</td> <td>Periodic desilting Building of sand bags at specific points to contain water (weirs)</td> </tr> </tbody> </table>		Source	Activity	Threat	Action Plan	1	Reservoir/ pond/ Rain	Chemical mixing	Pollution Draught Wastage	Enforcement of buffer zone as non-spraying activities.	2	General Upkeep	Pollution Draught Wastage	Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW.	3	Line site	Pollution Draught Wastage	Every house is supplied with containers. To schedule water supply to avoid wastage. Awareness on water usage efficiency. Outsource from neighboring estates.	4	Drain upkeep	Interrupt on water flow at drainage system.	Periodic desilting Building of sand bags at specific points to contain water (weirs)	
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		5		Water pollution	<p>Prohibit workers from activities at water source</p> <p>Drinking water analysis.</p> <p>Monitor condition of septic tank</p> <p>Adhere SW management procedure to avoid pollution caused by SW.</p>																	
<p>Water Management Plan review date was sighted and verified with records as follows;</p>																						
<table border="1"> <thead> <tr> <th></th> <th>Estate/Mill</th> <th>Review date</th> <th>Issues</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kemedak Estate</td> <td>Aug 2020</td> <td>Nil</td> </tr> <tr> <td>2</td> <td>Sepang Loi Estate</td> <td>Aug 2020</td> <td>Nil</td> </tr> <tr> <td>3</td> <td>P Cocoa POM</td> <td>June 2020</td> <td>Nil</td> </tr> </tbody> </table>								Estate/Mill	Review date	Issues	1	Kemedak Estate	Aug 2020	Nil	2	Sepang Loi Estate	Aug 2020	Nil	3	P Cocoa POM	June 2020	Nil
	Estate/Mill	Review date	Issues																			
1	Kemedak Estate	Aug 2020	Nil																			
2	Sepang Loi Estate	Aug 2020	Nil																			
3	P Cocoa POM	June 2020	Nil																			
<p>The Mill Identification & Management of Waste Water 2020 among others as summarized below;</p>																						
<table border="1"> <thead> <tr> <th></th> <th>location</th> <th>Waste water produced</th> <th>Treatment/containment</th> <th>Reuse/recycle/disposal method</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Processing stations</td> <td>Clarification condensate Sterilizer condensate Hydro cyclone condensate Mill floor cleaning water</td> <td>Oil recovery/ETP</td> <td>Recover into system</td> </tr> <tr> <td>2</td> <td>Boiler</td> <td>Blow down, cleaning water</td> <td>Sludge pit, ETP</td> <td>Monsoon drain</td> </tr> </tbody> </table>								location	Waste water produced	Treatment/containment	Reuse/recycle/disposal method	1	Processing stations	Clarification condensate Sterilizer condensate Hydro cyclone condensate Mill floor cleaning water	Oil recovery/ETP	Recover into system	2	Boiler	Blow down, cleaning water	Sludge pit, ETP	Monsoon drain	
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		1	Process ramp	Rainfall runoff	Sedimentation trap	Monsoon drain		
		3	Engine room	Steam condensate, turbine cooling water	Monsoon drain, recycled tank	Monsoon drain		
		4	Lab	Cleaning water	Process drain	Monsoon drain		
		5	Wash room	Toilet water, cleaning water	Septic tank	Collected by licensed contractor.		
<i>Palong Cocoa Mill - 11/5/2020</i>								
			Parameter	unit	result	Regn raw water	Std drinking water	Result
		1	PH	-	5.8	5.5-9.0	6.5-9.0	7.0
		2	Turbidity	-	50	1000	5	1.2
		3	Aluminium	NTU	<0.2	-	0.2	<0.2
		4	Chlorine	mg/L	-	-	0.2-5	2
		5	Coli form	mg/L	10	5000	nil	ND
		6	E coli	MPN/	ND	5000	nil	ND

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<i>Sepang Loi Estate 11/5/2020</i>						
	Parameter	unit	result	Regn raw water	Std drinking water	Result
1	PH	-	5.5	5.5-9.0	6.5-9.0	7.1
2	Turbidity	-	165	1000	5	1.5
3	Aluminium	NTU	0.98	-	0.2	ND
4	Chlorine	mg/L	-	-	0.2-5	0.9
5	Coli form	mg/L	ND	5000	nil	ND
6	E coli	MPN/	160	5000	nil	ND

<i>Kemedak Estate 11/5/2020</i>						
	Parameter	unit	result	Regn raw water	Std drinking water	Result
1	PH	-	5.4	5.5-9.0	6.5-9.0	6.5-9.0
2	Turbidity	-	13.3	1000	5	5
3	Aluminium	NTU	ND	-	0.2	0.2
4	Chlorine	mg/L	-	-	0.2-5	0.2-5
5	Coli form	mg/L	ND	5000	Nil	Nil
6	E coli	MPN/	ND	5000	Nil	Nil

The mill collected water samples for the domestic water consumption collected by SPAN twice a year. All results were sighted and verified and sample shown above. Analysis made in

		Decagon Lab & Analytical Testing, Shah Alam Selangor. All parameters are within the limits under Raw Water Quality Standard MOH 2010.																																			
7.8.2	<p>(C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p>	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones has been verified at the 2 Estates and mill catchment. Riparian buffer zones have been identified and demarcated. No chemicals and fertilizer application observed been used in their maintenance. In certain areas Guatemala grass / Vertivar sp were planted along the river banks. Guidelines of the width of the rivers and natural courses to be protected have been illustrated in the SOP revised dated 01/11/2018. The buffer zones established are as follows:</p> <table border="1" data-bbox="1205 783 1794 967"> <thead> <tr> <th></th> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>>40 meters</td> <td>50 meters</td> </tr> <tr> <td>2</td> <td>20 - 40 meters</td> <td>40 meters</td> </tr> <tr> <td>3</td> <td>10 - 20 meters</td> <td>20 meters</td> </tr> <tr> <td>4</td> <td>5 - 10 meters</td> <td>10 meters</td> </tr> <tr> <td>5</td> <td>< 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>Buffer zones were protected. Areas visited for the estates as tabled below;</p> <table border="1" data-bbox="1205 1118 1794 1302"> <thead> <tr> <th></th> <th>Estates</th> <th>Location</th> <th>Field no</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kemedak</td> <td>Natural water stream</td> <td>P12/Blk 1</td> </tr> <tr> <td>2</td> <td>Kemedak</td> <td>Natural water stream</td> <td>P12/Blk 2</td> </tr> <tr> <td>3</td> <td>Sepang Loi</td> <td>Anak Sg Sepang Loi</td> <td>P05/Blk 4</td> </tr> </tbody> </table>		River width	Buffer zone	1	>40 meters	50 meters	2	20 - 40 meters	40 meters	3	10 - 20 meters	20 meters	4	5 - 10 meters	10 meters	5	< 5 meters	5 meters		Estates	Location	Field no	1	Kemedak	Natural water stream	P12/Blk 1	2	Kemedak	Natural water stream	P12/Blk 2	3	Sepang Loi	Anak Sg Sepang Loi	P05/Blk 4	Complied
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Water samples from the intake point are taken for phosphate and nitrate analysis for detection of fertilizer application effect to the water courses. Extracted record of the estates with details below;

Kemedak Estate 27/10/20					
	Parameter	unit	Pt A	Pt B	Limit
1	Phosphate	mg PO4/L	0.18	0.11	0.20
2	N Nitrogen	mg NO3N/L	4.2	2.15	7.00

Sepang Loi Estate 28/10/20					
	Parameter	unit	Pt A	Pt B	Limit
1	Phosphate	mg PO4/L	0.19	0.11	0.20
2	N Nitrogen	mg NO3N/L	6.64	6.32	7.00

The limit for phosphate and nitrate is 0.2 ppm and 7 ppm respectively. Variations and action plan were discussed during the quarterly Mesyuarat Alam Sekitar. Prevention is made especially during the manuring activities. KMB reviewed the environmental performances during the monthly EPMC Environmental Performance Monitoring Committee. Sighted minutes of meeting TPOM dated 06/10/20 among others discussing the following;

- a) Effluent treatment and performance
- b) Scheduled wastes and others waste management
- c) Clean air monitoring
- d) Environmental Programs.

▪

<p>7.8.3</p>	<p>Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>- Minor compliance -</p>	<p>The effluent treatment plant was made in accordance and interview with operator in charge revealed that the operation was in accordance with standard operation procedure and legal requirements.</p> <p>a) No over flow was observed, and flow meter reading was recorded daily. The mill monitoring the effluent and submits to DOE through 'Borang Penyata Suku Tahunan'.</p> <p>b) Palong Cocoa Mill DOE license no 004720 was for land application requirement of which is BOD less than 2500 mg/l in Ldg Mungka</p> <p>c) The results from final discharge were compliance within parameter limit. Record was sighted and verified.</p> <table border="1" data-bbox="1211 767 1879 1026"> <thead> <tr> <th>Sample date</th> <th>Std</th> <th>07/7/20</th> <th>11/8/20</th> <th>07/9/20</th> </tr> </thead> <tbody> <tr> <td>PH</td> <td>-</td> <td>8.20</td> <td>8.20</td> <td>8.20</td> </tr> <tr> <td>BOD</td> <td>2500</td> <td>73</td> <td>58</td> <td>175</td> </tr> <tr> <td>COD</td> <td>-</td> <td>1054</td> <td>990</td> <td>1532</td> </tr> <tr> <td>Total solids</td> <td>-</td> <td>7820</td> <td>8036</td> <td>9312</td> </tr> <tr> <td>S Solids</td> <td>-</td> <td>380</td> <td>664</td> <td>756</td> </tr> <tr> <td>Oil & grease</td> <td>-</td> <td>0.00</td> <td>0.00</td> <td>0.00</td> </tr> <tr> <td>A Nitrogen</td> <td>-</td> <td>10</td> <td>25</td> <td>12</td> </tr> <tr> <td>Total N</td> <td>-</td> <td>36</td> <td>38</td> <td>44</td> </tr> </tbody> </table>	Sample date	Std	07/7/20	11/8/20	07/9/20	PH	-	8.20	8.20	8.20	BOD	2500	73	58	175	COD	-	1054	990	1532	Total solids	-	7820	8036	9312	S Solids	-	380	664	756	Oil & grease	-	0.00	0.00	0.00	A Nitrogen	-	10	25	12	Total N	-	36	38	44	<p>Complied</p>
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<p>7.8.4</p>	<p>Mill water use per tonne of FFB is monitored and recorded.</p> <p>- Minor compliance -</p>	<p>The mill processing water are obtained from the water catchment adjacent to the mill complex. The water usage monitoring is made on a monthly basis with the latest recording (water usage per mt in 2020 of fresh fruit bunches (FFB) below;</p> <table border="1" data-bbox="1196 1193 1868 1374"> <thead> <tr> <th>No</th> <th>Month</th> <th>Water</th> <th>FFB /mt</th> <th>Water /FFB</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Jan</td> <td>13065</td> <td>6922</td> <td>1.03</td> </tr> <tr> <td>2</td> <td>Feb</td> <td>15460</td> <td>9422</td> <td>1.10</td> </tr> <tr> <td>3</td> <td>Mac</td> <td>15980</td> <td>10037</td> <td>1.13</td> </tr> </tbody> </table>	No	Month	Water	FFB /mt	Water /FFB	1	Jan	13065	6922	1.03	2	Feb	15460	9422	1.10	3	Mac	15980	10037	1.13	<p>Complied</p>																									
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	4	Apr	19310	13214	1.08
	5	May	18220	13340	0.82
	6	June	24060	18028	0.97
	7	July	26690	19866	0.95
	8	Aug	28230	22110	0.94
	9	Sept	31120	22728	0.97
	10	Oct	28438	17719	0.98
<p>There were variations of performance. Probable factors are linked to rainy days, significant boiler water rinsing/discharging for maintenance etc. The base rate is 1.2</p>					

Criterion 7.9: Efficiency of fossil fuel use and the use of renewable energy is optimised

7.9.1	<p>A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented.</p> <p>- Minor compliance -</p>	<p>A plan for improving the efficiency of the use of fossil fuels is in place and has been incorporated into the Environmental Aspect and Impact activities report for 2020. The document was reviewed/updated on Jan 2020.</p> <p>The estates and mill record and monitor the diesel utilization over the running hours of gen-set and other vehicles running. Performance variation in view of several factors i.e.</p> <ul style="list-style-type: none"> a) Infrastructure of estates, b) Community size / no of gen-sets, c) No. of vehicles / age of machine. d) Weather interference / crop production volume <p>There is no opportunity for the estates to capitalize the utilisation of fibre/shell produced from the mill as part of their energy</p>	Complied
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		production in replacement of fossil fuel with the current technology limitation.	
Criterion 7.10: Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.			
7.10.1	<p>(C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.</p> <p>- Critical (Major) compliance -</p>	<p>Palong Cocoa Palm Oil Mill and estates had identified emission of greenhouse gas (GHG) from their operations such as emission from their farm tractor and gen set operation.</p> <p>a) The management from both estates and mill had planned to reduce emission by daily inspection and monitoring for their farm tractor and gen set to prevent any leakage and problem that could adverse impact the environment.</p> <p>b) Fuel Consumption, Peat Oxidation, POME and reported in the Palm GHG Summary Report.</p>	Complied
7.10.2	<p>(C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).</p> <p>- Critical (Major) compliance -</p>	<p>Palong Cocoa Palm Oil Mill and estates has calculated the GHG using RSPO Palm GHG calculator and the calculation option used is Option 1. There was no new development within the certified area.</p>	Complied
7.10.3	<p>(C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</p> <p>- Critical (Major) compliance -</p>	<p>An assessment of all polluting activities has been conducted and monitored. This included the gaseous emissions, particulate / soot emissions and effluent. The CU has continued to maintain its environmental aspects/impacts register associated with their activities. Environmental aspect and impact (EAI) records i.e. which covers estates and mill activities / operation. 'Pollution Identification Environmental Improvement Action Plan' is used to identify the waste products and sources of pollution, was in place and is reviewed accordingly.</p>	Complied

Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area			
7.11.1	(C) Land for new planting or replanting is not prepared by burning. - Critical (Major) compliance -	There is no land preparation by burning at Palong Complex Management Unit. 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
7.11.2	The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. - Minor compliance -	Kulim (M) Berhad has subscribed to ASEANFireAlert for the whole group estate’s for aerial monitoring. FWI @ Fire Weather Index will be identified at each estate (i.e high risk area – peat soil) to monitor changes in FWI. ASEANFireAlert will trigger any changes in FWI and a notification will be sent to HQ personnel via mobile phone. Operating unit’s personnel will be informed and reported to fire department for further action.	Complied
7.11.3	The unit of certification engages with adjacent stakeholders on fire prevention and control measures. - Minor compliance -	KMB engaged smallholders on the fire prevention and control measures. This was mentioned in the stakeholder meeting of respective units under item no 4 elaborating the following; <i>a. Memelihara dan memulihara kepelbagaian biologi</i> <i>b. Pihak berkepentingan boleh melaporkan kepada KMB</i> <i>c. Jika berlaku kebakaran di persempadanan kawasan ladang/kilang</i> <i>d. Pihak ladang/kilang /pekebun kecil berhampiran juga boleh mendapatkan bantuan daripada KMB jika berlaku di kawasan mereka.</i>	Complied
Criterion 7.12: Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.			
7.12.1	(C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.	No development within Palong Cocoa POM certification unit.	Complied

	<p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>- Critical (Major) compliance -</p>								
<p>7.12.2</p>	<p>(C) HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>a) For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p> <p>b) Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p>PROCEDURAL NOTE: Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019).</p> <p>- Critical (Major) compliance -</p>	<p>The last assessment conducted was in June 2007 for Sept 2007 for Palong and Labis Bahru Estates respectively. 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. The report details the findings of a rapid appraisal of the biodiversity in the estates and addresses the RSPO P&C relevant to biodiversity conservation and HCV. Therein being provided details relating to the following;</p> <ul style="list-style-type: none"> a) General biodiversity issues b) Watercourses and drainage c) Habitats natural and man-made d) Wildlife e) Ponds and reservoirs f) Wetlands /watercourses g) Legal aspects h) Immediate and long-term effect. <p>Based A.J.F.M Dekker assessment report, there was no HCV area identified with 3 sample estates.</p> <p>Summary of HCV report by A.J.F.M Dekker as per the following:</p> <table border="1" data-bbox="1137 1222 1930 1289"> <thead> <tr> <th data-bbox="1137 1222 1294 1257">Estate</th> <th data-bbox="1294 1222 1496 1289">Assessment date</th> <th data-bbox="1496 1222 1930 1257">HCV identified area</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	Estate	Assessment date	HCV identified area				<p>Complied</p>
Estate	Assessment date	HCV identified area							

		Sepang Loi and Kemedak Estate	25 th September 2007	No HCV area identified within estate area. 12.69 Ha (Sepaang Loi – 7 hot spots area)													
7.12.3	<i>Indicator is not applicable in Malaysia context</i>	Not applicable			Not Applicable												
7.12.4	<p>(C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>- Critical (Major) compliance -</p>	<p>For Sepang Loi estate, Rapid Biodiversity Assessment Fact Sheet dated 25th September 2007 is referred to. Mammals under schedule I (totally protected); binturong, wild boar and black giant squirrel were identified. Under schedule II (protected wild animals), long tailed macaque and Silvered Leaf Langur.</p> <p>The management plan was developed based on recommendation of HCV assessment report. HCV management plan developed for Estate summarized as per the following:</p> <table border="1"> <thead> <tr> <th>HCV plan</th> <th>Progress</th> <th>Person In Charge</th> </tr> </thead> <tbody> <tr> <td>Animal sighting</td> <td>Monthly sighting records to be submitted</td> <td>Estate team</td> </tr> <tr> <td>Encroachment control</td> <td>Regular patrolling</td> <td>Sustainability and estate team</td> </tr> <tr> <td>Buffer zone establishment</td> <td>Mapped out area Buffer zone peg Twice a year maintenance programme</td> <td>Sustainability and estate team</td> </tr> </tbody> </table>			HCV plan	Progress	Person In Charge	Animal sighting	Monthly sighting records to be submitted	Estate team	Encroachment control	Regular patrolling	Sustainability and estate team	Buffer zone establishment	Mapped out area Buffer zone peg Twice a year maintenance programme	Sustainability and estate team	Complied
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7.12.5	<p>Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>- Minor compliance -</p>	<p>No local communities have been identified in self-declared HCV areas within Sepang Loi and Kemedak Estate.</p>	Complied				
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>- Minor compliance -</p>	<p>Although there is no RTE species identified at Sepang Loi and estate, there is evidence to continuously prevent and discourage illegal or hunting, fishing or collecting activities. Signage as well as routine patrolling activities were carried out as part of the efforts to create awareness among employees about biodiversity. The latest awareness training on environmental and biodiversity was carried out on 16th March 2020 for internal stakeholders (workers) at Sepang Loi Estate.</p>	Complied				
7.12.7	<p>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p> <p>- Minor compliance -</p>	<p>Management plan is incorporated with ongoing monitoring of the status of HCV and RTE species that are affected by plantation or mill operations and reported by the Kulim SQD Team from Head Office.</p> <p>Outcomes of monitoring are communicated with plantation management and with management plan. HCV monitoring/patrolling records available. From the records, no sightings of RTE recorded.</p> <p><u>Sepang Loi Estate</u> Sample of latest sighting of animal and patrolling records as per below:</p> <table border="1" data-bbox="1137 1286 1939 1388"> <thead> <tr> <th data-bbox="1137 1286 1451 1326">Date of monitoring</th> <th data-bbox="1458 1286 1939 1326">Visited area (hotspots/HCV)</th> </tr> </thead> <tbody> <tr> <td data-bbox="1137 1331 1451 1388">26/11/20, frequency weekly</td> <td data-bbox="1458 1331 1939 1388">Degraded secondary forest (P03/1) #2 Steep/slope area (P04/2) #5</td> </tr> </tbody> </table>	Date of monitoring	Visited area (hotspots/HCV)	26/11/20, frequency weekly	Degraded secondary forest (P03/1) #2 Steep/slope area (P04/2) #5	Non-compliance
Date of monitoring	Visited area (hotspots/HCV)						
26/11/20, frequency weekly	Degraded secondary forest (P03/1) #2 Steep/slope area (P04/2) #5						

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		<p>There was no specific management plan for RTE species incorporated in the the Biodiversity Management plan dated 5/5/20. Based on sighting record dated 26/11/20, a RTE species named "Tapir" spotted near field P03/01. Thus, a minor NC was issued.</p>	
7.12.8	<p>(C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies. - Critical (Major) compliance -</p>	<p>No land clearing without prior HCV assessment since November 2005 occurred at Sepang Loi and Kemedak estate</p>	Complied

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Appendix B: Approved Time Bound Plan

Project	Estate	Plan
Indonesia: SUMASEL	PT Tempirai Palm Resources (PT TPR)	To be included in TBP upon completion of acquisition (expected completion in 2023)
	PT Rambang Agro Jaya (PT RAJ)	
(Single Estate certification)	Bukit Layang Estate	Certified in 7/04/2020

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	
		Rengam	
Sedenak Mill		Sedenak	
		Basir Ismail	
		Ulu Tiram	
Sindora Mill		Kuala Kabong	
		REM/Pasak	
		Sindora	
Palong Mill		Sungai Papan	
		Sepang Loi	
		UMAC	
		Labis Bahru	
		Mungka	
		Kemedak	
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 **2019** for Palong Cocoa POM and supply base was calculated using the PalmGHG Calculator version 4.0. 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 **2019** for **Palong Cocoa POM** and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	1.1
PKO	0

Extraction	%
OER	21.90
KER	5.60

Production	t/yr
FFB Process	202,670.65
CPO Produced	44381.51
PKO Produced	0

Land Use	Ha
OP Planted Area	9,663.32
OP Planted on peat	0
Conservation (forested)	25.40
Conservation (non-forested)	92.90
Total	9,781.62

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	95,441.02	0.47	0	0	0	0	95,441.02	0.47
CO ₂ Emission from fertilizer	9,631.73	0.05	0	0	0	0	9,631.73	0.05
NO ₂ Emission	0	0	0	0	0	0	0	0
Fuel Consumption	7,528.73	0.04	0	0	0	0	7,528.73	0.04
Peat Oxidation	1,165.16	0.01	0	0	0	0	1,165.16	0.01
Sink								
Crop Sequestration	-89159.66	-0.44	0	0	0	0	-89159.66	-0.44
Conservation Sequestration	-232.92	0	0	0	0	0	-232.92	0
Total	24374.06	0.12	0	0	0	0	24374.06	0.12

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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	44,319.62	0.22
Fuel Consumption	146.27	0
Grid Electricity Utilization	249.40	0
Credit		
Export of Grid Electricity	0	0
Sales of PKS	-7556.65	-0.04
Sales of EFB	0	0
Total	37,158.63	0.18

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	0
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 (%)	12
Divert to anaerobic diversion (%)	88

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: Supply Chain Declaration

A. Monthly Records of Certified and Uncertified FFB Received since the last audit				
No.	Month - Year	Volume of FFB from certified supply bases (mt)	Volume of FFB from uncertified supply bases (mt)	Total FFB/Month (mt)
1	Sept 2019	19,308.66	0	19,308.66
2	Oct 2019	20,939.24	0	20,939.24
3	Nov 2019	13,159.33	0	13,159.33
4	Dec 2019	9,754.03	0	9,754.03
5	Jan 2020	6,922.12	0	6,922.12
6	Feb 2020	9,421.54	0	9,421.54
7	Mar 2020	10,037.19	0	10,037.19
8	Apr 2020	13,213.81	0	13,213.81
9	May 2020	13,340.51	0	13,340.51
10	June 2020	18,028.44	0	18,028.44
11	July 2020	19,866.29	0	19,866.29
12	Aug 2020	22,110.83	0	22,110.83
13	Sept 2020	22,728.56	0	22,728.56
14	Oct 2020	17,719.36	0	17,719.36
15	Nov 2020	17,912.68	0	17,912.68
TOTAL		234,462.59	0	234,462.59

B. Monthly Records of Certified CPO & PK since the last audit			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	Sept 2019	4,197.65	1,199.74
2	Oct 2019	4,482.79	1,312.02
3	Nov 2019	2,898.33	720.08
4	Dec 2019	2,127.76	502.88
5	Jan 2020	1,495.84	361.71
6	Feb 2020	2,000.13	463.29
7	Mar 2020	2,153.47	541.68
8	Apr 2020	2,808.13	751.70
9	May 2020	2,658.63	661.05
10	June 2020	3,691.47	881.71
11	July 2020	4,147.73	1,097.68
12	Aug 2020	4,670.44	1,186.64

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13	Sept 2020	4,741.06	1,424.16
14	Oct 2020	3,912.91	895.91
15	Nov 2020	3,957.29	967.41
TOTAL		49,943.63	12,967.66

C. Records of Certified CPO & PK Sold under PalmTrace since the last audit (if any)				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1	ABC	TR-b7db4942-3aa6 TR-8a3ba75a-c6e6 TR-832ce0d5-8472 TR-509607e7-40e5 TR-eb0f1b4a-c2b7 TR-ae095f8-4510 TR-fa4351a4-f595 TR-78505994-0ce6 TR-067433de-b87f TR-60c5649a-0ddc TR-e404b00c-4c3a TR-685c3b14-beb7 TR-e1f3a9d3-b0fb TR-00c4902e-6315 TR-e7b6a6e4-f17c TR-73046462-168a TR-dd2be752-78cd TR-610975f3-82b3 TR-76bcc5e1-e1b9 TR-bd1e784e-1cc3 TR-0642e331-0c9e TR-e8514aee-f3a4 TR-6bd872a6-a3bf TR-c028c7b3-7e37 TR-4ba70b93-c97e TR-4a812843-397c TR-2b25629b-6483 TR-432fd135-aefb TR-803a7d3a-c0cb	20,823.48	-

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		TR-969c1643-e83d TR-d322093d-721f TR-948a3727-61e6 TR-3914c7bf-b594 TR-c656eb44-44ee TR-90b02014-d119 TR-64211580-1cbb TR-c5110c02-d3fb TR-5612de2e-93a5 TR-858fb6b0-bd8d TR-25328ee7-65e6 TR-60567227-eedd TR-5bb0eac7-ed9c TR-dbe08f2a-3789 TR-178bfabf-3bc2 TR-3df6d977-ce83 TR-c54dedef-ad33 TR-2b15f8fd-63a9 TR-7682fec5-856e TR-b4a0c66f-d1b8 TR-57b07c6b-f5cd TR-ac3e0cd6-3ef0 TR-6633ad40-24b0 TR-3190dd95-12ad TR-42ac694a-5924 TR-df9c7d9e-fd5c TR-7f4815b5-f7cf TR-e3a24a9c-30f9 TR-11fb912e-6f81 TR-8f17fef8-72e9 TR-79720742-63c8 TR-1a552257-b2d7 TR-bc062127-5443 TR-504747f9-ad8d TR-1985974b-623e TR-0d74e4a8-7c7a TR-29ed6910-e298		
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		TR-85a9ce9f-2bcf TR-ab3e2334-735a TR-a7e89ece-508d TR-8593ccaf-012c TR-a9cb8efc-4783 TR-a1ba4028-e7de TR-23245dca-ba74 TR-7d8c0862-277b TR-cb24906e-f2b5 TR-75d020d8-6774 TR-2923c6ff-9772 TR-930ef1c1-deaa TR-b15e35a3-ed52		
2	DEF	TR-d4bdada8-70f7 TR-c015d91c-a60d TR-ed039bda-fdec TR-277a3754-4527 TR-4a9f0ea6-9d85 TR-e954fb65-da96 TR-84a8cf49-7274 TR-07bfbec1-caf7 TR-698d8e35-2562 TR-f6e0e87d-25b0 TR-c4ba5c2a-5746 TR-c732d657-6a3f TR-b74e5aeb-7f0c TR-114f2648-c252 TR-8baf0960-e30f TR-ad912d0f-3b45 TR-587010a6-3848 TR-b1896224-7558 TR-da61ef5b-5d46 TR-b8029ce5-d7d4 TR-f8123f9f-5432 TR-8586dcf8-a341 TR-da3c7aa5-9942 TR-40369bef-fa19	-	8,856.74

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		TR-0daa3386-5ced TR-bdac82c8-a262 TR-dbd386ad-ae4f TR-4910af66-3346 TR-05fa8ba7-7926 TR-dfaebf5c-b96e TR-faba6414-5a37 TR-7664aa9a-ebe9 TR-f65b8aca-d60c TR-396ca171-4725 TR-fbf1abc1-0b59 TR-eb950faf-e762 TR-78dc567f-3bd8 TR-a5a470d5-4e41 TR-a4332340-7dae TR-d653ac52-39c6 TR-4138250b-e299 TR-e6cd1fb6-d04e TR-cdc20818-9de1 TR-ceb57a12-5270 TR-1462deb3-f450		
		TOTAL	20,823.48	8,856.74

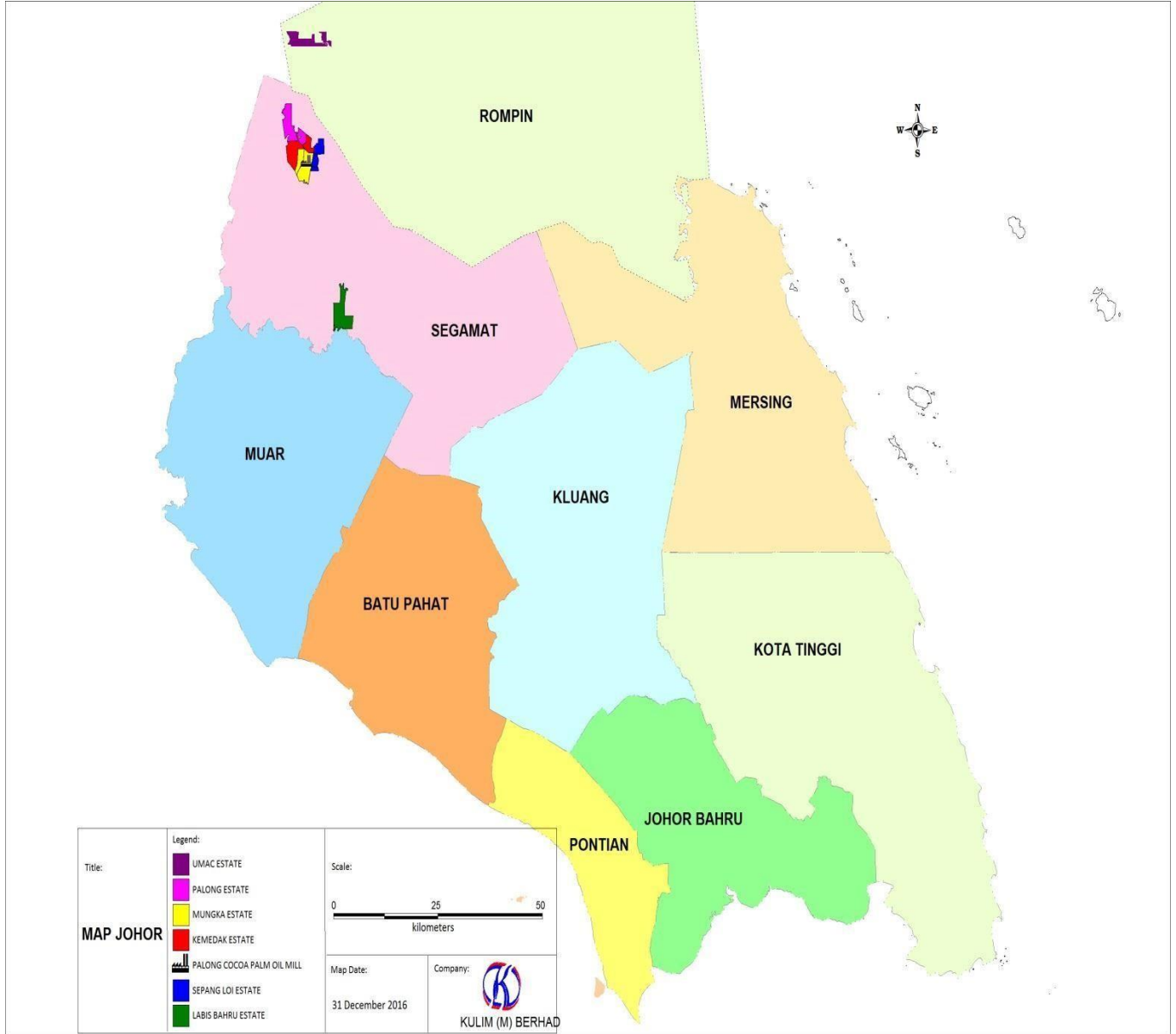
D. Records of CPO & PK Sold under other schemes since the last audit (if any)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
	NIL			

E. Records of CPO & PK Sold as conventional since the last audit (if any)				
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)	
1	TUV	24,695.48	-	
2	XYZ	-	1,350.64	
	TOTAL	25,695.48	1,350.64	

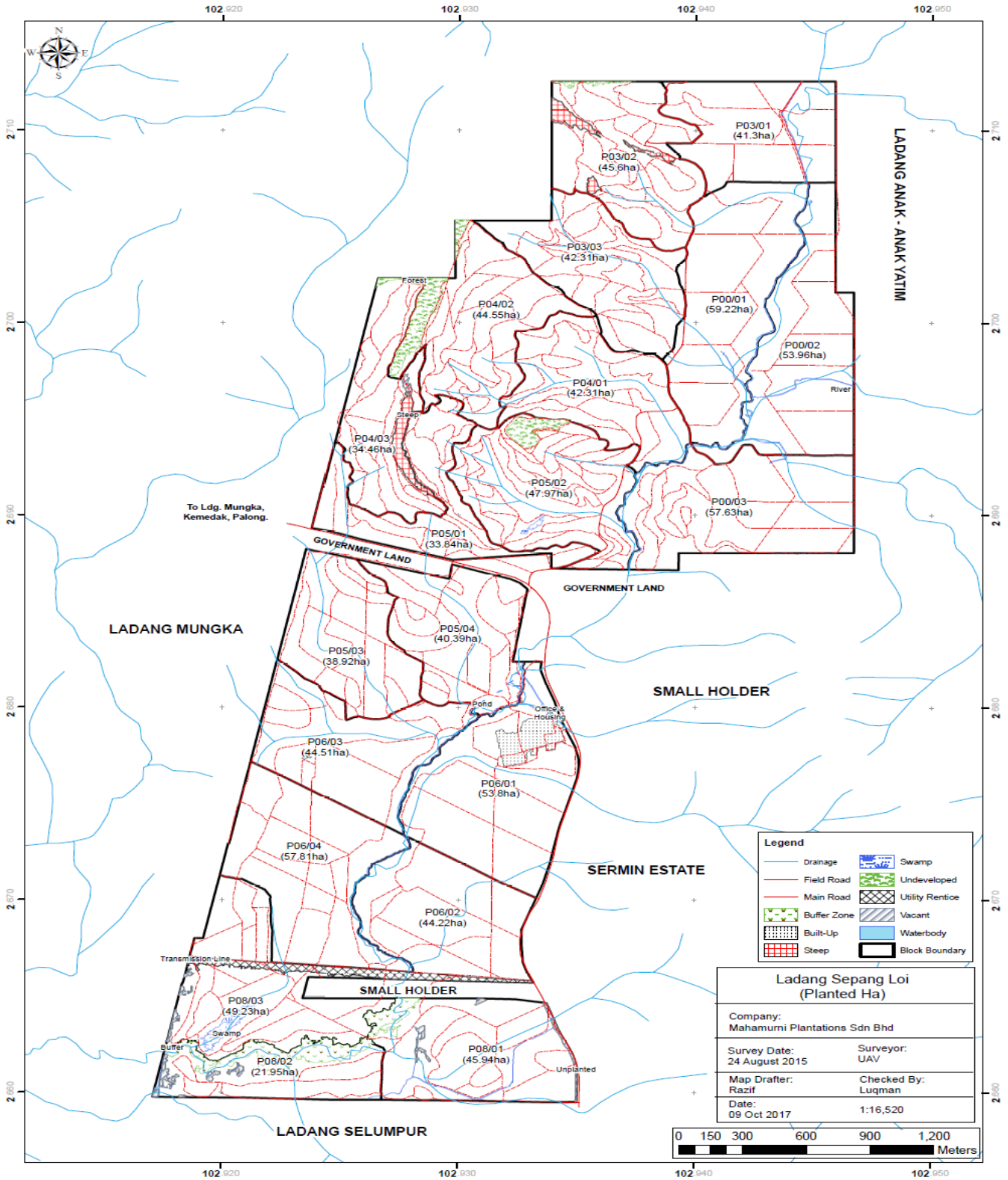
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F. Records of Certified CPO Sold under RSPO Credits since the last audit (if any)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
	NIL		

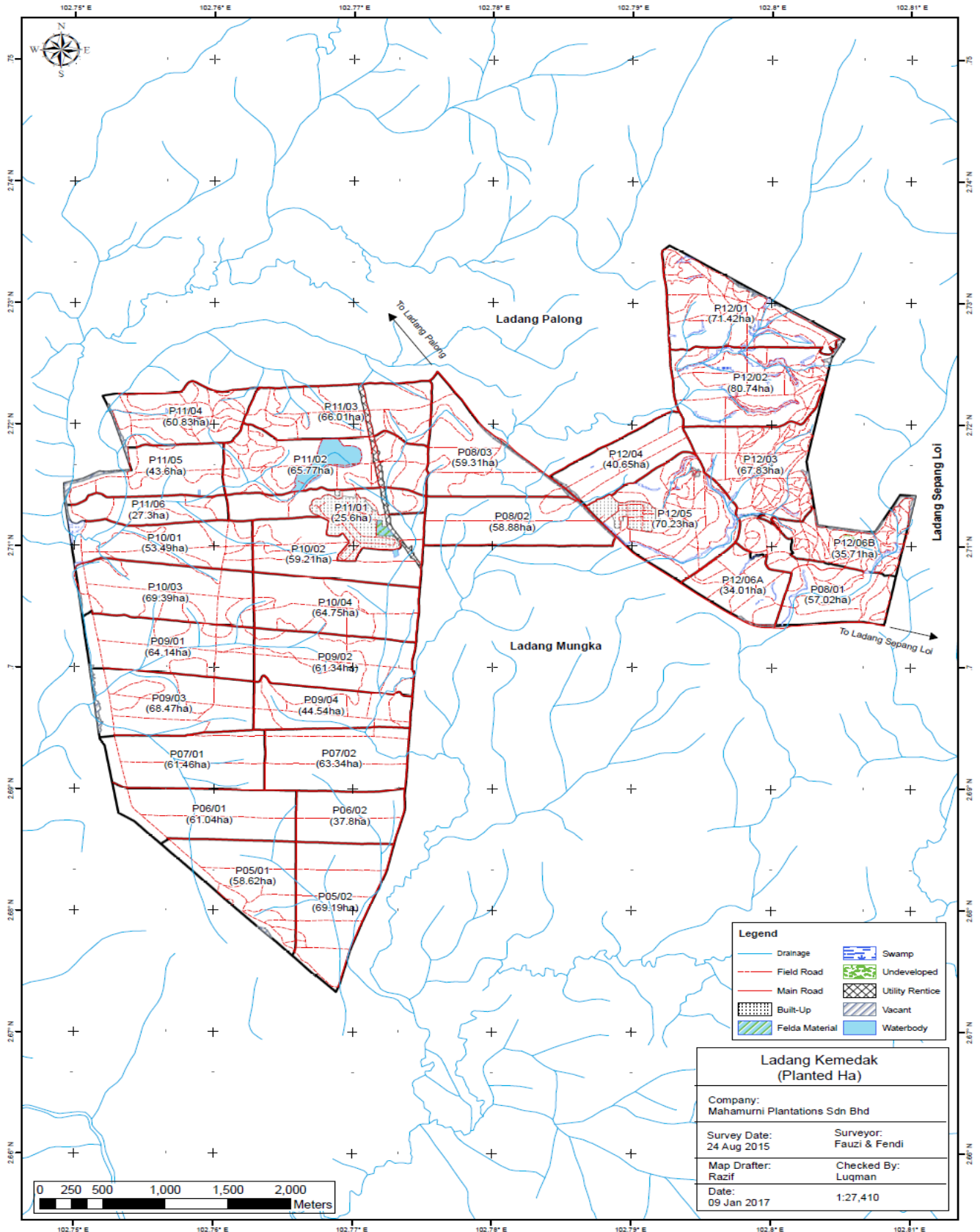
Appendix E: Location Map of Certification Unit and Supply bases



Appendix F: Estate Field Map (Sepang Loi and Kemedak Estate)



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Appendix G: List of Smallholder Sampled

(If applicable – independent smallholder / scheme smallholder / outgrowers for group certification)

Appendix H: 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
EOD	Estate Operation Department
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
HCMD	Human Capital Management Department
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
KMB	Kulim Malaysia Berhad
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
SQD	Sustainability and Quality Department