

**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): Johor Corporation
Client company Address: Level 16, Menara Komtar, Johor Bahru City Centre 80000 Johor Bahru, Johor, Malaysia
Certification Unit: Sedenak Palm Oil Mill and supply base
Location of Certification Unit: Lot 136, Mukim Sedenak, 81000 Kulai, Johor, Malaysia
Date of Final Report: 22 nd March 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 – Sedenak Palm Oil Mill		
Location / Address	Lot 136, Mukim Sedenak, 81000 Kulai, 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 537873	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"/> Malaysia 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 type="checkbox"/> Identity Preserved <input checked="" type="checkbox"/> Mass Balance		

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3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE119-60202022	ISCC EU	ASG CERT	12/03/2021
A116162	MS 1500:2009	JAKIM	30/05/2021
MSPO 697947	MS 2530-4 Malaysian Sustainable Palm Oil (MSPO) Part 4	BSI Services Malaysia Sdn Bhd	29/3/2021
MSPO 697948	MS 2530-3 Malaysian Sustainable Palm Oil (MSPO) Part 3		
BVC-MSPO/SC-0027	MSPO Supply Chain Certification Standard (MSPO SCCS)	Bureau Veritas Certification (M) Sdn Bhd	10/03/2025
QMS 00705	ISO 9001:2015	SIRIM QAS International Sdn Bhd	14/10/2021

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location	GPS Coordinates	
		Latitude	Longitude
Sedenak Palm Oil Mill	Lot 136, Mukim Sedenak, 81000 Kulai, Johor, Malaysia	1° 43' 47.41" N	103° 32' 21.97" E
Sedenak Estate	Kulai, Johor, Malaysia	1° 42' 48.79" N	103° 31' 36.24" E
Ulu Tiram Estate	Ulu Tiram, Johor, Malaysia	1° 37' 28.02" N	103° 47' 26.40" E
Kuala Kabong Estate	Kulai, Johor, Malaysia	1° 41' 20.10" N	103° 26' 0.87" E
Basir Ismail Estate	Kota Tinggi, Johor, Malaysia	1° 37' 47.84" N	103° 54' 52.07" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Sedenak Estate	2,617.99	26.39	164.14	2,808	93.21
Ulu Tiram Estate	478.08	23.11	196.86	698.05	68.49
Kuala Kabong Estate	1,622.70	12.01	83.61	1,718.32	94.44
Basir Ismail Estate	2,906.77	50.69	239.17	3,196.63	90.93
Total	7,625.02	112.2	683.78	8,421.00	

**Sedenak Estate - Planted area reduce due replanting of P20 and resurvey of the area.*

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6. Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Sedenak Estate	303.27	309.81	1,601.73	402.66	0	2,314.72	303.27
Ulu Tiram Estate	3.30	211.91	0	24.15	238.72	474.78	3.3
Kuala Kabong Estate	0	0	1,298.54	324.16	0	1,622.70	0
Basir Ismail Estate	208.05	1,422.42	782.71	493.59	0	2,698.72	208.05
Total (ha)	514.62	1,944.14	3,682.98	1,244.56	238.72	7,110.40	514.62

Note:

7. Certified Tonnage of FFB (Own Certified Scope)				
Estate	Tonnage / year			
	Estimated (Jan – Dec 2020)	Actual (Sept 2019 – Sept 2020)		Forecast (Jan – Dec 2021)
		Previous license period (Sept – Dec 2019)	Current license period (Jan – Sept 2020)	
Sedenak Estate	52,808.00	1,5392.98	40,175.87	51,886
Ulu Tiram Estate	10,886.00	3,496.62	7,398.08	10,227
Kuala Kabong Estate	34,674.00	9,706.43	19,082.37	27,360
Basir Ismail Estate	67,933.00	19,936.27	47,921.27	63,183
Total	166,301.00		163,109.89	152,656

Note:

8. Certified Tonnage of FFB (from other certified unit(s))				
Estate	Tonnage / year			
	Estimated (Jan – Dec 2020)	Actual (Sept 2019 – Sept 2020)		Forecast (Jan – Dec 2021)
		Previous license period (Sept – Dec 2019)	Current license period (Jan – Sept 2020)	
	N/A			N/A
Rengam		-	1,280.67	
Siang		2833.45	2962.42	
Sungai Papan		-	1,267.80	
Total			8,344.34	

Note:

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9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)				
Independent FFB Supplier	Tonnage / year			
	Estimated (Jan – Dec 2020)	Actual (Sept 2019 – Sept 2020)		Forecast (Jan – Dec 2021)
		Previous license period (Sept – Dec 2019)	Current license period (Jan – Sept 2020)	
3 rd party FFB supplier	N/A	69,758.61	196,692.55	N/A
Total	N/A	266,451.16		N/A
Note:				

10. Certified Tonnage				
	Estimated (Jan – Dec 2020)	Actual (Sept 2019 – Sept 2020)		Forecast (Jan – Dec 2021)
	FFB	FFB		FFB
Mill Capacity: 90 MT/hr	166,301	Previous license period (Sept – Dec 2019)	Current license period (Jan – Sept 2020)	152,656
		51,365.75	120,088.48	
SCC Model: MB	CPO (OER:22.48%)	CPO (OER: 20.54%)		CPO (OER:22.05%)
	37,384.46	10,988.58	24,236.56	33,674.72
	PK (KER: 5.85%)	PK (KER: 5.28%)		PK (KER: 5.40%)
	9,728.61	2,838.16	8,249.18	10,567.00
TOTAL	N/A			N/A
Note:				

11. Actual Sold Volume (CPO)					
Current License period					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
CPO (MT)	1,479.67	289.21	0	22,152.90	23,921.78
Previous License period					
CPO (MT)	564.82	4,033.53	0	5,902.56	10,500.91

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12. Actual Sold Volume (PK)					
Current License period					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	Others		
PK (MT)	1,128.34	0	0	4,011.85	5,140.19
Previous License period					
PK (MT)	0	0	0	2,732.06	2,732.06

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.
Tel +60 (3) 9212 9638 Fax +60 (3) 9212 9639
Representative: Nicholas Cheong (Nicholas.Cheong@bsigroup.com)
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2.1 Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted on 11-15/10/2020 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 Critical NC close out on-site assessment was conducted on 10/1/2021. The audit programs are included in Section 2.3.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & 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

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of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.5.

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

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

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

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

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Recertification 2)	Year 2 (ASA 2_1)	Year 3 (ASA2_2)	Year 4 (ASA2_3)	Year 5 (ASA2_4)
Sedenak Palm Oil Mill	✓	✓	✓	✓	✓
Sedenak Estate	✓	✓	✓	✓	✓
Ulu Tiram Estate	✓	✓	✓	✓	✓
Kuala Kabong Estate	✓	✓	✓	✓	✓
Basir Ismail Estate	✓	✓	✓	✓	✓

Tentative Date of Next Visit: October 3, 2021 - October 7, 2021

Total No. of Mandays: 15 man days

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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>
<p>Mohamed Hidhir Zainal Abidin</p>	<p>Team Leader</p>	<p>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 practices, safety and health, environmental and workers and stakeholders consultation.</p>
<p>Amir Bahari</p>	<p>Team Member</p>	<p>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.</p>
<p>Rahayu Zulkifli</p>	<p>Team Member</p>	<p>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.</p>

Accompanying Persons: N/A

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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	AB	RZ
Saturday 10/10/2020	PM	Audit travel to Johor Bahru. Check in Mutiara Hotel, Johor Bahru	√	√	√
Sunday 11/10/2020 Sedenak POM	0730	Audit Team travelling Sedenak POM			
	8.30 – 12.00	Sedenak POM 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.	√	√	√
	0830 - 1230	RSPO Supply chain requirements for mill - Mass Balance 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	Sedenak Palm Oil Mill: 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)	√	√	√
Monday 12/10/2020 Kuala Kabong Estate	0730	Audit Team travelling to Kuala Kabong Estate	√	√	√
	08.30 – 13.00	Kuala Kabong 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.)	-	-	√

PRELIMINARY AGENDA					
Date	Time	Subjects	MH	AB	RZ
	13.00 - 14.00	Lunch	√	√	√
	14.00 – 16.30	Kuala Kabong 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)	√	√	√
Tuesday 13/10/2020	0730	Audit Team travelling Ulu Tiram Estate			
Ulu Tiram Estate	08.30 – 12.00	Ulu Tiram Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, etc.	√	√	√
	10.00 – 12.30	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	-	√
	13.00 - 14.00	Lunch	√	√	√
	14.00 – 16.30	Ulu Tiram Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc)	√	√	√
	16.30-17.00	Interim Closing Briefing (end of day 3)	√	√	√
Wednesday 14/10/2020	0730	Audit Team travelling Sedenak Estate			
Sedenak Estate	08.30 – 12.00	Sedenak 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	√	√	√

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PRELIMINARY AGENDA					
Date	Time	Subjects	MH	AB	RZ
	14.00 – 16.30	Sedenak 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 4)	√	√	√
Thursday 15/10/2020	0730	Audit team travel to Basir Ismail Estate	√	√	√
Basir Ismail Estate	0830 - 1230	Basir Ismail 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	Basir Ismail 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 16/10/2020	AM	Audit team travel back to Kuala Lumpur	√	√

PRELIMINARY AGENDA		
Time	Subjects	Mohd Hidhir
Saturday 9/1/2021	Audit Team travelling to Johor Bahru. Check in at Holiday Villa, Johor Bahru	√
Sunday 10/1/2021		
0730 AM	Travelling to Sedenak POM	√
08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Briefing on site verification plan 	
09.00 – 10.00	Sedenak POM - Verification on previous Major NC. Site observation ,workers interview (individual and group session) if necessary Document review – implemented evidence	√
13.00 – 14.00	Lunch break and travel back to KL	√

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
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

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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 1 st 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.	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 RSPO P&C criterion 6.3.	No labour dispute within all certification units.	Yes
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	No legal non-compliance within all 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

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Have there been any stakeholder (including NGO) consultation conducted?	None noted. No stakeholder comments or complaints received	Yes
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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 1 Critical; 4 Minor nonconformities and 0 Opportunity For Improvement raised. The Sedenak 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 it effectiveness and closed accordingly. The below is the summary of the non-conformity raised during this assessment.

Non-conformity			
NCR Ref #	1971716-202010-M1	Clause & Category (Critical / Minor)	6.2.3 (critical)
Date Issued	15/10/2020	Due Date	14/1/2021
Closed (Yes / No)	Yes	Date of nonconformity Closure	10/1/2021
Statement of Nonconformity:	Evidence of legal compliance for overtime was not effectively demonstrated.		
Requirement Reference:	i) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements ii) Employment Act 1955, section 60 (4) (a); No employer shall require or permit an employee to work overtime exceeding such limit as may be prescribed by the Minister from time to time by regulations made under this Act. iii) Employment (Limitation of Overtime Work) Regulations 1980; Overtime limit shall be a total of 104 hours per month.		

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Objective Evidence:	Based on check roll for August 2020 for workers ID; i) 615611 - 22/8/20 (14.5 hours of overtime), 20/8/20 (7.5 hours of overtime) with total of 106 hours per month. ii) 615544 - 22/8/20 (14.5 hours of overtime), 12/8/20 (10.5 hours of overtime) with total of 95.5 hours per month. iii) 615632 - 31/8/20 (7 hours of overtime), 20/8/20 (5.5 hours of overtime) with total of 112 hours per month.
Corrections:	1. Mill to continue applying permission from Jabatan Tenaga Kerja (JTK) to offer overtime more than 104 hours. 2. Mill & HCMD to have a discussion with JTK in relation to the application for OT at 140 hours/months on 2nd November 2020.
Root Cause Analysis:	Inadequate monitoring over overtime works by mill management.
Corrective Actions:	Mill to conduct proper preventive planning that includes: a. Conduct Mill manpower planning by reviewing back the required OT, potential leave, absent and sick leave on weekly basis to ensure adequate manpower for mill processing for coming operational week. b. Increase manpower requirement per shift base on weekly analysis to ensure the shift having enough manpower without requesting workers to do OT and OT limit not to be offended.
Assessment Conclusion:	Major NC close out verification: Workers Overtime Hour Monitoring Form has been implemented starting in November and December 2020. Overtime limit capped at 104 hours maximum. Based on Attendance Summary Mill report for November and December, maximum OT recorded at 101.5 hours per month and not exceeding 104 hours. Based on interview with union representative and workers, it was confirmed that non of them has worked more than 104 hours per month. They are fully aware on the limitation which according to Malaysian Law @ Employment Act 1955. Application for overtime permit submitted on 7th October 2020 to Labor Department and still pending for approval. Related documents required have been resubmitted on 2nd November 2020 and awaiting for final approval from Labor Department, Putrajaya. Based on verification audit, it was confirmed that corrective action has been effectively implemented. Thus, the major NC is closed on 10/1/21 with sufficient evidence of implementation. Continuous implementation will be further verified in the next surveillance assessment.

Non-conformity			
NCR Ref #	1971716-202010-N1	Clause & Category (Critical / Minor)	2.2.2 (minor)
Date Issued	15/10/2020	Due Date	Next annual surveillance assessment

Closed (Yes / No)	No	Date of nonconformity Closure	"open"
Statement of Nonconformity:	Specific clauses on meeting applicable legal requirements cannot be demonstrated.		
Requirement Reference:	<p>All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.</p> <p>Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.</p>		
Objective Evidence:	<p>Tenancy agreement dated 10th September 2010 between Mahamurni Plantations Sdn Bhd (landlord) and Kulim Nursery Sdn Bhd (tenant) under "Tenant's covenants and undertakings" clause 3.1 (b) has not clearly included specific legal requirements on UBBL, OSHA 1994, FMA 1967 and EQA 1974 - Scheduled Waste Regulations 2005. Observed at site, the above laws and regulations was not effectively demonstrated.</p>		
Corrections:	<ol style="list-style-type: none"> Property Department and Procurement and Contract Department (PCD) will insert relevant addendum on related new clauses in Kulim Nursery Sdn Bhd Tenancy Agreement as per addendum produced by PCD to all contractors. The meeting with Kulim Nursery Sdn Bhd (KNSB) was conducted on 18.10.2020. to address all requirements and compliances that need to be complied by Kulim Nursery KNSB agreed with all corrective action plan highlighted during the meeting and ensure that they will abide by the improvement plan discussed. 		
Root Cause Analysis:	<p>Kulim Nursery Sdn. Bhd. is managed by Project Management & Intreprenuer Venture Department. On the other hand, the Tenancy Agreement and other contracts is handled respectively by Property Department and Purchasing Department.</p> <p>The situation leads to improper monitoring of all contracts signed by Kulim Nursery as it is managed separately by few relevant departments not centered at IV Div</p>		
Corrective Actions:	<ol style="list-style-type: none"> OU to initiate regular monitoring of 3rd party activities in their compound and to report at each Environmental Committee meeting and during OSH Committee meeting. IV department to monitor IV compliances to all company policies and procedure inclusive of related compliance to all laws and regulation abide by OUs and respective site of activities. 		
Assessment Conclusion:	The corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the assessment		

Non-conformity			
NCR Ref #	1971716-202010-N2	Clause & Category (Critical / Minor)	7.3.2 (minor)

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Date Issued	15/10/2020	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"open"
Statement of Nonconformity:	Disposal of waste material was not according to Scheduled Waste management Guidelines by SPO Team dated January 2016.		
Requirement Reference:	Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.		
Objective Evidence:	Kulim Nursery Sdn Bhd a) Sighted traces of oil spillage in nursery during site visit. From interview with workers not aware during interview regarding to Scheduled waste. b) Used gloves (Contaminated with oil) was not properly disposed/stored at site.		
Corrections:	1. Oil spillage and used gloves have been cleared and stored at Sedenak Estate SW store and will be disposed accordingly per SW requirement. 2. Schedule Waste Training being conducted for all Kulim Nursery workforce at Sedenak site (Attendance as attached) 3. Respective signage on SW treatment installed at site.		
Root Cause Analysis:	Inadequate inspection and management control by the estate management on activities at Kulim Nursery sites. Insufficient awareness and training on Scheduled Waste Management		
Corrective Actions:	1. OU to initiate regular monitoring of 3rd party activities in their compound and to report at each Environmental Committee meeting and during OSH Committee meeting. 2. IV department to monitor IV compliances to all company policies and procedure inclusive of related compliance to all laws and regulation abide by OUs and respective site of activities. 3. Compulsory muster/roll-call of Kulim Nursery workers at Sedenak Estate effectively from 15.10.2020 in order to have better understanding and communication of any training and sharing information given by the management.		
Assessment Conclusion:	The corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the assessment		

Non-conformity			
NCR Ref #	1971716-202010-N3	Clause & Category (Critical / Minor)	7.3.3 (minor)
Date Issued	15/10/2020	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"open"

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Statement of Nonconformity:	Open fire was used for waste disposal.
Requirement Reference:	The unit of certification does not use open fire for waste disposal.
Objective Evidence:	Sighted trace of burning waste such as plastic at oil palm nursery (Kulim Nursery Sdn Bhd) which operated within Sedenak estate.
Corrections:	<ol style="list-style-type: none"> Trace of burning have been cleared immediately. Briefing on Zero Burning Policy to all Nursery Workers and supervision will be done by LSD management. Respective signage on ZERO BURNING policy and treatment installed at site.
Root Cause Analysis:	<p>Inadequate inspection and management control by the estate management on activities at Kulim Nursery sites.</p> <p>Insufficient awareness and training on Zero Burning Policy conducted for KNSB workers.</p>
Corrective Actions:	<ol style="list-style-type: none"> OU to initiate regular monitoring of 3rd party activities in their compound and to report at each Environmental Committee meeting and during OSH Committee meeting. IV department to monitor IV compliances to all company policies and procedure inclusive of related compliance to all laws and regulation abide by OUs and respective site of activities. Compulsory muster/roll-call of Kulim Nursery workers at Sedenak Estate effectively from 15.10.2020 in order to have better understanding and communication of any training and sharing information given by the management.
Assessment Conclusion:	The corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the assessment

Non-conformity			
NCR Ref #	1971716-202010-N4	Clause & Category (Critical / Minor)	3.3.2 (minor)
Date Issued	15/10/2020	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"open"
Statement of Nonconformity:	The procedure for checking is not comprehensive.		
Requirement Reference:	A mechanism to check consistent implementation of procedures is in place.		
Objective Evidence:	<ol style="list-style-type: none"> Ladang Basir Ismail sprayers did not change their street clothings to work clothings as street clothing boxes provided at the changing room were empty. Plastic bags, polystyrene food containers and plastic bottles were found in all estates field visited. 		
Corrections:	Awareness training on Prosedur Kerja Selamat Meracun conducted for sprayers on 19/10/2020. (Attendance/ Photo attached)		

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Root Cause Analysis:	SOP "Prosedur Kerja Selamat" does not stated details on requirement to change working attire to clean attire after completed daily work. Inadequate enforcement by the respective estate on the requirement. Inadequate awareness on waste management
Corrective Actions:	KSTS to revise SOP "Prosedur Kerja Selamat" on practices after spraying activities. Socialization of the revised SOP to all workers to be done by respective estate. Inspection on Sprayers will be carried our prior to their mobilization to field. 1. Continues briefing and awareness during muster/roll-call. 2. Mandore to do inspection during the work activities in the field, to ensure all waste being collected and disposed at designated area.
Assessment Conclusion:	The corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the 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 #	1830966-201906-M1	Clause & Category (Critical / Minor)	2.1.1 (major)
Closed (Yes / No)	Yes	Date of nonconformity Closure	24/12/2019
Statement of Nonconformity:	Labour law permit for salary deduction (Surau) is not available in Sedenak POM. Employment Act 1955: The salary deduction made was not correct in Ulu Tiram Estate & Kuala Kabong Estate.		
Requirement Reference:	Evidence of compliance with relevant legal requirements shall be available.		
Objective Evidence:	1. In Sedenak POM: Sighted pay slips sampled shown deduction categorized as Advance amounting for Rodi Hartono (RM202 –Aug; RM202 – Jun 19; RM202 – Apr 19), Muhammad Shafik bin Salman (RM302 – Aug 19; RM202 – Jun 19; RM252 – Apr 19) and Edi Jaya Saputra (RM202 –Aug; RM202 – Jun 19; RM202 – Apr 19). Records of Workers Monthly Surau Contribution and interview with		

	<p>workers and payroll staff confirmed that the actual advance paid was only RM200 whilst RM2 was for Surau contribution where the JTK permit for Surau was not obtained.</p> <p>2. In Kuala Kabong Estate, it was found that, a worker, Sri Utami was deducted RM2 for Sukan contrary to the agreement between Estate and Sri Utami sighted for only RM1 in June 2019 pay slip. In Ulu Tiram Estate, the payment for Public Holiday pay on August 2019 for Sudar & Sumarno were short of RM1.62 for both workers (pekerja Perusahaan Mewah Hijau).</p>
Corrective Actions:	<p>1. HCMD to survey all deduction permit required by all OUs for possible applying Blanket approval for the Company.</p> <p>2. Monitoring will always be done in compliance with the 1955 Act, which is in accordance with the deduction and amount which authorized by the Labour Office. The estate will also enforce checklist issue by CFD Closing deadline of account and check roll as a tools for preventive measures to avoid recurrences issue and avoid incorrect payment in check roll in future.</p> <p>3. Estate is to provide the calculation guide for the Contractor with regards to check roll calculation as matter of guide to prevent further mistakes by contractors. A briefing is to be conducted by estates to their contractors with understanding on the minimum wages for their employees' as per minimum wages order 2018 – scheduled to be conducted during the 2nd week of November 2019.</p>
Assessment Conclusion:	<p>Permit for salary deduction permit was obtained at all visited operating units. Related permit verified; Labour Department Permit for salary deductions are available for Mosque (serial no. PP3/29/002/2008 dated 14/2/08), water and electricity (serial no. PP3/29/001/2008 dated 14/2/08), <i>Khairat Keluarga Perbadanan Johor</i>, medical and sport and recreational club [TK (NJ) U21 dated 31/3/19). No recurrence of issue noted for deduction issue checkroll and contractor's workers. Thus, the previous major NC is remained closed.</p>

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)
1692792-201809-M1	Major	SCCS E4.2	11/10/2018	Closed out on 10/01/2019
1692792-201809-M2	Major	4.6.6	11/10/2018	Closed out on 10/01/2019
1692792-201809-N1	Minor	2.1.3	11/10/2018	Closed out on 03/10/2019
1830966-201906-M1	Major	2.1.1	03/10/2019	Closed out on 24/12/2019
1971716-202010-M1	Major	6.2.3	15/10/2020	Closed out on 10/01/2021
1971716-202010-N1	Minor	2.2.2	15/10/2020	"Open"

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1971716-202010-N2	Minor	7.3.2	15/10/2020	"Open"
1971716-202010-N3	Minor	7.3.3	15/10/2020	"Open"
1971716-202010-N4	Minor	3.3.2	15/10/2020	"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 Sedenak 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.

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 Field workers Mill Operators Union representative (NUPW) Gender Committee (WOW) Workers representative (by nationalities) Medical Assistant</p>	<p>Union/Contractors Hong Hui Trading Drive System Engineering Edaran Badang GP Subramaniam Mesra Group Chemical Integrated Manufacturing Sdn Bhd</p>
<p>Government Departments SJKT Ladang Sedenak SK Sedenak</p>	<p>NGO and others Pertubuhan Peladang Kulai Che Yu Trading Kg Sri Muar Klinik Adham</p>

Stakeholders comment	
	<p>Feedbacks: Foreign & Local Workers</p>

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<p>1</p>	<p>No discrimination practice in workplace. They were treated fairly. During the COVID-19 lockdown, they are still working, and some are not working still get paid to the minimum wage. No other complaints.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No further issue.</p>
<p>2</p>	<p>Feedbacks: <u>SJKT Ladang Sedenak, SK Sedenak</u></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 on the information.</p> <p>Audit Team Findings: No further issue.</p>
<p>3</p>	<p>Feedbacks: <u>Gender Committee (WOW)</u></p> <p>No sexual harassment case reported. New mother’s need assessment was conducted concurrently during the gender committee meeting. Meeting and activities were actively conducted and participated by the members</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No further issue.</p>
<p>4</p>	<p>Feedbacks: <u>Contractors, vendors & suppliers</u></p> <p>There is no late payment issue from Estate to contractors. Agreement is valid and signed by both parties. Contractor workers’ pay slip were kept in office for verification.</p> <p>Management Responses: Noted on the information.</p> <p>Audit Team Findings: No further issue.</p>
<p>5</p>	<p>Feedbacks: <u>Ketua Kampong Sri Muar</u></p> <p>Good relationship with the estate management maintain over the years. No land issue (dispute/encroachment) noted. The boundaries are clearly demarcated. There are no overlapping land claims between the estates and the villagers.</p>

	<p>Management Response: Will continue to cooperate with the neighbouring village.</p> <p>Audit Team Findings: No further issue.</p>
6	<p>Feedbacks: <u>3rd party FFB supplier</u> Sedenak POM receiving 3rd party crop mostly from indirect FFB supplier (collection centre). Sedenak POM has requested all necessary details on legality for registration. Terms and pricing are clearly stipulated in the contract. Payment is promptly made by the mill based on payment schedule.</p> <p>Management Response: Noted on the information.</p> <p>Audit Team Findings: No further issue.</p>

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
N/A					



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

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 Sedenak 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 Sedenak 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: <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: 13th February 2021	Date: 16 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>Transparency procedure is documented under Sustainable Management System (SMS), Doc. No. SQD/SMS/1.0, issue:1 rev.:0 dated 1st August 2020. The procedure is to meet the requirements of this criterion and when requested are readily available. The Corporate Department will ensure that the following documents do not impinge on confidentiality and will not cause detrimental sustainability or social outcomes. Among the documents made available for viewing are:</p> <ul style="list-style-type: none"> a) Land title (held as hard copy by the property department) b) Health and safety plan c) Plans and impact assessment- environmental & social d) HCV documentation e) Pollution prevention plans f) Details of complaints and grievances g) Continuous improvement plan h) Public summary of certification assessment report i) Human rights policy j) Summary report of contribution to community development k) Procedure for negotiation and compensation l) HCS documentation m) Report on the progress of smallholder support programme <p>In addition to the website, company policies were also displayed at various locations of the operating units, for example, at mill</p>	Complied

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		<p>offices, estates main notice boards and muster ground notice boards for employees and visitors to view.</p> <p>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>	
1.1.2	<p>Information is provided in appropriate languages and accessible to relevant stakeholders.</p> <p>- Minor compliance -</p>	<p>Information provided is accessible to all relevant stakeholders.</p> <p>The language used in providing information to stakeholders are English and Bahasa Malaysia, which are the two languages that stakeholders are conversant in.</p>	Complied
1.1.3	<p>(C) Records of requests for information and responses are maintained.</p> <p>- Critical (Major) compliance -</p>	<p>All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed. In both the mill and estates, there is an enquiry register record. Few records of requests being the recent transactions sighted available in all operating units such as Enquiry Register Record; for Sedenak Palm Oil Mill and supply bases.</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 (M) Berhad has established a procedure under Sustainable Management System (SMS), Consultation and Communication Procedure, Doc. No. SQD/SMS/1.0, issue:1 rev.:0 dated 1st August 2020</p> <p>The aim of this plan is to ensure an open and transparent communication methods with local communities and other stakeholders. Any request for information that publicly available shall be recorded in the Enquiry Register and acted upon within 7 working days. Any grievance shall be recorded in the enquiry register and responded as per SQD/SMS/4.1 – Grievance. Finding shall be communicated to the party concerned and records are kept.</p>	Complied

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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>Communications, copied form complaints/grievances form were recorded in Enquiry Register book with latest enquiry registered:</p> <p>Field citation report – date of visit 9/8/20 and to reply before 27/8/20. Mill has responded on 25/8/20 with action plan and latest progress of rectification.</p> <p>DOSH log book – incident investigation for 1 (one) fatal accident; 4 Notice of Prohibition (NOP) were issued on 29/5/20 by DOSH. Follow up visit done on 9/6/20 and all NOP issued were canceled and closed.</p> <p>Enquiry register book – concern of falling oil palm trees belong to Pelangi Indah Estate on the road sides along Ulu Tiram Estate and Felda Ulu Tebrau road. Concern reported on 30/9/20.</p> <p>Ulu Tiram Estate has agreed to assist, and task completed on 9/10/20.</p>	Complied
Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and transactions.			
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 busines policies, where failure to comply may result in termination of the contract. 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</p>	Complied

		codes relating to anti-bribery, 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: a. 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; b. Integrity ethics declaration signed by all levels of employees (management, workers). c. 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 -	Sedenak Certification Unit is committed to compliance with all applicable local, national and ratified international laws and regulations. Among permit and license sampled were: i) DOE License @ Compliance Schedule no. 004532, validity 1/7/2020 to 30/6/2021 for processing capacity of 90 mt/hr. BOD ₅ limit is 25000 mg/l and method of discharge is land application. ii) MPOB License #500058304000, selling and transporting of FFB with processing capacity of 450,000 mt/year validity 1/1/2020 to 31/12/2020 iii) Diesel permit serial no. J001972 [ref.: KPDNKK.J-JB/26/5A/11/1057(P/D)(P13)], licensee: Kulim Sedenak POM, diesel=19,100 liter/month, validity 16/1/20 to 15/1/21	Complied

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		<p>iv) Energy commission license for private installation, license no: LP12/1/9/1822;(validity period 1/6/2016 – 1/6/2026) for 6.5 MW installation capacity.</p> <p>v) 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 (JH PMD 219, valid until 7/3/21) - Sterilizer (JH PMT 4023, valid until 7/3/21) - Water Tube Boiler (JH PMD 80894, valid until 30/9/2021) <p>vi) Permit to water abstraction, License no: 08/A/KJ/051, file no: BAKAJ/334/300/05/02/08/1 with approval for industrial total 2000 meter cube/day valid until 31/12/2020. Permit water abstraction, License no 07/A/KJ/118, File no: BAKAJ/334/300/05/02/07/09 with approval for Domestic use total 700 meter cube/day.</p> <ul style="list-style-type: none"> a) JTK permit for electricity deduction permit refer permit (9)dlm.PTKJB/10101/29571(PMT) dated 16 March 2012. b) JTK permit for overtime limit (160 hours) (Reference No: PP5/29/003/20111) expired on 28.02.2013 and continue with JTK permit (Reference No: (11) dlm. PTKJB/10101/29571 (PMT) dated 26/02/2013. <p><u>Kuala Kabong estate</u></p> <ul style="list-style-type: none"> a) MPOB license referred to 503896302000 valid from 1/4/2020 until 31/3/2021 for 1718.32 ha. b) License for Diesel (8,000L) and Petrol(400 L), J002303 valid from 10/5/2020 until 9/5/2021. c) The license from JTK for kelab Sukan and Rekreasi ref: TK(NJ) U-21 dated 31 march 2019 d) The License from JTK for medical fee deduction ref TK(NJ) U-21 dated 2/5/2019 e) The weighbridge calibration was done by Metrology as per ref: B1551904 dated 17/12/2019 <p><u>Ulu Tiram Estate</u></p>	
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		<ul style="list-style-type: none"> a) MPOB license referred to 501257302000 valid from 1/4/2020 until 31/3/2021 for 698.05 ha. b) License for Diesel (14,000L), J001371 valid from 10/10/2019 until 9/10/2020. Already renew on 17/9/2020 form BLESS 2.0 c) License for JH PMT 22863 valid until 21/12/2020 <p><u>Sedenak Estate</u></p> <ul style="list-style-type: none"> a) License for Air compressor in Sedenak estate JH PMT 22735 valid until 21/12/2020 b) MPOB license referred to 501224702000 valid from 1/4/2020 until 31/3/2021 for 2808 ha. c) License for diesel (22,730L) and Petrol (5,460L), J001971 valid from 31/3/2020 until 30/3/2021 <ul style="list-style-type: none"> a) License for Toll collection as per Enactment Toll Collection 1974 referred SUKJ.BICP.Bil.74/1/5J10.2(139) valid from 1/1/2020 until 31/12/2020. 	
<p>2.1.2</p>	<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>Sedenak 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</p>	<p>Complied</p>

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		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. The tracking law person in-charge is Miss Handayani Bagong (RMC/COM/GM/18/10) dated 27/6/2018 who will maintain the changes in laws and updated the Legal and other requirement in Sedenak Complex. For Basir Ismail Estate (Siang Complex), the tracking law person in-charge is Miss Nurfaizliwati Suzana Zainal ((06)RMC/COM/GM/19/05) dated 2/5/2019.	
2.1.3	Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries. - Minor compliance -	Whenever the land boundaries are adjacent with third party (smallholders, villages, other oil palm companies, etc.) the normal practice of Kuala Kabong estate to indicate the legal boundaries are through construction of trenches. This was confirmed through the field visit Kuala Kabong estate. Apart from that, erection of concrete slab with GPS coordinate along the boundaries was also commonly practiced and clearly visible alighted n field P99 Block 1 (LKK63) boundaries with RISDA.	Complied
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 May 2019 in Sedenak Mill. In Basir Ismail estate, the list of contractor was available under List of stakeholder with total 10 contractor. This contractor included for activities such as Fogging, grass cutting, 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.	All contracts (short and long term), contain specific clauses on meeting applicable legal requirements were spelled out in the contract. Short term contract of work sampled; - Memorandum of Agreement (MoA) with Pertubuhan Peladang Kawasan Kulai, dated 31/12/2020	Non-compliance

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	<p>Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available.</p> <p>- Minor compliance -</p>	<ul style="list-style-type: none"> - Memorandum of Agreement (MoA) with Koperasi Penanam Sawit Mampan Daerah Kulajaya Berhad, dated 31/12/2020 - Memorandum of Agreement (MoA) with Che Yu Trading Sdn Bhd, dated 31/12/2020 <p>In Sampling in Basir Ismail as per below for labour contractor (harvesting) and transporter:-</p> <ul style="list-style-type: none"> - Contract no. KMB/LBI4/2017 dated 7/1/2018 between Basir Ismail estate and Integrated Man Sdn Bhd for Loading and Transportation FFB. - Contract no KMB/LBI1/2016 dated 5/4/2016 between BAsir Ismail estate and Sri Thilakkumar Enterprise for Harvesting <p>All contract was valid until Dec 2021 as per addendum in the contract.</p> <p>Tenancy agreement dated 10th September 2010 between Mahamurni Plantations Sdn Bhd (landlord) and Kulim Nursery Sdn Bhd (tenant) under "Tenant's covenants and undertakings" clause 3.1 (b) has not clearly included specific legal requirements on UBBL, OSHA 1994, FMA 1967 and EQA 1974 - Scheduled Waste Regulations 2005. Observed at site, the above laws and regulations was not effectively demonstrated. Thus, a minor NC was issued.</p>	
<p>2.2.3</p>	<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>"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."</p>	<p>Complied</p>
<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 UPB's own estates. Information of each estates detailed out under table 4 & 5 of the report.</p> <p>Che Yu Training – Payment voucher claim: PV2002288</p> <p>Koperasi Penanam Sawit Mampan – Payment Voucher claim: PV2002272</p> <p>Pertubuhan Peladang Negeri Johor – Payment Voucher claim: PV2002264</p> <p>The MPOB license for all FFB supplier still valid and available for reviewed in Mill.</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>There are list of indirectly sourced FFB with total 22 source. Sampling on PPK negeri Johor, <i>Koperasi Penanam Sawit Mampan @ SPOC and CheYu Trading.</i></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>Sedenak certification unit has established and implemented its commitment to long term sustainability and improvements through a capital expenditure programme. Annual business plan in the form of annual budget and the projection for 5 years (2020 – 2024) were prepared as guidance for future planning. In estate the business plan was include harvesting, vehicles, operation including medical expenses, upkeep and cultivation. Verified that the business plan contains FFB throughput, mill utilization rate, CPO, OER and KER, costs of production, and CAPEX.</p>	Complied
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>A long-range replanting programme projected for the minimum of 5 years was made available for review. Refer to replanting programme estate 1 and 2 (2016-2021) subject to annual review.</p>	Complied

		<p>Sampling on Basir Ismail estate replanting programme as per below:-</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Ha</th> <th>Field</th> </tr> </thead> <tbody> <tr> <td>2021</td> <td>322.31</td> <td>P37</td> </tr> <tr> <td>2022</td> <td>114.41 56.87</td> <td>P98A P98B</td> </tr> <tr> <td>2023</td> <td>Nil</td> <td>Nil</td> </tr> <tr> <td>2024</td> <td>114.99</td> <td>P00</td> </tr> <tr> <td>2025-2027</td> <td>Nil</td> <td>Nil</td> </tr> </tbody> </table>	Year	Ha	Field	2021	322.31	P37	2022	114.41 56.87	P98A P98B	2023	Nil	Nil	2024	114.99	P00	2025-2027	Nil	Nil	
Year	Ha	Field																			
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2025-2027	Nil	Nil																			
<p>3.1.3</p>	<p>The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake. - Minor compliance -</p>	<p>The management review was conducted after internal assessment, latest was on 11/9/2020 as per sample in Ulu tiram estate. The issue been discuss was include :-</p> <ol style="list-style-type: none"> 1. Results of internal audits 2. Customer (internal/external) feedback 3. Process performance and product conformity 4. Status of preventive and corrective actions 5. Follow-up actions from management reviews 6. Changes that could affect the management system 7. Recommendations for improvement 8. Complaints and grievances 9. Resource needed. 	<p>Complied</p>																		
<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>																					

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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>Sedenak Palm Oil Mill and estate had the following projects in plan and with few also in progress for the improvement. The continuous action plan was available in Sedenak Mill dated Jan 2020. The plan such as :-</p> <ul style="list-style-type: none"> a) To ensure the effluent discharge is within the permissible by DOE such as BOD <2500 ppm b) To increase awareness regarding Fire drill c) The management of Mill/Estates had plan to reduce BOD by quarterly inspection and monitoring for treatment plant and reported to DOE quarterly by Online Environmental report. d) The management of Sedenak estates had plan to prevent the soil erosion in terrace area P17. <p>As per verification on site such as in P17 in sedenak estate, the management planted the mucuna sp. to reduce soil erosion in that area. Implementation verified.</p>	Complied
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: 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. - Critical (Major) compliance -</p>	<p>Sedenak Certification Unit continued to implement the established procedure for mill and estate. For Sedenak POM, Standard Operating Procedure (SDPOM/QM), dated 1/2/2018 is referred to.</p> <ol style="list-style-type: none"> 1. Reception Station 2. Fruit Handling 3. Sterilisation 4. Threshing 5. Empty Bunch Press 6. Digestion and pressing 7. Clarification 8. Kernel Extraction 9. Effluent Treatment & Waste Management <p>Estates have a separate SOP that covered nursery operations, replanting, upkeep mature and immature oil palm, water management, roads, oil palm pest management, oil palm disease management and manuring immature and mature oil palms.</p>	Complied
3.3.2	<p>A mechanism to check consistent implementation of procedures is in place. - Minor Compliance -</p>	<p>Mechanism to check consistent implementation of procedures are in place. Internal audit by SQD department conducted on annual basis to check and report compliance against company policy and procedure with regards to operation, safety, health and welfare requirements. For other to ensure consistency of SOP implementation was verification from Regional Controller Report 01/09 2020 dated 28/9/2020.</p>	Complied
3.3.3	<p>Records of monitoring and any actions taken are maintained and available. - Minor Compliance -</p>	<p>Records of monitoring with regards to Best practice SOP and RSPO implementation are maintained and available for verification. Among monitoring records checked:</p> <ol style="list-style-type: none"> i) Inspectorate report visit 02/2020 dated 28/9/2020 ii) Internal audit report dated 7/9/2020 by SQD team. 	Complied

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		iii) RC visit report (Acting Regional Controller Report 01/09 2020) dated 27/9/2020	
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	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>Sedenak POM Certification Unit has conducted the aspects and impacts analysis and documented in the Environmental Risk Assessment (EPA-SEDPOM-2017). The analysis was reviewed on annually basis. Latest review was conducted on 18/6/20 together with Environmental Management Plan based on the Environmental Risk Assessment conducted for medium and high risk. The new environment aspect related to construction of housing and other related facilities included in the ERA.</p> <p>In estate, sampling in Ulu Tiram estate, aspect and impact of environmental was available for reviewed dated 25/8/2020. As per verification on aspect and impact on fertiliser application risk control to test water inlet and outlet for Nitrate and phosphate was been done accordingly, verified on report WI/2020/09/32 dated 29/9/2020 by Mahamurni Plantation Sdn Bhd. Result showed nitrate and phosphate content was under limit.</p> <p>In Sedenak estate, have increase 5.26 Ha area in planted area because ex-nursery been planted with oil palm on April 2020. This area was been using as nursery by Kulim Nursery Sdn Bhd from 2/11/2016 until 16/7/2018. This area not abandoned for more than 3 years complied as per verification with RSPO as per email with RSPO Certification Manager dated 24/7/2017 stated Oil Palm Nursery area on the Existing RSPO Certified Oil Palm Plantation . This oil pal nursery area (Only Oil Palm Nursery) can be planted with oil palm after all the seedlings are sent to filed planting and the nursery us empty also not abandoned for more than 3 year. This to be considered as replanting.</p>	Complied

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3.4.2	<p>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.</p> <p>- Minor Compliance -</p>	<p>Sedenak Certification Unit has established Social and Environmental Management Plan and was made available in the estates/mill for review. Internal stakeholders (estate and mill team) were consulted for during review process especially for those interact directly with the activities at estate's and mill's workstation. Result of participation will be considered as part of SEIA review process. If there is any environmental incidents or changes of process (new installation/modification, SEIA will be reviewed to evaluate the environmental impact.</p>	Complied
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>The management plan established based on operation with significant impact to the environment. The management plan was reviewed annually. The management plan stated the environmental issue, mitigation actions, monitoring plan and person responsible for monitoring implementation. The latest plan has been reviewed on 5/8/20.</p>	Complied
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>Kulim (M) Berhad has established SOP for recruitment of local and foreign workers. For foreign workers SOP, Recruitment of New Foreign Workers, issue:01, rev.: 01 dated 1st January 2019 whereas for local SOP, Recruitment of Local Workers for Operating Units, Doc. no. HCM/MP, rev:0, issue:1 dated October 2020.</p> <p>The SOP specifies that recruitment, selection and hiring process involves vetting and interviews, and must be medically fit. Promotions are at the sole discretion of the Company. Retirement age is fixed at 60 and termination of employment can be given mutually subject to the terms of the employment contract and Employment Act 1955.</p> <p>For foreign workers, or guest workers, the SOP for recruitment, hiring involves interview, selection based on age, qualification, and</p>	Complied

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		agricultural experience. Retirement and termination are as per Employment Act 1955 and employment contracts.											
3.5.2	Employment procedures are implemented, and records are maintained. - Minor Compliance -	Based on the personal files sighted for local and foreign workers, the employment procedures are being implemented and all records such as job application forms, medical records and employment contract. Sample of workers checked: Ulu Tiram Estate – local worker (date join 18/8/20), foreign worker (date join 20/3/20) Employment records verified; [FOMEMA, SOCSO, VISA]	Complied										
Criterion 3.6: An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.													
3.6.1	(C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented. - Critical (Major) compliance -	By and large each Operating Unit of the Sedenak CU mill and its estates had risk assessed and identified H&S issues via their HIRARC Register. For the mill it included all activities at each work station from receipt of FFB at ramp through processing of FFB to despatch of CPO and PK. At estates it covered work from nursery, replanting, field upkeep to harvesting to FFB despatch to mill. The register was kept up-to-date at the following sampled Operating Units. <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Operating Unit</th> <th style="text-align: left;">Date last reviewed</th> </tr> </thead> <tbody> <tr> <td>Sedenak Palm Oil Mill</td> <td>4.6.2020 (following accident that occurred on 28.5.2020)</td> </tr> <tr> <td>Sedenak Estate</td> <td>7.4.2020</td> </tr> <tr> <td>Ulu Tiram Estate</td> <td>27.9.2020</td> </tr> <tr> <td>Basir Ismail Estate</td> <td>14.6.2020 (following accident that occurred on 9.6.2020)</td> </tr> </tbody> </table>	Operating Unit	Date last reviewed	Sedenak Palm Oil Mill	4.6.2020 (following accident that occurred on 28.5.2020)	Sedenak Estate	7.4.2020	Ulu Tiram Estate	27.9.2020	Basir Ismail Estate	14.6.2020 (following accident that occurred on 9.6.2020)	Complied
Operating Unit	Date last reviewed												
Sedenak Palm Oil Mill	4.6.2020 (following accident that occurred on 28.5.2020)												
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Basir Ismail Estate	14.6.2020 (following accident that occurred on 9.6.2020)												

		<p>In addition to the HIRARC Register, all Operating Units visited maintained valid current Chemical Health Risk Assessment (CHRA) Report done in 2019 by DOSH Registered Assessor Certificate Holder HQ/03/ASS/00/154. Recommended actions by the assessor were verified implemented.</p> <p>Likewise, Noise Risk Assessment has been conducted on 30.8.2020 to comply with Occupational Safety and Health (Noise Exposure) Regulations 2019. Consultant to present findings on 18.10.2020 on existing plant and places of work plus the result of area noise monitoring following the installation of one unit new 50t Mackenzie boiler in June 2020.</p>	
<p>3.6.2</p>	<p>(C) The effectiveness of the H&S plan to address health and safety risks to people is monitored. - Critical (Major) compliance -</p>	<p>Annual H&S plan established by each Operating Unit are mostly implemented through Annual Training Program 2020 to address the identified health and safety risks. The emphasis is on safe work by providing</p> <ul style="list-style-type: none"> ▪ Knowledge and skills needed to do their work safely and avoid creating hazards that could place themselves or others at risk. ▪ Awareness and understanding of workplace hazards and how to identify, report, and control them. ▪ Specialized training, when their work involves unique hazards. <p>Besides formal classroom training other means include on-the-job training and worksite demonstrations to effectively convey safety concepts, ensuring understanding of hazards and their controls, and promoting good work practices.</p> <p>The safety performance of each Operating Unit is monitored via:</p>	<p>Complied</p>

		<ul style="list-style-type: none"> • Internal Audit conducted by the Kulim Headoffice Sustainability Palm Oil Department; • Workplace inspection by site OSH Committee; • Direct involvement of supervisor and rounds by Asst Manager; • Safety occurrence reporting; • Health / medical surveillance; • Chemical exposure monitoring, and • Audiometric test <p>The results of monitoring are discussed at meetings and informed to employees, and where applicable, appropriate corrective actions are taken.</p>	
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>There are no Scheme Smallholders or out-growers at this CU. The Annual Training Program 2020 mentioned in 3.6.2 above is the documented program that not only covers H&S but extend to include all aspects of RSPO P&C and Supply Chain Certification Standard (SCCS).</p> <p>Means implemented by Kulim Plantation to assess understanding of participants include:</p> <ul style="list-style-type: none"> • Participants completing post-training evaluation/feedback form and give suggestions; • Learners engagement such as interactive quizzes; • Knowledge acquisition and behavioural application rated by immediate supervisor at workplace post training attended. <p>Random interviews with workers showed that they understood what is RSPO, the several subsidiaries policies, what does their work/job SOP states and the consequences if deviated, the need</p>	Complied

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		to put on PPE and demonstrate donning PPE and when it should be changed, the use of fire extinguishers, understanding workplace hazards, risks and needed control measures, etc.																																											
3.7.2	Records of training are maintained. - Minor Compliance -	<p>Training records are maintained by each Operating Unit. Sample some records at each Operating as follows:</p> <table border="1"> <thead> <tr> <th>OU</th> <th>Course title</th> <th>Date held</th> <th>Participants</th> </tr> </thead> <tbody> <tr> <td rowspan="8">Sedenak POM</td> <td>ISCC/RSPO Refresher, GHG Calculation and RSPO SCCS</td> <td>27.01.2020 06.10.2020</td> <td>Staff</td> </tr> <tr> <td>Policy Awareness</td> <td>01.09.2020</td> <td>All</td> </tr> <tr> <td>FFB Grading</td> <td>18.09.2020</td> <td>FFB Grader</td> </tr> <tr> <td>Taklimat RSPO & MSPO</td> <td>06.10.2020</td> <td>WOW</td> </tr> <tr> <td>Refresher Course on QMS 9001:2015, RSPO & ISCC</td> <td>01.03.2020</td> <td>All Process Workers, Lab., Workshop, Guard, Weighbridge, Storekeeper</td> </tr> <tr> <td>Work Instruction & Procedure Training</td> <td>18.02.2020</td> <td>Boiler & Water Treatment</td> </tr> <tr> <td>PPE Training</td> <td>03.06.2020</td> <td>Worker Shift A&B</td> </tr> <tr> <td>Latihan Kerja Ruang Terkurung</td> <td>17.01.2020 04.02.2020</td> <td>Workshop, Process & Shift</td> </tr> <tr> <td rowspan="4">Sedenak Estate</td> <td>Tractor/Lorry & MB Safe Driving</td> <td>16.02.2020</td> <td>All Drivers</td> </tr> <tr> <td>SOP Rat Baiting</td> <td>04.02.2020</td> <td>General Workers</td> </tr> <tr> <td>Briefing on RSPO, ISCC, MSPO, OSH & ISO to Contractor</td> <td>25.08.2020 11.10.2020</td> <td>Contractor</td> </tr> <tr> <td>SOP Spraying HCV / Buffer Zone Area</td> <td>01.03.2020</td> <td>Sprayers</td> </tr> </tbody> </table>	OU	Course title	Date held	Participants	Sedenak POM	ISCC/RSPO Refresher, GHG Calculation and RSPO SCCS	27.01.2020 06.10.2020	Staff	Policy Awareness	01.09.2020	All	FFB Grading	18.09.2020	FFB Grader	Taklimat RSPO & MSPO	06.10.2020	WOW	Refresher Course on QMS 9001:2015, RSPO & ISCC	01.03.2020	All Process Workers, Lab., Workshop, Guard, Weighbridge, Storekeeper	Work Instruction & Procedure Training	18.02.2020	Boiler & Water Treatment	PPE Training	03.06.2020	Worker Shift A&B	Latihan Kerja Ruang Terkurung	17.01.2020 04.02.2020	Workshop, Process & Shift	Sedenak Estate	Tractor/Lorry & MB Safe Driving	16.02.2020	All Drivers	SOP Rat Baiting	04.02.2020	General Workers	Briefing on RSPO, ISCC, MSPO, OSH & ISO to Contractor	25.08.2020 11.10.2020	Contractor	SOP Spraying HCV / Buffer Zone Area	01.03.2020	Sprayers	Complied
OU	Course title	Date held	Participants																																										
Sedenak POM	ISCC/RSPO Refresher, GHG Calculation and RSPO SCCS	27.01.2020 06.10.2020	Staff																																										
	Policy Awareness	01.09.2020	All																																										
	FFB Grading	18.09.2020	FFB Grader																																										
	Taklimat RSPO & MSPO	06.10.2020	WOW																																										
	Refresher Course on QMS 9001:2015, RSPO & ISCC	01.03.2020	All Process Workers, Lab., Workshop, Guard, Weighbridge, Storekeeper																																										
	Work Instruction & Procedure Training	18.02.2020	Boiler & Water Treatment																																										
	PPE Training	03.06.2020	Worker Shift A&B																																										
	Latihan Kerja Ruang Terkurung	17.01.2020 04.02.2020	Workshop, Process & Shift																																										
Sedenak Estate	Tractor/Lorry & MB Safe Driving	16.02.2020	All Drivers																																										
	SOP Rat Baiting	04.02.2020	General Workers																																										
	Briefing on RSPO, ISCC, MSPO, OSH & ISO to Contractor	25.08.2020 11.10.2020	Contractor																																										
	SOP Spraying HCV / Buffer Zone Area	01.03.2020	Sprayers																																										

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						SOP Manuring – Mechanical Spreader & Manure at Buffer Zone	12.2.2020 08.10.2020	Fertilizer Applicators	
						SOP Harvesting	16.01.2020	Harvesters	
						Kuala Kabong Estate	Latihan Keselamatan Tumpahan Sisa-Sisa Buangan/Minyak – Spill Kit	20.07.2020	Emergency Response Team
							Briefing on RSPO, ISCC, MSPO, OSH to Stakeholders	02.09.2020	Stakeholders
							PPE Usage	12.02.2020	All
							First Aid	04.09.2020	First Aid
							Pengendalian Bahan2 Berjadual	07.07.2020	Workshop, Storekeeper
							SOP Circle and Selective Spraying	09.02.2020	Sprayers
							Ulu Tiram Estate	SOP Harvesting0 (Estate and Contract Workers	06.02.2020
						Safe Chemical Handling		03.01.2020	Sprayers and Storekeeper
						Emergency Response Plan and CPR		09.10.2020	Emergency Response Team
						Manuring – Manual Application and Manuring at Buffer Zone		10.2.2020 18.08.2020	Manurers
						SOP Water Sampling		23.06.2020	General Workers
						Mosquito Fogging		08.07.2020	Fogger
						Basir Ismail		Polisi “Whistle Blowing”	28.06.2020
							Polisi Pencegahan dan Pembasmian Gangguan Seksual di Tempa Kerja	1.04 2020	All
							Animal Sighting	25.09.2020	All
							SOP Spraying	11.3.2020 22.09.2020	Sprayers

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		Briefing on RSPO/ISCC?MSPO, ISO	25.09.2020	Contractors and Stakeholders	
3.7.3	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. - Minor Compliance -	Supply chain training carried out for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training conducted on 6 October 2020 – attended by Mill and estate representative.			Complied
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)					
3.8.1	Identity Preserved Module 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. 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.	Not applicable. Sedenak POM is under mass balance module.			Not Applicable
3.8.2	Mass Balance Module 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.	Sedenak POM is using the MB supply chain model since it receive the FFB from own supply bases and outside FFB suppliers.			Complied

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3.8.3	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 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.	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report. Summary of CPO and PK deliver in a year (from the last audit date: September 2019 to September 2020) reported under table A of the report.	Complied
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_PO1000006825 License valid until 28/09/2020 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"> a) Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). c) 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 	<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"> i. Weighbridge tickets ii. Training records iii. Internal audit report iv. Invoice and contracts v. Delivery and storage records vi. Daily Production Report 	Complied

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	<p>to demonstrate awareness of the mill's procedures for the implementation of this standard.</p> <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>Training records for RSPO Supply Chain & Stamping was sighted where the training was conducted on 6/10/20 for the critical 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).</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 15/9/2020 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>

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<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>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>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>E.g. of information available in the FFB despatch report is as follows:</p> <p>Diversion Crop</p> <ul style="list-style-type: none"> • FFB despatch no. (R no. A 62076) • Estate's names (Rengam Estate) • Date of delivery (9/9/20) • Field No. (field 2003, 2004) • Lorry no. JHV 6377 • Weight (19.55 mt) • Traceability Identification: RSPO certified FFB (RSPO 613086) <ul style="list-style-type: none"> • FFB despatch no. (DB A no. 216701) • Estate's names (Siang Estate) • Date of delivery (19/7/20) • Field No. (field 1999, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011) • Lorry no. JJF6553 • Weight (32.23 mt) • Traceability Identification: RSPO certified FFB (RSPO 657192) 	<p>Complied</p>
<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</p>	<p>Sedenak POM ensured the required information is available in document form. Sampled of CPO contract: CPOMB-M1929 dated 18/12/10, quantity 500 mt (delivery month – May 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. 28/5/20 	<p>Complied</p>

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	<p>palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ul style="list-style-type: none"> a) The name and address of the buyer; b) The name and address of the seller; c) The loading or shipment / delivery date; 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 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 MB • The quantity of the products delivered; e.g. 39.95 mt • Any related transport documentation; e.g. Despatch note e.g. #C29180 • Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 537873 • A unique identification number: palm trace no. TR-49074480-1660 • Available in a few forms e.g. DN no., seal no., etc. <p>Sedenak POM ensured the required information is available in document form. Sampled of PK contract: MPOK 2028 MB dated 10/6/20, quantity 1000 mt (delivery month – July 2020)</p> <ul style="list-style-type: none"> • The name and address of the buyer; XXX • The name and address of the seller: Sedenak POM • The loading or shipment/ delivery date; e.g. 22/7/20 • 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 MB • The quantity of the products delivered; e.g. 37.48 mt • Any related transport documentation; e.g. Despatch note e.g. #K08412 • Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 537873 	
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		<ul style="list-style-type: none"> A unique identification number: palm trace no. TR-d553abfd-711e <p>Available in a few forms e.g. DN no., seal no., etc.</p>	
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 contractor, Sakthy Transport Sdn Bhd was made available for review, effective from 1/1/20 to 31/12/20</p> <p>In the addendum under contract, 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 was available.</p> <p>Training on SCCS was given to outsourcing activities (transporters) during meeting stakeholder dated 4/9/2020.</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 June 2020.	Complied

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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
3.8.12	<p>Record keeping</p> <ul style="list-style-type: none"> 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. 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. 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. iv) For Mass Balance Module, the mill: <ul style="list-style-type: none"> 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. 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. 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>RSPO Supply Chain Module CPO Mills: Mass Balance dated 1/8/2020, Rev. 05 Doc. No: SQD/SMS/1.2 has been established which has included the record keeping requirements into the procedure. 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"> i. Dispatch of CPO/PK delivery order ii. Daily Production Report iii. FFB Despatch Report from supplying estate iv. Training records v. FFB Transaction records <p>The retention period of all the records were to keep for 3 years as stated in the procedure.</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>	Complied
3.8.13	<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</p>	Conversion factor of CPO and PK production is depending on the actual OER and KER. Last year's average from September 2019 to September 2020 were 21.30 % (OER) & 5.53 % (KER).	Complied

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	PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.		
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 by the mills when RSPO certified products are sold as certified to refineries. Details of transaction summarized under table C. Total of registered transaction from September 2019 to September 2020; CPO : 2,044.49 mt PK : 1,128.34 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 mass balance module for Sedenak POM. The facility is aware with the requirements of the RSPO Rules on Market Communications and Claims.	Complied
General corporate communications			

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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 2019 without the use of trademark logo.	Complied
4.2	In corporate communications a member is allowed to: 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. 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.	Kulim (Malaysia) Berhad has stated the member's history with regard to RSPO in the company's website and annual report 2019 without the use of trademark logo.	Complied
4.3	In corporate communications RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products.	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.	Complied
4.4	Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member's own products.	The 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.	Complied
4.5	Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat.	There was no RSPO corporate logo has been used verified through website, notice board, business card, shipping documentation and procurement/ purchasing document.	Complied
Business to business communications			
5.1	Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products.	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 (Mass Balance) was stamped on the tickets.	Complied

5.2	When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	Shipping documentation verified and conformance with the requirements of RSPO SCCS. In the weighbridge ticket, it stated that the product is CSPO (Mass Balance) with RSPO certificate number: RSPO 537837.	Complied
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>	Sedenak Palm Oil Mill is not under distributor or wholesaler category. Thus, this requirement is not applicable.	Complied
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 Sedenak POM 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 Sedenak POM 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 Sedenak POM and only produce crude and unfinished product. This is not applicable for POM.	Not Applicable

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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 claim made by Sedenak POM and only produce crude and unfinished product. This is not applicable for POM.	Not Applicable
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 Sedenak POM 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 Sedenak POM 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 Sedenak POM 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.rspo.org .	No business to consumer communication on product specific claim made by Sedenak POM 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.	Sedenak POM is using Mass Balance Module.	Not Applicable
	For SG, 95% or above of the oil palm content must be SG, or a combination of SG and IP.	Sedenak POM is using Mass Balance Module.	Not Applicable
	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.	Sedenak POM is using Mass Balance Module.	Not Applicable
Labelling and trademark (IP)			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <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. 	Sedenak POM is using Mass Balance Module.	Not Applicable
Messaging (IP)			
	<p>Messaging ALLOWED in storytelling in product-related communications may include some or all of the following elements:</p> <ul style="list-style-type: none"> • The oil palm products contained in this product have been certified to come from RSPO sources. www.rspo.org 	Sedenak POM is using Mass Balance Module.	Not Applicable

	<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, whistle-blowers, complainants and community spokespersons. Sedenak POM and estates subscribe to Kulim (M) Berhad's sustainability policy which newly revised and approved by Kulim's Sustainability & Initiatives Council Meeting on 29th July 2020. Transition period for (new MD) effective 1st October 2020.</p> <p>This Policy was communicated to external stakeholder during stakeholder meeting on 23/9/2020.</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>Based on documentation review, observations and stakeholder interviews, there is no evidence that Sedenak POM certification unit</p>	<p>Complied</p>

	- Minor compliance -	had instigated violence or used any form of harassment in its operations	
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 whistle-blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.</p> <p>- Critical (Major) compliance -</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.	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 23/9/2020 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.</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>	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.	Complied
4.2.4	The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to	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

	choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator. - Minor compliance -		
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 -	<p>Among the contributions to community development include the following:</p> <p><u>Sedenak POM</u></p> <ul style="list-style-type: none"> - Work opportunities to approximately 70% of the local workers (local communities, 2nd & 3rd generation of workers) - Annual Sports day at SK Sedenak - MPKK Sedenak Football Competition <p><u>Kuala Kabong Estate</u></p> <ul style="list-style-type: none"> - COVID19 kit donation - Food supply/ration to workers (MD2 Pineapple) during MCO - COVID19 assistance (top-up) during MCO <p><u>Ulu Tiram Estate</u></p> <ul style="list-style-type: none"> - COVID19 kit donation - Food supply/ration to workers (MD2 Pineapple) during MCO - COVID19 assistance (top-up) during MCO 	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.			

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<p>4.4.1</p>	<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>Land titles are available to demonstrate evidence of land leases. The land titles contain information on lessee, hectarage, terms and conditions of lease ("tanaman kepala sawit"), lease period and grant numbers.</p> <p>The following land titles were sampled:</p> <table border="1" data-bbox="1137 547 1926 1276"> <thead> <tr> <th>No.</th> <th>Land title details</th> <th>Land use type</th> <th>Tenure</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Kuala Kabong Estate District: Kulai Mukim: Bukit Batu, grant no. HSD 71140, lot no./no PT: PTD35021 Total hectare: 1,718.2174 ha</td> <td>Cultivation of Oil Palm</td> <td>Lease hold for 99 years Until 16/08/2081</td> </tr> <tr> <td>2</td> <td>Ulu Tiram Estate District: Johor Bahru, Mukim: Tebrau, grant no. HSD 358854, lot no./PT no.:144.653 ha Total hectare: 144.653 ha 29 titles with total of 943.29 ha</td> <td>Cultivation of Oil Palm</td> <td>Freehold</td> </tr> </tbody> </table>	No.	Land title details	Land use type	Tenure	1	Kuala Kabong Estate District: Kulai Mukim: Bukit Batu, grant no. HSD 71140, lot no./no PT: PTD35021 Total hectare: 1,718.2174 ha	Cultivation of Oil Palm	Lease hold for 99 years Until 16/08/2081	2	Ulu Tiram Estate District: Johor Bahru, Mukim: Tebrau, grant no. HSD 358854, lot no./PT no.:144.653 ha Total hectare: 144.653 ha 29 titles with total of 943.29 ha	Cultivation of Oil Palm	Freehold	<p>Complied</p>
No.	Land title details	Land use type	Tenure												
1	Kuala Kabong Estate District: Kulai Mukim: Bukit Batu, grant no. HSD 71140, lot no./no PT: PTD35021 Total hectare: 1,718.2174 ha	Cultivation of Oil Palm	Lease hold for 99 years Until 16/08/2081												
2	Ulu Tiram Estate District: Johor Bahru, Mukim: Tebrau, grant no. HSD 358854, lot no./PT no.:144.653 ha Total hectare: 144.653 ha 29 titles with total of 943.29 ha	Cultivation of Oil Palm	Freehold												

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		3	Sedenak Estate District: Kulaijaya Mukim: Sedenak, grant No. 354796, Lot 817, Total hectare: 1,225.3881ha Total 10 titles	No specific term	Freehold	
		4	Basir Ismail Estate District: Johor Bahru Mukim: Sungai Tiram, grant No. 29320, Lot no. 1519, Total hectare: 1,607.3691 ha Total land titles: 29 (3,196.63 ha)	No specific term	Freehold	
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent. Therefore, there was no documents evidence of any negotiated agreements detailing FPIC process.			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	Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the			Not Applicable	

	<p>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.</p> <p>- Minor compliance -</p>	<p>land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.</p>	
4.4.2b	<p>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.</p> <p>- Minor compliance -</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.</p>	Not Applicable
4.4.2c	<p>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.</p> <p>- Minor compliance -</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.</p>	Not Applicable
4.4.3	<p>(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).</p> <p>- Critical (Major) compliance -</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.</p>	Not Applicable
4.4.4	<p>All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>- Minor compliance -</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.</p>	Not Applicable
4.4.5	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.</p>	Not Applicable

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4.4.6	<p>There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.</p> <p>- Minor compliance -</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.</p>	Not Applicable
<p>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.</p>			
4.5.1	<p>(C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available.</p> <p>- Critical (Major) compliance -</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.</p>	Not Applicable
4.5.2	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.</p>	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 documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.</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,</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the</p>	Not Applicable

	the full range of food and water provisioning options are considered. There is transparency of the land allocation process. - Minor compliance -	land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.	
4.5.5	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. - Minor compliance -	Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.	Not Applicable
4.5.6	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. - Minor compliance -	Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.	Not Applicable
4.5.7	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. - Minor compliance -	Based on documentation review, observations made, interviews with management and stakeholders, no land was acquired as a result of expropriations without consent.	Not Applicable
4.5.8	(C) New lands are not acquired in areas inhabited by communities in voluntary isolation. - Critical (Major) compliance -	Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that land was acquired in areas inhabited by communities in voluntary isolation.	Not Applicable
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.			
4.6.1	(C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.	Kulim (M) Berhad has developed a procedure for Land Encroachment and kept at all visited operating units. Refer to procedure under Property Management Department, Land	Complied

	- Critical (Major) compliance -	Encroachment, Doc. No. PROP/MP/5 rev:4, issue: 0 dated 6 th June 2020. The procedure has separated into a few phases and start with identification of potential land conflict (LC) and confirmation of case. Final stage is to surrender the area (overplanted/encroached) and negotiation with claim of compensation (if required).	
4.6.2	(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. - Critical (Major) compliance -	Procedure for calculating and distributing fair compensation has been established under Property Management Department, Land Encroachment, Doc. No. PROP/MP/5 rev:4, issue: 0 dated 6 th June 2020. The SOP explains the standard of compensation calculation which also gives the compensated person a bargaining/negotiation position. However, there is no record of any compensation paid to any legal, customary or user rights holder within Sedenak POM certification unit.	Complied
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance -	UIE POM is an Identity Preserved Mill and therefore does not take any crops from smallholders. Neither is UIE in a legal position to provide to both men and women equal opportunities to hold land titles for scheme smallholdings.	Not Applicable
4.6.4	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. - Minor compliance -	Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent.	Not Applicable
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.			
4.7.1	(C) A mutually agreed procedure for identifying people entitled to compensation is in place. - Critical (Major) compliance -	Procedure for calculating and distributing fair compensation has been established under Property Management Department, Land	Complied

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		Encroachment, Doc. No. PROP/MP/5 rev:4, issue: 0 dated 6 th June 2020. The SOP explains the standard of compensation calculation which also gives the compensated person a bargaining/negotiation position. However, there is no record of any compensation paid to any legal, customary or user rights holder within Sedenak POM certification unit.	
4.7.2	(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 -	Procedure for calculating and distributing fair compensation has been established under Property Management Department, Land Encroachment, Doc. No. PROP/MP/5 rev:4, issue: 0 dated 6 th June 2020. The SOP explains the standard of compensation calculation which also gives the compensated person a bargaining/negotiation position. However, there is no record of any compensation paid to any legal, customary or user rights holder within Sedenak POM certification unit.	Complied
4.7.3	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 -	Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that communities have lost access and rights to land for plantation expansion.	Not Applicable
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.			
4.8.1	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 is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. - Minor compliance -	Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent. Neither has there been any dispute.	Not Applicable

4.8.2	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent. Neither has there been any dispute.</p>	Not Applicable
4.8.3	<p>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)</p> <p>- Minor compliance -</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent. Neither has there been any dispute.</p>	Not Applicable
4.8.4	<p>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).</p> <p>- Minor compliance -</p>	<p>Based on documentation review, observations made, interviews with management and stakeholders, there is no evidence that the land for oil palm has diminished the legal, customary or user rights of other users without their free, prior and informed consent. Neither has there been any dispute.</p>	Not Applicable
<p>Principle 5: Support smallholder inclusion</p>			
<p>Criterion 5.1: The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.</p>			
5.1.1	<p>Current and previous period prices paid for FFB are publicly available and accessible by smallholders.</p> <p>- Minor compliance -</p>	<p>Current and past FFB prices available in the mill as per MPOB guideline. The mill has displayed the FFB pricing from January to August 2019 at the weighbridge area. The pricing was according to MPOB set price. Grading guideline according to MPOB was publicly displayed at the weighbridge area.</p>	Complied

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>FFB pricing to smallholders/dealers explained to individual smallholders during contract signing on annual basis.</p> <p>Sample checked: Hong Hui Trading – 31/12/19</p> <p>FFB price calculation based on monthly average price of CPO and PK for peninsular Malaysia declared by MPOB.</p> <p>Processing charges – based on tonnage supplied.</p> <p>Extraction rates – basic of OER</p> <p>Incentives (higher OER and RSPO small</p>	Complied
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>Pricing of FFB is based on MPOB latest price and it was publicly available at weighbridge. No bidding contract between mill and supplier and they are free to send their crop to other mill or collection centre.</p>	Complied
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>No binding contract between mill and FFB suppliers that includes finance, loans/credit and repayments through FFB price reductions for replanting and or other mechanisms at Sedenak POM. Thus, this indicator is not available.</p>	Complied
5.1.5	<p>Contracts are fair, legal and transparent and have an agreed timeframe.</p> <p>- Minor compliance -</p>	<p><u>Sedenak POM</u></p> <p>Contracts sighted were between Sedenak POM and FFB Supplier, both dated 31st December 2020. Based on the review of the contract, all the terms contained therein are fair, legal, transparent and with an agreed timeframe.</p> <p><u>Kuala Kabong Estate</u></p>	Complied

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		<p>Contract between Kulim (M) Berhad and Jendela Ehsan Sdn Bhd contract ref. no. KMB/LKK 1/2017 effective from 1st October 2017 to 30th September 2020 for loading and transporting of FFB from fields at Ladang Kuala Kabong to ramp and from ramp to Sedenak POM, Kulai, Johor. Refer to variation order no. 01/2020 dated 2nd June 2020 and pending for Head of Plantation approval.</p> <p><u>Ulu Tiram Estate</u></p> <p>Contract between Kulim (M) Berhad and Integrated Man Sdn Bhd contract ref. no. KMB/UTE 2/2017 effective from 30th June 2020. to 30th June 2021 for loading and transporting of FFB from ramp at Ladang Ulu Tiram to Sedenak, Sindora and Pasir Panjang POM, Kulai, Johor. Refer to variation order no. 01/2020 dated 30th June 2020.</p> <p><u>Sedenak Estate</u></p> <p>Contract between Kulim (M) Berhad and Yap Aun Kok contract ref. no. MPSB/SEDENAK 3/76/2019 effective from 1st June 2020 to 31st May 2022 for harvesting of FFB in filed P99 (302.31 ha) at Ladang Sedenak, Kulai, Johor.</p> <p>Based on the review of the contract, all the terms contained therein are fair, legal, transparent and with an agreed timeframe.</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.</p> <p>- Critical (Major) compliance -</p>	<p>All contracts and purchases are documented in the form of purchase orders, invoices, and contracts for the larger transaction. All documents are signed by both vendor and Sedenak Palm Oil Mill. Based on the payment voucher dated 5th October 2020, no. PV2002261 for FFB supplier Hong Hui Trading, Sedenak POM is able to demonstrate that payments are made in a timely manner.</p> <p><u>Kuala Kabong Estate</u></p> <p>Payment record for Jendela Ehsan Sdn Bhd was sighted and in accordance with payment term in the contract under para 5.3</p>	Complied

		<p><i>"payment fees shall be made within thirty (30) days from the date of certification of the submitted invoice"</i></p> <p>Date of invoice, 30th September 2020; ref.no.: JESB/0655/2020, payment voucher no. 20000363 dated 6/10/20.</p> <p><u>Ulu Tiram Estate</u></p> <p>Payment record for Integrated Man Sdn Bhd was sighted and in accordance with payment term in the contract under para 5.3 <i>"payment fees shall be made within thirty (30) days from the date of certification of the submitted invoice"</i></p> <p>Date of invoice, 30th September 2020; ref.no.: iMAN/(09)0335/20, payment voucher no. 20000503 dated 4/10/20.</p> <p><u>Sedenak Estate</u></p> <p>Payment record for Yap Aun Kok was sighted and in accordance with payment term in the contract under para 5.4 <i>"payment fees shall be made within thirty (30) days from the date of certification of the submitted invoice"</i></p> <p>Date of invoice, 30th September 2020; ref.no.: September/20/01, payment voucher no. 20000502 dated 6/10/20.</p>									
5.1.7	<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 1157 1928 1374"> <thead> <tr> <th data-bbox="1137 1157 1335 1302">Weighing equipment</th> <th data-bbox="1335 1157 1559 1302">Model/capacity</th> <th data-bbox="1559 1157 1733 1302">Date of stamping, certificate no.</th> <th data-bbox="1733 1157 1928 1302">Operating Unit</th> </tr> </thead> <tbody> <tr> <td data-bbox="1137 1302 1335 1374">Serial no. B1765843</td> <td data-bbox="1335 1302 1559 1374">MPK GSE 350 70,0000 kg</td> <td data-bbox="1559 1302 1733 1374">20/7/2020, C206716</td> <td data-bbox="1733 1302 1928 1374"></td> </tr> </tbody> </table>	Weighing equipment	Model/capacity	Date of stamping, certificate no.	Operating Unit	Serial no. B1765843	MPK GSE 350 70,0000 kg	20/7/2020, C206716		Complied
Weighing equipment	Model/capacity	Date of stamping, certificate no.	Operating Unit								
Serial no. B1765843	MPK GSE 350 70,0000 kg	20/7/2020, C206716									

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		Serial no. B1672679	Elektronik 70,0000 kg	13/2/2020, C197119	Sedenak Estate and mill	
		Serial no. B1551904	MPK (E), 40,0000 kg	17/12/2019		
5.1.8	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. - Minor compliance -	No independent smallholder at Sedenak Business Unit.				Complied
5.1.9	(C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner. - Critical (Major) compliance -	An agreed and documented system which deals with complaints and grievances are available and documented as follows: 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. This the grievance mechanism which the Company has, are applicable to all parties, including smallholders.				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	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.	There are no smallholders within the Unit of Certification. Therefore, this indicator is not applicable				Not Applicable

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	- Minor compliance -		
5.2.2	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). - Minor compliance -	There are no smallholders within the Unit of Certification. Therefore, this indicator is not applicable	Not Applicable
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance -	There are no smallholders within the Unit of Certification. Therefore, this indicator is not applicable	Not Applicable
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 dated 23/9/20.	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	Complied

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		Policies prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.	
6.1.2	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>Based on interviews held with Malaysian and foreign workers from Indonesia and Bangladesh, Sedenak Mill and its supply base have been able to demonstrate that no form of any discrimination occurs.</p> <p>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.</p>	Complied
6.1.3	<p>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.</p> <p>- Minor compliance -</p>	<p>Evidence was available that the process of recruitment, selection and hiring are based on skills, capabilities, qualities and medical fitness.</p>	Complied
6.1.4	<p>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.</p> <p>- Minor compliance -</p>	<p>Based on interview held with the Medical Assistant at Sepang Loi Estate and representatives of Women OnWards (WOW) Committee members at the Sedenak 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.</p>	Complied

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6.1.5	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>In place at the Sedenak POM and its supply base is Women OnWards (WOW) committee which is a women employee outreach programme endorsed and funded by the Company. Its members 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:</p> <table border="1" data-bbox="1137 571 1926 871"> <thead> <tr> <th>Mill/Estate</th> <th>Date of meeting</th> </tr> </thead> <tbody> <tr> <td>Sedenak POM</td> <td></td> </tr> <tr> <td>Kuala Kabong Estate</td> <td>7th October 2020</td> </tr> <tr> <td>Ulu Tiram Estate</td> <td>18th September 2020</td> </tr> <tr> <td>Sedenak Estate</td> <td>6th October 2020</td> </tr> <tr> <td>Basir Ismail Estate</td> <td>24th September 2020</td> </tr> </tbody> </table> <p>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.</p>	Mill/Estate	Date of meeting	Sedenak POM		Kuala Kabong Estate	7 th October 2020	Ulu Tiram Estate	18 th September 2020	Sedenak Estate	6 th October 2020	Basir Ismail Estate	24 th September 2020	Complied
Mill/Estate	Date of meeting														
Sedenak POM															
Kuala Kabong Estate	7 th October 2020														
Ulu Tiram Estate	18 th September 2020														
Sedenak Estate	6 th October 2020														
Basir Ismail Estate	24 th September 2020														
6.1.6	<p>There is evidence of equal pay for the same work scope.</p> <p>- Minor compliance -</p>	<p>Based on the field records (bunch count), evidence of equal pay for the same work scope has been demonstrated. Rate per bunch is equal for task assigned based on field location.</p>	Complied												
<p>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).</p>															
6.2.1	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>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</p>	Complied												

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		<p>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 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> <p>Reviewed during the audit, the following workers' employment contracts and 3 months' payslips (December 2019 [low], April 2020 [normal], August 2020[peak]):</p> <p><u>Sedenak POM:</u> Workers ID. 615579,615544, 615262, 615235, 615632, 615611</p> <p>Reviewed during the audit, the following workers' employment contracts and 3 months' payslips (March 2020 [low], February 2020 [normal], August 2020[peak]):</p> <p><u>Kuala Kabong Estate</u> Workers ID. 604812, 604863, 604847, 604848, 604881, 604801</p>	
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		<p>New minimum wages order 2020 effective from 1st February 2020. Agency circular no. 07/20 is referred to for implementation of Minimum Wages Order 2020. Arrears will be paid in April 2020 and verified for February 2020 pay for workers ID. 604847 and 604848.</p> <p>Reviewed during the audit, the following workers' employment contracts and 3 months' payslips (March 2020 [low], February 2020 [normal], August 2020[peak]):</p> <p><u>Ulu Tiram Estate</u> Workers ID. 601575, 601627, 601497, 601484, 601540</p> <p>Reviewed during the audit, the following workers' employment contracts and 3 months' payslips (March 2020 [low], February 2020 [normal], August 2020[peak]):</p> <p><u>Sedenak Estate</u> Workers ID. 615318, 615427, 615367, 615431, 615458, 615396, 615421</p> <p>Reviewed during the audit, the following workers' employment contracts and 3 months' payslips (March 2020 [low], February 2020 [normal], August 2020[peak]):</p> <p><u>Basir Ismail Estate</u> Workers ID. 603353,603313, 603312, 603194,603162, 603323, 603133</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</p>	<p>Details of payments and conditions of employment are stated and documented in the employment contracts given to all workers and staff at mill and estates. The documents are prepared in Bahasa Malaysia according to which language the workers are conversant in.</p>	Complied

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	<p>compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Critical (Major) compliance -</p>	<p>It stipulates terms of conditions of service such as duration, position, wages payable, working hours, rest hours, holiday entitlement, that general and field workers would be paid according to MAPA/NUPW agreement.</p> <p>All the employment contracts sampled were signed by each worker and the Company. Review of the employment contracts show that the terms are in compliance with the provisions of the Employment Act 1955 and the MAPA/NUPW agreement. Interviews conducted with the workers confirmed that they understand the employment contracts, the terms were explained to them prior to signing, and a copy was given to each worker.</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. None of the sampled workers had any family members performing work on their behalf.</p> <p>Reviewed during the audit, the following workers' employment contracts sampled;</p> <p><u>Sedenak POM:</u> Workers No. 615579,615544, 615262, 615235, 615632, 615611 <u>Kuala Kabong Estate</u> Workers ID. 604812, 604863, 604847, 604848, 604881, 604801 <u>Ulu Tiram Estate</u> Workers ID. 601575, 601627, 601497, 601484, 601540 <u>Sedenak Estate</u> Workers ID. 615318, 615427, 615367, 615431, 615458, 615396, 615421 <u>Basir Ismail Estate</u></p>	
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		Workers ID. 603353,603313, 603312, 603194,603162, 603323, 603133	
6.2.3	<p>(C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Critical (Major) compliance -</p>	<p>Sedenak POM and estates were able to demonstrate compliance with legal requirements on the following issues:</p> <p><u>Regular working hours:</u> Workers interviewed confirmed that they work 6 days in a week, with Saturday being the rest day. Normal working hours is 8 hours per day, and this is also stipulated in the employment contracts.</p> <p><u>Deductions:</u> Labour Department Permit for salary deductions are available for Mosque (serial no. PP3/29/002/2008 dated 14/2/08), water and electricity (serial no. PP3/29/001/2008 dated 14/2/08), <i>Khairat Keluarga Perbadanan Johor</i>, medical and sport and recreational club [TK (NJ) U21 dated 31/3/19].</p> <p><u>Overtime, sickness and holiday entitlement:</u> Based on overtime records, payslips, and interview with workers, evidence was available that overtime is paid in accordance with the Employment Act 1955 and MAPA/NUPW 2019 Agreement. However, it was evident that total OT hours per month exceeded 104 hours based on check roll for August 2020 for workers ID;</p> <p>i) 615611 - 22/8/20 (14.5 hours of overtime), 20/8/20 (7.5 hours of overtime) with total of 106 hours per month.</p> <p>ii) 615544 - 22/8/20 (14.5 hours of overtime), 12/8/20 (10.5 hours of overtime) with total of 95.5 hours per month.</p> <p>iii) 615632 - 31/8/20 (7 hours of overtime), 20/8/20 (5.5 hours of overtime) with total of 112 hours per month.</p> <p>Thus, a major NC was issued.</p>	Non-compliance

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		<p><u>Maternity leave:</u> female workers are entitled to 2 months paid maternity leave. This was confirmed during interview with the Secretary of the Gender Committee.</p>																
<p>6.2.4</p>	<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>Sedenak POM and estates provide good housing with good sanitation, medical facilities, and welfare amenities. Site visits were made to workers’ housing. Overall, the houses and surrounding compound are well maintained with clean and flowing drains, no tall grass and household waste properly disposed of.</p> <p>All houses receive free water up to 35 gallon per workers and electricity 50kWh per house. Each house has 3 rooms and are spacious. Among the amenities available include creche, surau, football field, sundry shop, canteen and a clinic. The clinic is managed by a Estate Health Assistant. A visiting medical officer visits the clinic once a fortnight as shown on the record. Linesite inspection is conducted on a weekly basis by the Estate Hospital Assistant.</p> <table border="1" data-bbox="1137 914 1924 1291"> <thead> <tr> <th>Mill/Estate</th> <th>VMO visit</th> <th>Line site inspection</th> </tr> </thead> <tbody> <tr> <td>Kuala Kabong Estate</td> <td>13/9/20, 23/9/20 and 7/10/20</td> <td>6/10/20, 27/9/20, 20/9/20.</td> </tr> <tr> <td>Ulu Tiram Estate</td> <td>8/9/20, 21/9/20 and 13/10/20</td> <td>4/9/20, 10/9/20 and 20/9/20</td> </tr> <tr> <td>Sedenak Estate</td> <td>2/9/20, 15/9/20 and 6/10/20</td> <td>10/9/20, 17/9/20 and 24/9/20</td> </tr> <tr> <td>Basir Ismail Estate</td> <td>13/10/20, 21/9/20 and 8/9/20</td> <td>11/10/20, 4/10/20 and 22/9/20</td> </tr> </tbody> </table>	Mill/Estate	VMO visit	Line site inspection	Kuala Kabong Estate	13/9/20, 23/9/20 and 7/10/20	6/10/20, 27/9/20, 20/9/20.	Ulu Tiram Estate	8/9/20, 21/9/20 and 13/10/20	4/9/20, 10/9/20 and 20/9/20	Sedenak Estate	2/9/20, 15/9/20 and 6/10/20	10/9/20, 17/9/20 and 24/9/20	Basir Ismail Estate	13/10/20, 21/9/20 and 8/9/20	11/10/20, 4/10/20 and 22/9/20	<p>Complied</p>
Mill/Estate	VMO visit	Line site inspection																
Kuala Kabong Estate	13/9/20, 23/9/20 and 7/10/20	6/10/20, 27/9/20, 20/9/20.																
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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 Sedenak mill and is open from 7AM to 7PM serving breakfast, lunch and dinner. At the estates, 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:</p> <p>STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE</p> <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>All sampled workers receive at least minimum wages of RM1,200 (as per Minimum Wages Order 2020) per month or more. In addition, Mill and estates also have carried out the calculation of prevailing wages and in-kind benefits. The calculation took into account 9 in kind benefits such as housing, electricity and water, education, creche facilities, healthcare, transport, clothing, food and sport and recreation facilities.</p> <p>The prevailing wage calculated for were as follows:</p> <table border="1" data-bbox="1137 855 1926 1086"> <thead> <tr> <th>Mill/Estate</th> <th>Prevailing wages (incl. in kind benefits)</th> </tr> </thead> <tbody> <tr> <td>Sedenak POM</td> <td>RM 2,811.92</td> </tr> <tr> <td>Kuala Kabong Estate</td> <td>RM 2,249.84</td> </tr> <tr> <td>Sedenak Estate</td> <td>RM 2,053.14</td> </tr> </tbody> </table> <p>Based on the breakdown of the calculation, the prevailing wages calculated were fair and reasonable.</p>	Mill/Estate	Prevailing wages (incl. in kind benefits)	Sedenak POM	RM 2,811.92	Kuala Kabong Estate	RM 2,249.84	Sedenak Estate	RM 2,053.14	Complied
Mill/Estate	Prevailing wages (incl. in kind benefits)										
Sedenak POM	RM 2,811.92										
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Sedenak Estate	RM 2,053.14										

	<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 • 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, Sedenak 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 Sedenak Palm 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. 	Complied
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 Sedenak Estate was the minutes of meeting held between NUPW and Kemedak Estate management on 9 Oct 2020. The NUPW representatives comprise female worker representative, Malaysian, Indonesian and Bangladeshi representatives.</p> <p>At the Sedenak Mill, a meeting between NUPW/AMESU/Indonesian Workers and Mill management was held on 20 September 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>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</p>	Complied

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	- Minor compliance -	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.	
6.4.2	(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. - Critical (Major) compliance -	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.	Complied
6.4.3	(C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work. - Critical (Major) compliance -	Based on the workers list of all Sedenak 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	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. - Minor compliance -	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. This Policy was also communicated during stakeholder meeting held on 23 September 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.	Complied
Criterion 6.5: There is no harassment or abuse in the workplace, and reproductive rights are protected.			
6.5.1	(C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce. - Critical (Major) compliance -	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:	Complied

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		<table border="1"> <tr> <th>Mill/Estate</th> <th>Date of meeting</th> </tr> <tr> <td>Sedenak POM</td> <td></td> </tr> <tr> <td>Kuala Kabong Estate</td> <td>7th October 2020</td> </tr> <tr> <td>Ulu Tiram Estate</td> <td>18th September 2020</td> </tr> <tr> <td>Sedenak Estate</td> <td>6th October 2020</td> </tr> <tr> <td>Basir Ismail Estate</td> <td>24th September 2020</td> </tr> </table> <p>Interviews held with women employees also confirmed their awareness of this Policy and its implementation.</p>	Mill/Estate	Date of meeting	Sedenak POM		Kuala Kabong Estate	7 th October 2020	Ulu Tiram Estate	18 th September 2020	Sedenak Estate	6 th October 2020	Basir Ismail Estate	24 th September 2020	
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Basir Ismail Estate	24 th September 2020														
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.</p> <p>- 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. Interviews held with women employees also confirmed their awareness of this Policy and its implementation.</p>	Complied												
6.5.3	<p>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.</p> <p>- Minor compliance -</p>	<p>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.</p>	Complied												

6.5.4	<p>A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>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.</p>	Complied
Criterion 6.6: No forms of forced or trafficked labour are used.			
6.6.1	<p>(C) All workers have entered into employment voluntarily and the following are prohibited:</p> <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 • 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>Sedenak 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.</p> <p>Passports:</p> <p>Workers are given the option of either keeping their own passports, or to keep their passports at the management office for safety reasons. Sighted during the audit, letters from workers confirming their preference to keep their passports at the office for safety reasons.</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>	Complied

		<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 Sedenak Mill and its supply base.</p> <p>Involuntary overtime: Based on documents signed by workers on overtime, and based on interviews conducted, there is no evidence of involuntary overtime within the Sedenak Mill and its supply base.</p> <p>Lack of freedom of workers to resign & penalty for termination of employment: 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: 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 	Complied

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		<ul style="list-style-type: none"> - 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, Sedenak Mill and its supply base are able to demonstrate the implementation of this Policy.</p>																					
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>At all Operating Units audited, the local Management (Mill/Estate Manager and their Assistant Managers) together with OSH Committee and Emergency Response Team Members are charged with responsibility on H&S matters. Sighted randomly their appointment letter.</p> <p>OSH Committee at the respective Operating Unit meet quarterly to discuss concerns of all parties (own workers, contractors, authorities) about health, safety and welfare as required by law. The following table shows their meeting dates held:</p> <table border="1" data-bbox="1137 1050 1921 1399"> <thead> <tr> <th>OU</th> <th>1st mtg</th> <th>2nd mtg</th> <th>3rd mtg</th> <th>4th mtg</th> </tr> </thead> <tbody> <tr> <td>Sedenak Mill</td> <td>29.12.2019</td> <td>1.6.2020</td> <td>29.9.2020</td> <td>2nd mtg not held due to lockdown Covid-19</td> </tr> <tr> <td>Kuala Kabong Estate</td> <td>24.11.2019</td> <td>27.2.2020</td> <td>28.6.2020</td> <td>27.8.2020 & 30.9.2020</td> </tr> <tr> <td>Ulu Tiram Estate</td> <td>17.12.2019</td> <td>12.3.2020</td> <td>16.6.2020</td> <td>29.9.2020</td> </tr> </tbody> </table>	OU	1 st mtg	2 nd mtg	3 rd mtg	4 th mtg	Sedenak Mill	29.12.2019	1.6.2020	29.9.2020	2 nd mtg not held due to lockdown Covid-19	Kuala Kabong Estate	24.11.2019	27.2.2020	28.6.2020	27.8.2020 & 30.9.2020	Ulu Tiram Estate	17.12.2019	12.3.2020	16.6.2020	29.9.2020	Complied
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		Sedenak Estate	13.12.2019	12.3.2020	28.7.2020	29.9.2020	
		Basir Ismail Estate	18.11.2019	12.3.2020	13.7.2020	15.9.2020	
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 certification unit continued to use the established Accident and Emergency Preparedness and Response Procedure, dated 1/02/2019. The procedure including accident reporting (notification) has been communicated to employees, contractors and visitors. Interviews with employees showed that they know who to contact during emergency.</p> <p>Emergency contact numbers were seen available at notice board of offices visited and also verified during interviews made known to employees at the POM and those working in the field. Assigned operatives trained in first aid were present in both field and other operations. First aid box was sighted present at various places in the mill and with each mandore in the field.</p> <p>Records (forms JKPP 6, JKPP 7 and JKPP 8) of all accidents are kept and periodically reviewed such as during OSH Committee meeting. For annual accident statistic, JKPP 8 form for preceding year was submitted to DOSH timely.</p>	Complied				
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>Proper PPE are required for use by all who work at the mill and estates as standard dress code in accordance to the risks posed for the work undertaken. Suitable PPE provided is also in reference to the information in the SDS and CHRA assessor’s recommendation.</p> <p>The Personal Protective Equipment (PPE) for use were provided free of charge by the company.</p> <p>Following list identifies the type of PPE issued for related activities to cover all potentially hazardous operations.</p>	Non-compliance				

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		<p>i) Mill Sterilizer, Press, Kernel plant Operator – Safety Helmet, Safety Glass, Cotton Gloves, Safety Shoes, Safety Vest and Ear plug</p> <p>ii) Mill Boiler Operator – Safety Helmet, Safety Glass, Leather Hand Glove, Apron, Safety Shoes, Safety Vest and Ear Muff</p> <p>iii) Mill Power House Operator – Safety Helmet, Safety Glass, Leather Hand Glove, Cotton Gloves, Safety Shoes, Safety Vest and Ear Muff</p> <p>iv) Mill Lab Operator – Respirator R95 (double cartridge), Nitrile Glove (chemical resistant), Safety Boots, Ear plug (NRR = 24 dB)</p> <p>v) Field worker, Sprayers - 3M 3200 Half Face Respirator with 3311K-5 organic vapor filter element (R95), Nitrile Rubber Glove, Cotton Glove, Antimist Goggles, Wellington Boots and Apron</p> <p>vi) Field worker, Manurer – Cotton Glove, Nitrile Rubber Glove, Respirator Mask (N95), Safety Goggles, Wellington Boots and Apron</p> <p>vii) Field worker, harvester – Safety Helmet, Safety Goggles, Wellington Boots and sickle cover.</p> <p>Clothing lockers are provided for mill and estate workers to change their street clothing to work clothing and vice versa at the end of their work shift. Proper sanitation facilities separated by gender including shower room to clean themselves were adequately provided.</p> <p>Nonetheless, the auditor found that Ladang Basir Ismail sprayers did not change their street clothings to work clothings as street clothing boxes provided at the changing room were empty. The mechanism to check consistent implementation of SOP could be enhanced. Please cross check element 3.3.2 for NCR raised</p>	
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<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.</p> <p>- Minor compliance -</p>	<p>All workers, local and foreign, are provided with medical care under Act 4 - Employees' Social Security Act 1969. This means they are eligible for the Employment Injury Scheme for any accidents that occur at workplace. Contribution to Social Security is paid monthly via form 8A, payment schedule. Verified payment for all workers as follows:</p> <table border="1" data-bbox="1137 571 1921 1074"> <thead> <tr> <th colspan="4">Official receipt acknowledging payment by SOCSO by month / (no. of employees contributed)</th> </tr> <tr> <th>OU</th> <th>July</th> <th>Aug</th> <th>Sep 2020</th> </tr> </thead> <tbody> <tr> <td>Mill</td> <td>20200003066069 / (157)</td> <td>20200003516339 / (157)</td> <td>20200003992755 / (160)</td> </tr> <tr> <td>Kuala Kabong</td> <td>20200003066305 / (142)</td> <td>20200003538694 / (146)</td> <td>20200003992696 / (147)</td> </tr> <tr> <td>Ulu Tiram</td> <td>20200003066206 / (122)</td> <td>20200003516361 / (123)</td> <td>20200003992352 / (120)</td> </tr> <tr> <td>Sde</td> <td>20200003065191 / (259)</td> <td>20200003538759 / (259)</td> <td>20200003992093 / (274)</td> </tr> <tr> <td>Basir</td> <td>20200003108071 / (292)</td> <td>20200003563211 / (295)</td> <td>20200003970094 / (299)</td> </tr> </tbody> </table>	Official receipt acknowledging payment by SOCSO by month / (no. of employees contributed)				OU	July	Aug	Sep 2020	Mill	20200003066069 / (157)	20200003516339 / (157)	20200003992755 / (160)	Kuala Kabong	20200003066305 / (142)	20200003538694 / (146)	20200003992696 / (147)	Ulu Tiram	20200003066206 / (122)	20200003516361 / (123)	20200003992352 / (120)	Sde	20200003065191 / (259)	20200003538759 / (259)	20200003992093 / (274)	Basir	20200003108071 / (292)	20200003563211 / (295)	20200003970094 / (299)	<p>Complied</p>
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<p>6.7.5</p>	<p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance -</p>	<p>Records on Lost Time Accident (LTA) metrics at mill/estates had been verified maintained and available to sight. JKPP 8 for 2019 been submitted to DOSH before 31 January of the following year.</p> <table border="1" data-bbox="1137 1230 1921 1391"> <thead> <tr> <th>OU</th> <th>Sedenak POM</th> <th>Sedenak Estate</th> <th>Kuala Kabong</th> <th>Ulu Tiram</th> <th>Basir Ismail</th> </tr> </thead> <tbody> <tr> <td>No. of injuries</td> <td>3</td> <td>1</td> <td>7</td> <td>21</td> <td>1</td> </tr> </tbody> </table>	OU	Sedenak POM	Sedenak Estate	Kuala Kabong	Ulu Tiram	Basir Ismail	No. of injuries	3	1	7	21	1	<p>Complied</p>																
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		LTI	7	75	41	47	3	
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>At this CU, IPM Plan includes the planting of beneficial plants and control of damage by rodents and leaf eating pest.</p> <p>Beneficial plants such as Turnera subulata and Cassia cobanensis are grown in the estates and their records of planting in new areas and maintenance of existing areas of beneficial plants and location maps are available. Rat damage and leaf-eating pest census was regularly carried out to obtain information about threshold level and action to be taken thereafter. The records of census and rat baiting (averaging fruitlet damage <2%) were available for verification.</p> <p>Barn owl census conducted showed that it is inhabited. Additional owl boxes had been added, ratio ranging from 1:21 ha to 1:37 ha from one estate to another. Occupancy rate ranges from 59% - 70% among the estates visited. Inspection at one random barn owl box showed that it is inhabited with bones and bird droppings sighted on the ground at the foot of the barn owl box pole.</p>						Complied
7.1.2	<p>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.</p> <p>- Minor compliance -</p>	<p>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.</p>						Complied
7.1.3	<p>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.</p> <p>- Minor compliance -</p>	<p>There was no land preparation in CU Mill and Estates by burning ever since KMB practiced zero burning as per the policy in:</p> <p>a) ARM-SOP-Section A04 - Under felling/clearing & land preparation</p>						Complied

		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.									
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 -	Justification of pesticides applied is available in the Agriculture Manual, H01: Justification of Chemical Use effective 03/10/2019. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species. In fact, where oil palm trees are attacked by Ganoderma, no action has been taken to treatment them. It was just left to rot, not even de-boling till replanting takes place.	Complied								
7.2.2	(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. - Critical (Major) compliance -	Records of pesticides used (including active ingredients used and area treated, amount of active ingredients applied per ha and number of applications) were established and monitored. Safety Data Sheet from the manufacturer for pesticides used were available. The records of weeding program and herbicide master list was sampled as below. High pesticides usage are only shown here whereas total refers to all pesticides used:	Complied								
		<table border="1"> <thead> <tr> <th>Sedenak Estate Chemical</th> <th>Total chemical used (gram or liters)</th> <th>Treated Area (ha)</th> <th>a.i. used / ha</th> </tr> </thead> <tbody> <tr> <td>Ally 20DF: Metsulfuron methyl 20% (LD₅₀ rat 5000 mg/kg)</td> <td>144.25</td> <td>2617.47</td> <td>0.011022</td> </tr> </tbody> </table>	Sedenak Estate Chemical	Total chemical used (gram or liters)	Treated Area (ha)	a.i. used / ha	Ally 20DF: Metsulfuron methyl 20% (LD ₅₀ rat 5000 mg/kg)	144.25	2617.47	0.011022	
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		Total (10 brands)	5497.3	2906.77	0.739307	
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>The IPM implementations described in Indicator 7.2.2. are meant to minimise the use of pesticides.</p> <p>Rat bait, Brodifocum and Flocoumafen were used to control FFB damage. To date FFB damage is minimal (below threshold value, 5%).</p>				Complied
7.2.4	<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>There is no prophylactic use of pesticides at all estates visited</p>				Complied
7.2.5	<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>Prohibited or banned pesticides by the Malaysian Pesticides Board is strictly observed by Kulim Plantations. Kulim only purchase chemicals that are registered under the Malaysian Pesticides Act 1974 (Act 149) and Regulations.</p> <p>Sighting of the Chemical Register at all visited estates showed that only class II, III & IV chemicals were used. There were no Class 1A and Class1B agrochemicals used. This was confirmed by chemical store visits. Also no paraquat or paraquat container found. Alternatives such as Glyphosate were used instead with the elimination of Paraquat.</p> <p>This is made evidence through the store issues, interviews of staff, sprayers and the procedures provided in the SOP.</p>				Complied
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</p>	<p>Pesticides were handled, used or applied by trained workers in accordance with the product label. In addition to the product label,</p>				Complied

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	<p>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.</p> <p>- Critical (Major) compliance -</p>	<p>Safety Data Sheets were used and explained to the participants with emphasis on health and environmental risks of pesticide exposure; recognition of acute and long-term exposure; ways to minimize exposure to workers and their families; and international and national instruments or regulations that protect workers' health.</p> <p>Training for pesticides handler are as shown in the table below:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Training Title</th> <th>Date</th> <th>No. of Attendees</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Sedenak</td> <td>SOP Spraying</td> <td>26.02.2020</td> <td>17 Sprayers</td> </tr> <tr> <td>SOP Spraying HCV/ Buffer Zone Area</td> <td>23.07.2020 01.03.2020</td> <td>15 Sprayers 20 Sprayers, Mandore</td> </tr> <tr> <td>SOP Chemical handling</td> <td>06.10.2020</td> <td>28 Store Clerk and Sprayers</td> </tr> <tr> <td>Kuala Kabong</td> <td>SOP Chemical handling</td> <td>13.02.2020</td> <td>4 Store Clerk and Sprayers</td> </tr> <tr> <td rowspan="2">Ulu Tiram</td> <td>SOP Spraying, SOP Spraying HCV/ Buffer Zone Area</td> <td>20.02.2020</td> <td>10 Sprayers and Mandore</td> </tr> <tr> <td>SOP Chemical handling</td> <td>03.01.2020</td> <td>8 Store Clerk and Rat Baiters</td> </tr> <tr> <td rowspan="2">Basir Ismail</td> <td rowspan="2">SOP Spraying</td> <td>11.03.2020</td> <td>54 Sprayers, Mandore,</td> </tr> <tr> <td>22.09.2020</td> <td>5 Sprayers</td> </tr> </tbody> </table> <p>Agrochemical Sprayers, Pre-Mixer and Mandore's understanding on precautions attached to the products and the wearing of required PPE were checked in the field by the auditor. They were found</p>	Estate	Training Title	Date	No. of Attendees	Sedenak	SOP Spraying	26.02.2020	17 Sprayers	SOP Spraying HCV/ Buffer Zone Area	23.07.2020 01.03.2020	15 Sprayers 20 Sprayers, Mandore	SOP Chemical handling	06.10.2020	28 Store Clerk and Sprayers	Kuala Kabong	SOP Chemical handling	13.02.2020	4 Store Clerk and Sprayers	Ulu Tiram	SOP Spraying, SOP Spraying HCV/ Buffer Zone Area	20.02.2020	10 Sprayers and Mandore	SOP Chemical handling	03.01.2020	8 Store Clerk and Rat Baiters	Basir Ismail	SOP Spraying	11.03.2020	54 Sprayers, Mandore,	22.09.2020	5 Sprayers	
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		22.09.2020	5 Sprayers																															

		understood during the interview and further confirmed by observing when they work.						
7.2.7	<p>(C) Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Critical (Major) compliance -</p>	<p>At estates assessed the storage of pesticides was in accordance with the Occupational Safety and Health Act 1994 (Act 514), Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. All information regarding the chemicals affixed as product label and the accompanying Safety Data Sheet (see OSH CLASS 2013 Regulations) with details of its usage, hazards, trade and generic names were made available at the chemical store and explained to the workers by Management.</p> <p>Chemical stores inspection noted the following being practised:</p> <ul style="list-style-type: none"> • All stores were secured under lock and key with only authorised personnel access. • Provision of ventilation fan. • Display of Safety Pictorial poster, namely the required PPE and chemical Safety Hazards Pictogram. • Pesticides were separated by class. • Daily balance of remaining solution after completing pre-mixing were recorded, placed in secondary tray spill containment and kept in the store under lock and key. • Concrete cemented floor, bund wall and provision of sump pond. 	Choose an item.					
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>Empty pesticides containers were triple rinsed, its bottom perforated to render it useless, inventoried, stored and disposed to 3rd party DOE Authorised Collector, G-Planter on dates as shown below.</p> <table border="1" data-bbox="1137 1318 1921 1398"> <tr> <td>Estates</td> <td>Sedenak</td> <td>Kuala Kabong</td> <td>Ulu Tiram</td> <td>Basir Ismail</td> </tr> </table>	Estates	Sedenak	Kuala Kabong	Ulu Tiram	Basir Ismail	Complied
Estates	Sedenak	Kuala Kabong	Ulu Tiram	Basir Ismail				

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		Date disposed								
		5.10.2020	1.10.2019	24.9.2018	7.8.2020					
		Container size	Pieces				No. of pieces			
		1 liter	24	-	6	-				
		4 liter	183	67	186	351				
		20 liter	56	19	49	326				
		25 liter	11	-	-	3				
		500 gm l	-	26	146	148				
		10 kg Storm box	2	-	56	299				
		CKS	-	3	1	-				
7.2.9	(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. - Critical (Major) compliance -	None observed at the assessed estates.				Complied				
7.2.10	(C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated. - Critical (Major) compliance -	Pursuant to CHRA conducted in 2019 (dates of assessment varied) annual medical surveillance has been carried out for all pesticide operator at the following estates sampled:				Complied				
		Estate	Sedenak	Ulu tiram	Basir Ismail					

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		<table border="1"> <tr> <td>Date examined</td> <td>21.9.2020</td> <td>8.7.2019</td> <td>25.9.2019</td> </tr> <tr> <td>OHD DOSH-Registration ID</td> <td>Dr Rosman B Surie HQ/15/DOC/00/437</td> <td>Dr Muzaffar Salim (HQ/11/DOC/00/235)</td> <td>Dr Rosman B Surie HQ/15/DOC/00/437</td> </tr> <tr> <td>Workers examined</td> <td>12 sprayers, 2 fogges, 1 Store Assistant Total =15</td> <td>2 sprayera, 2 foggers Total =15</td> <td>31 sprayers, 20 Manurers, 1 fogger, 1 Store Assistant, 1 Foreman Total=40</td> </tr> <tr> <td>Results</td> <td>All Fit work</td> <td>All Fit work</td> <td>All Fit work</td> </tr> </table>	Date examined	21.9.2020	8.7.2019	25.9.2019	OHD DOSH-Registration ID	Dr Rosman B Surie HQ/15/DOC/00/437	Dr Muzaffar Salim (HQ/11/DOC/00/235)	Dr Rosman B Surie HQ/15/DOC/00/437	Workers examined	12 sprayers, 2 fogges, 1 Store Assistant Total =15	2 sprayera, 2 foggers Total =15	31 sprayers, 20 Manurers, 1 fogger, 1 Store Assistant, 1 Foreman Total=40	Results	All Fit work	All Fit work	All Fit work	
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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>Verified at assessed estate's muster chit and employee records. Found no underage person, pregnant or breast feeding women and other people that have medical restrictions working with pesticides.</p>	Complied																
<p>Criterion 7.3: Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.</p>																			
7.3.1	<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>This CU has identified all waste products and its source of pollution and documented in Types of Waste Products and Method of Disposal. The waste identified as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #a0c0ff;"> <th>No</th> <th>Type of waste</th> <th>Description</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table>	No	Type of waste	Description	Action					Complied								
No	Type of waste	Description	Action																

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		1	Domestic waste	Rubbish (from mill complex, estate offices and line-site)	<ul style="list-style-type: none"> • Disposed by estate management. Follow established collection SOP. • Collection/disposal minimum 2x/week. • Create awareness on hygiene • Monitoring of line site • 3R waste recycle.
		2	Industrial waste	Fertiliser bags	<ul style="list-style-type: none"> • Inventory of bags, reuse for Loose Fruit collection • Sell to appointed contractor
				Empty Chemical Containers	<ul style="list-style-type: none"> • Recycle 20-litre chemical containers for pre-mixing and diluting herbicides. • Unused empty chemical containers to be triple rinsed, punctured and store separately for disposal through licensed agent, G-Planter.
				Scrap metal	<ul style="list-style-type: none"> • Inventory maintained, tender at zone level for sale to licensed contractor for recycle. • Recycle where appropriate for workshop maintenance
				POME	<ul style="list-style-type: none"> • Treated in effluent plant. The final discharge from the treatment plant is used for land irrigation at nearby Sedenak Estate only, the host estate of Sedenak Mill. • Effluent quality monitoring on daily basis. • Monitor and report effluent discharge to DOE on monthly and quarterly basis.
			Boiler ash	<ul style="list-style-type: none"> • Disposed to designated dumping site near holding pond. • Once every 3 days leveling using machine. 	

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			Empty Fruit Bunch	<ul style="list-style-type: none"> Recycle and applied in the Renggam and Sedenak estate field as mulch. Ensure no open burning activity on EFB and mill waste. 		
		3	Sewage waste	<ul style="list-style-type: none"> To monitor during housing inspection and residents' complaints. Engagement with licensed contractor (SWM) for sewage management. 		
		4	Scheduled Waste	All Schedule Waste generated to be managed in accordance to EQ (Scheduled Waste) Regulations 2005		
				SW 404 Clinical waste	<ul style="list-style-type: none"> Clean and tidy storage area. Inventory maintained. Storage in sharp bin in clinic. Separation of type SW using labels 10cm x 10cm Disposal to Clinico Waste Management Sdn Bhd (DOE licensed contractor). 	
				SW rags, plastics, filters	<ul style="list-style-type: none"> Clean and tidy storage area. Inventory maintained. Storage in scheduled waste store. All containers are labelled. 	
				SW Used battery, spent lubricant & hydraulic oil	<ul style="list-style-type: none"> Separation of type SW using labels 10cm x 10cm Store separately lubricant and spent oil in banded storage 	
				Disposed containers, bags, equipment contaminated with chemicals, pesticides,	<ul style="list-style-type: none"> Collection by DOE licensed vendor. Ensure inventory not exceeding 180 days / 20 mt Follow approved consignment note and update in ESWIS Provide training to the SW handlers 	

			Safety Helmet				
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>At the Sedenak POM the following procedures are used to identify, record, segregate and dispose wastes:</p> <ul style="list-style-type: none"> • Labelling, Handling, Storage and Disposal of Scheduled Waste Doc. No. SDM/WI/5 dated 18.10.2018 Rev.01 • Waste Management (Boiler Ash and Decanter Cake) Doc. No. SDM/WI/8 DATED 1.7.2007 Rev.00 • Handling, Storage and Disposal of Metal waste (scrap Iron) Doc. No. SDM/WI/7 dated 1.7.2007 Rev.00 <p>Similar to the mill, the estates use thei below document:</p> <ul style="list-style-type: none"> • Scheduled Waste Management Guidelines issue no.1, dated 15.5.2007 • *Non-Scheduled Waste Guidelines issue no.1, dated 15.5.2007 <p>* domestic wastes and general office rubbish, please see comments under item 1 in above table.</p>			Complied		
7.3.3	<p>The unit of certification does not use open fire for waste disposal.</p> <p>- Minor compliance -</p>	<p>Disposal for domestic and non-hazardous waste is through landfilling at designated area within estate. Segregation of non-degradable and degradable waste was done at site and dumping of waste only allowed for degradable waste. Verified at sampled estates as below:</p> <table border="1" style="width: 100%;"> <tr> <td style="text-align: center;">Estate</td> <td style="text-align: center;">Landfill</td> </tr> </table>			Estate	Landfill	Complied
Estate	Landfill						

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		Block No	Pit No	Date Open/Closed		
		Sedenak	P98/B2	61 60	04.09.2020 21.07.2020 / 03.09.2020	
		Kuala Kabong	P99/B3	19	02.09.2020	
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	Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts. - Minor compliance -	Good agriculture practices which follows the Kulim (M) Berhad Agriculture Manual dated October 2015 amended 3 October 2019 contains Standard Operating Procedures for <ul style="list-style-type: none"> a) Replanting b) Road, drains, bridges, culverts and fences c) Construction of buildings d) Manuring e) Harvesting f) Pruning and ablation g) Soil conservation h) Justification of chemical used i) Weeds Management j) Plant disease On October 2019, amended on D02 manuring: method of application, harvesting in terrace area and palm: circle and selective weeding on terrace area.			Complied	
7.4.2	Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health. - Minor compliance -	Latest foliar sampling was done 11/3/2020. The test was done by Agronomist, the analysis report (1/20) dated 11/3/2020 was			Complied	

		verified. Latest Soil Analysis Test Report (SI/1701/0001-0004) dated 23/01/2017 was sighted.										
7.4.3	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. - Minor compliance -	<p>A nutrient recycling strategy is in place. EFB application only apply at mature are with the rate of 30 – 40 tonne/ha depending on yield and soil category. POME is also applied at selected field (field P04/3)</p> <table border="1"> <thead> <tr> <th></th> <th>Volume/tonne applied</th> <th>Hectare/area applied</th> </tr> </thead> <tbody> <tr> <td>EFB/ Shredded EFB</td> <td>2019: 22,349 mt 2020 (to date): 18,612.5 mt</td> <td>Mature area: 399 ha (2019) Mature area: 372.25 ha</td> </tr> <tr> <td>POME</td> <td>2019: 182970 m3 2020 (to date): 111,979 m3</td> <td>field P04/3</td> </tr> </tbody> </table>		Volume/tonne applied	Hectare/area applied	EFB/ Shredded EFB	2019: 22,349 mt 2020 (to date): 18,612.5 mt	Mature area: 399 ha (2019) Mature area: 372.25 ha	POME	2019: 182970 m3 2020 (to date): 111,979 m3	field P04/3	Complied
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POME	2019: 182970 m3 2020 (to date): 111,979 m3	field P04/3										
7.4.4	Records of fertiliser inputs are maintained. - Minor compliance -	<p>The records of agronomic and fertilizer recommendation dated 28/11/2019 by Agronomy Advisory & Services Department shown the application date, filed number, dosage applied per palm, type of fertilizer and number of applications. The programme consists of (1st: February/May, 2nd: July and 3rd: Sept/October) for compound and straight fertilizer. Sample of application record for As and MOP at field P12 and P16 (Ulu Tiram estate);</p> <table border="1"> <thead> <tr> <th>Field</th> <th>Recommended dosage</th> <th>Total applied</th> </tr> </thead> <tbody> <tr> <td>P12</td> <td>(AS) 2.25 kg/palm</td> <td>11.67 mt (233 bags)</td> </tr> <tr> <td>P16</td> <td>(MOP) 1.75 kg/palm</td> <td>0.90 mt (18 bags)</td> </tr> </tbody> </table> <p>The programme for was completed in September 2020.</p>	Field	Recommended dosage	Total applied	P12	(AS) 2.25 kg/palm	11.67 mt (233 bags)	P16	(MOP) 1.75 kg/palm	0.90 mt (18 bags)	Complied
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Criterion 7.5: Practices minimise and control erosion and degradation of soils.												

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<p>7.5.1</p>	<p>(C) Maps identifying marginal and fragile soils, including steep terrain, are available. - Critical (Major) compliance -</p>	<p>Soil map and topographic information, including the identification of steep terrain, marginal and fragile soils were available at all estates assessed. Sighted the soil series available in the soil maps at these estates as shown below:</p> <table border="1" data-bbox="1137 523 1921 1262"> <thead> <tr> <th>Estate</th> <th>Sedenak</th> <th>Kuala Kabong</th> <th>Ulu Tiram</th> <th>Basir Ismail</th> </tr> </thead> <tbody> <tr> <td rowspan="15" style="writing-mode: vertical-rl; transform: rotate(180deg);">Soil series</td> <td>Alma</td> <td>Deep Peat</td> <td>Kesatuan Renggam Bungor</td> <td>Kesatuan Renggam Bungor</td> </tr> <tr> <td>Batang Merbau</td> <td>Batang Merbau</td> <td>Beserah</td> <td>Batang Merbau</td> </tr> <tr> <td>Renggam</td> <td>Renggam</td> <td>Renggam</td> <td>Renggam</td> </tr> <tr> <td>Tai Tak</td> <td>Gajah Mati</td> <td>Tai Tak</td> <td>Tai Tak</td> </tr> <tr> <td>Tawar</td> <td rowspan="14">Tanah telah diganggu</td> <td>Tawar</td> <td>Tawar</td> </tr> <tr> <td>Tebok</td> <td>Tebok</td> </tr> <tr> <td>Bungor</td> <td>Bungor</td> </tr> <tr> <td>Gajah Mati</td> <td>Jitra</td> </tr> <tr> <td>Batu Lapan</td> <td>Keranji</td> </tr> <tr> <td>Binjal</td> <td>Harimau</td> </tr> <tr> <td>Kaya</td> <td>Holyrood</td> </tr> <tr> <td>Terap</td> <td>Lating</td> </tr> <tr> <td>Slime Tailings</td> <td>Lintang</td> </tr> <tr> <td>Kampong Pasu</td> <td>Medang</td> </tr> <tr> <td></td> <td>Tok Yong</td> </tr> <tr> <td></td> <td>Ulu Tiram</td> </tr> <tr> <td></td> <td>Tanah telah diganggu</td> </tr> </tbody> </table>	Estate	Sedenak	Kuala Kabong	Ulu Tiram	Basir Ismail	Soil series	Alma	Deep Peat	Kesatuan Renggam Bungor	Kesatuan Renggam Bungor	Batang Merbau	Batang Merbau	Beserah	Batang Merbau	Renggam	Renggam	Renggam	Renggam	Tai Tak	Gajah Mati	Tai Tak	Tai Tak	Tawar	Tanah telah diganggu	Tawar	Tawar	Tebok	Tebok	Bungor	Bungor	Gajah Mati	Jitra	Batu Lapan	Keranji	Binjal	Harimau	Kaya	Holyrood	Terap	Lating	Slime Tailings	Lintang	Kampong Pasu	Medang		Tok Yong		Ulu Tiram		Tanah telah diganggu	<p>Complied</p>
Estate	Sedenak	Kuala Kabong	Ulu Tiram	Basir Ismail																																																	
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			Tok Yong																																																		
	Ulu Tiram																																																				
	Tanah telah diganggu																																																				
<p>7.5.2</p>	<p>No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in</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</p>	<p>Choose an item.</p>																																																	

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	<p>contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification.</p> <p>- Minor compliance -</p>	<p>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.</p>	
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> <p><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>.</p>	Complied
<p>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.</p>			
7.6.1	<p>(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.</p> <p>- Critical (Major) compliance -</p>	<p>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.</p>	Complied

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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 new planting sighted on peat soil at Kuala Kabong estate.	Complied
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: 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). - Minor compliance -	Within this CU, Kuala Kabong is the only estate that grows oil palm on peat soil. It covers 78.2% (1269 ha.) of the plantation area. The peat areas are inventoried, documented and reported to RSPO Secretariat in document title: RSPO Peat Inventory, Drainability Assessment and Revised BMP for Peat dated August 21, 2019.	Complied
7.7.3	(C) Subsidence of peat is monitored, documented and minimised. - Critical (Major) compliance -	Kulim Plantation Agricultural Manual is used and adhered to by Kuala Kabong Estate Management. In particular, the procedure A19, Monitoring of subsidence of peat soils guide the area (location), maintenance of subsidence poles installed and the monitoring regime. Subsidence rate data from January 2012 to date (22 September 2020) from 6 Subsidence Pole Points and graphic presentation of each pole measurement timeline vs. its subsidence rate (cm) were sighted maintained.	Complied

<p>7.7.4</p>	<p>(C) A documented water and ground cover management programme is in place. - Critical (Major) compliance -</p>	<p>SOP A18, Water Management in peat areas was implemented accordingly as per procedure. It is used to provide extensive and effective drainage system in peat soil in order to maintain the water levels during dry period and to drain out the excess water during wet period. A typical pattern and cross sectional of Drainage Network is evident. The intensity of field drains in high water table areas starts at every eight row, fourth row and then at every alternate row of oil palm depending on the water table.</p> <p>To conserve moisture, a series of weirs are constructed across the collection drains to hold back water and raise the water-table to within 50-75 cm from the surface. Water level monitoring pole is erected in the middle of the weir. Daily water level at each weir is recorded in addition to recently installed piezometers (11) .</p> <p>The weirs sighted in the field are made of sandbags. To regulate the height of the water table, wooden planks/sandbags, acting as sluice gates, are slotted into the desired level. Except for periodic flushing of acidic water during the rainy seasons, the blocks are maintained at the predetermined level at all times.</p> <p>Assisted by the water gates (5 nos.) at the discharge ends of the main drains, the weirs are very effective in minimizing the adverse effects of the moisture stress.</p> <p>Records of daily water level recording at 65 weirs were conducted to monitor ground level subsidence of peat soil were evident.</p>	<p>Complied</p>
<p>7.7.5</p>	<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,</p>	<p>No replanting is envisaged in the next 4-5 years at Kuala Kabong estate.</p>	<p>Complied</p>

	<p>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 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>	<p>Nonetheless, the RSPO Drainability Manual for replanting of existing oil palm on peatlands, issue November 2019 is used.</p>	
<p>7.7.6</p>	<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>Kuala Kabong Estate continued to implement Best Management Practices for oil palm cultivation on peat land much in line with RSPO requirements. Subsidence of peat soils are minimised and monitored. Documented water and ground cover management programme is in place.</p> <p>Also noted within the estate, Kuala Kabong has river reserve and boundary buffer zones that it conserve, maintain and rehabilitate because river reserves that are intact and functional are important habitats for biodiversity and provide ecosystem services. It also helps in:</p> <ul style="list-style-type: none"> • Water Quality Management; • Flood mitigation; • Riverbank stabilization; and • Fire Protection <p>in addition that they benefit to promote and contribute to sustainable peatland management as part of reducing the impacts of oil palm cultivation on peat.</p>	<p>Complied</p>

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>At Kuala Kabong Estate it has set aside an unplanted area, 2.19 ha HCV near RISDA oil palm plantings. It is Peat Swamp Forest. Also, nearby there is man-made stream that function as boundary markers separating Kuala Kabong Estate with neighbours where on its bank trees have been neatly planted in rows, mature and flourish in abundance of more or less same height with each other.</p> <p>The area is scenic, soothing to the eyes and has attracted macaque to dominate and freely roam the protected “peatland conservation area” as sighted by the auditor. This Rehabilitation of Natural Vegetation, that is, adoption by a plantation of an adjacent peat swamp forest area not only can reduce the net GHG emission profile but also can be a useful part of any GHG emission reduction strategy.</p>	Complied								
Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.											
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>- Minor compliance -</p>	<p>The Sedenak CU monitors water quality of outgoing waters to identify any adverse effect from the mill and estate activities. There is no water from mill discharge to waterways. All water from ETP at mill are used for land irrigation. The plan takes into account the efficient use of resources, ensure amongst others that the use of water did not impact on other users, avoid contamination of ground and surface water, and appropriate treatment of mill effluent.</p> <p>The mill and estate water management plans have been established with the recent review made on 01/8/2020. Among others the plans therein has emphasized:</p> <table border="1" data-bbox="1137 1228 1919 1308"> <thead> <tr> <th>Source</th> <th>Activity</th> <th>Threat</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td colspan="4">Mill water management plan</td> </tr> </tbody> </table>	Source	Activity	Threat	Action Plan	Mill water management plan				Complied
Source	Activity	Threat	Action Plan								
Mill water management plan											

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		River/ pond	Mill operation	Water pollution	<ul style="list-style-type: none"> • Rain water harvesting for cleaning purposes • Water from the reservoir for the mill operations and treated water for human consumption including monthly water analysis • Monthly effluent analysis as required by DOE • Continual training for workers on water efficiency consumption • Desilting of water reservoir to retain the reservoir optimal capacity • Follow work instruction and SOP for effluent pond and furrow system to avoid any outflow of effluent 	
			Housekeeping (Cleaning process)	Drought Wastage	<ul style="list-style-type: none"> • Schedule water supply to avoid overuse of water • Outsource water from neighboring estate/division • Awareness on water usage efficiency • Monitor leakages and periodically fix it 	
		Estate water management plan				
		Reservoir/pond/SAJ/Rain	Chemical mixing	Water Pollution	<ul style="list-style-type: none"> • Enforcement of buffer zone as non-spraying activities • Inlet and outlet water analysis done after manuring application for the month • Follow Schedule Waste management procedure to avoid water pollution caused by scheduled waste • Schedule water supply to avoid overuse of water • Outsource water from neighboring estate/division • Awareness on water usage efficiency 	
	General Upkeep	Pollution Wastage	<ul style="list-style-type: none"> • Follow WI & SOP to avoid water pollution • Follow SW SOP to avoid pollution caused from SW 			

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		Line site	Drought Water rationing by SAJ Wastage Pollution	<ul style="list-style-type: none"> • Every house is supplied with containers • Schedule water supply to avoid wastage • Outsource water from neighboring estates • Awareness on water usage efficiency • Monitor leakages and periodically fix it • Monitor conditions of septic tank 													
		Drain upkeep	Interruption water flow at drainage system.	<ul style="list-style-type: none"> • Periodic desilting • Building of sand bags at specific points to contain water (weirs) 													
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>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. Riparian buffer zones have been identified and demarcated. For example, at Sg. Tiram white and blue stripe marker poles were erected. No chemicals and fertilizer application observed been used in their maintenance. In some areas Guatemala grass were planted along the river banks. The guidelines are detailed in the SOP No 12: Protection of River Reserves (Riparian & Buffer Zone). The buffer zones established are as follows:</p> <table border="1" data-bbox="1137 1034 1910 1364"> <thead> <tr> <th>River width (meter)</th> <th>Minimum width for river reserves (m) for Peninsular Malaysia and Sarawak</th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td>5</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td>10-20</td> <td>20</td> </tr> <tr> <td>20-40</td> <td>40</td> </tr> <tr> <td>>40</td> <td>50</td> </tr> </tbody> </table>			River width (meter)	Minimum width for river reserves (m) for Peninsular Malaysia and Sarawak	1-5	5	5-10	10	10-20	20	20-40	40	>40	50	Complied
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		<p>All estates monitored river water entering and exiting their property. Water sampling for Nitrate Nitrogen and Phosphate was done in months when fertilisers were applied. Analysis was assigned to UTCL Laboratory, Kota Tinggi.</p>													
<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. - Minor compliance -</p>	<p>Effluent Analysis conducted by accredited 3rd party laboratory, Union Laboratories Sdn Bhd and submitted to DOE every 3 months through OER (Online Environmental Report) and in compliance with mill’s compliance schedule for quarterly submission.</p> <p>Refer to the latest report for 3rd quarter of 2020 dated October 2020. Monthly analysis was done for final discharge point. Total of 8 parameters (pH, BOD₃, COD, TS, SS, TN, AN and O&G) were tested. Latest analysis report for July, August and September 2020 were verified.</p> <table border="1" data-bbox="1137 831 1928 1367"> <thead> <tr> <th>Month</th> <th>Result</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>July 2020</td> <td>BOD₃: 428 mg/l, COA ref: EI/2007/0740-0743 dated 12/7/2020</td> <td>BOD limit: 2500 mg/l</td> </tr> <tr> <td>Aug 2020</td> <td>BOD₃: 545 mg/l, COA ref: EI/2008/0875-0878 dated 10/8/2020</td> <td>BOD limit: 2500 mg/l</td> </tr> <tr> <td>Sept 2020</td> <td>BOD₃: 500 mg/l, COA ref: EI/2020/09/17</td> <td>BOD limit: 2500 mg/l</td> </tr> </tbody> </table>	Month	Result	Remarks	July 2020	BOD ₃ : 428 mg/l, COA ref: EI/2007/0740-0743 dated 12/7/2020	BOD limit: 2500 mg/l	Aug 2020	BOD ₃ : 545 mg/l, COA ref: EI/2008/0875-0878 dated 10/8/2020	BOD limit: 2500 mg/l	Sept 2020	BOD ₃ : 500 mg/l, COA ref: EI/2020/09/17	BOD limit: 2500 mg/l	<p>Complied</p>
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			dated 13/9/2020		
7.8.4	<p>Mill water use per tonne of FFB is monitored and recorded.</p> <p>- Minor compliance -</p>	<p>Mill has maintained monitoring of water usage for processing FFB which are recorded monthly. Water for processing is abstracted from water catchment by using pump. An average of 1.05 m³ water is used to process per mt of FFB recorded for 2019. For YTD September 2020, average of 1.3 m³ per tonne FFB was recorded. The trend of water usage is tandem with volume of FFB process.</p>			Complied
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 production in replacement of fossil fuel with the current technology limitation.</p> <p>The Sedenak POM and estate continued to monitor its diesel consumption and records were documented. In 2019 the</p>			Complied

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		<p>consumption was 4.05 L/mt FFB for Mill and for estate is 1.64 L/mt FFB.</p> <p>2019 – 732,494 liter (mill + estate), (521,223liter) mill, (211,271 liter) estate kWh generated: 73651 kWh/year (2019),</p> <p>Based on historical data for the past 10 years, generally the trend was seemed to be going downward. The biogas plant that in progress to build up which generates electricity in future will improve the efficiency of fossil fuel consumption.</p>	
<p>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.</p>			
<p>7.10.1</p>	<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>The GHG emissions are identified and assessed for the unit certification by sustainability team. RSPO GHG Calculator version 4 is used. The consumption of fertilisers and diesel were verified through</p> <p>Estates:</p> <ul style="list-style-type: none"> • FFB record book • stock book • monthly stock issue • stock requisition note <p>Mill:</p> <ul style="list-style-type: none"> • Mill Month End Production Report • Monthly production report • Flowmeter & running hours record book • Bio-gas generation daily monitoring log sheet • Effluent analysis report <p>Based on the verification of records, all the sampled issuance was traceable</p>	<p>Complied</p>

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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>	Not applicable since no new development by the certification unit.	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>Assessment of all polluting activities was conducted under Environmental Risk Assessment for identifying activities that contributes significant impact to environment including gaseous emission. As prescribed under DOE’s Compliance Schedule, the mill is obliged to conduct stack sampling minimum once a year. Below are the verified reports:</p> <p>2nd half 2019 - Report no.: PAC-AE-191020 - Report date: 23/10/2019 - Result: 342 mg/m3 (B3) @ 12% CO₂</p> <p>1st half 2020 - Report no.: PAC-AE-200505 - Report date: 7/05/2020 - Result: 525 mg/m3 (B3) @ 12% CO₂</p> <p>The Management already have the contravene letter approval regarding to ASJ(B) 31/152/000/054 Jld. 17(2) dated 18/6/2020. The letter valid from 6/6/2020 until 6/6/2021.</p> <p>Dark smoke emissions were monitored through Continuous Emissions Monitoring System (CEMS) which link to the DOE on real-time base.</p>	Complied

Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area

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7.11.1	(C) Land for new planting or replanting is not prepared by burning. - Critical (Major) compliance -	There was no new planting and replanting which prepared by burning and in lined with Sustainability handbook has described therein on Environmental Policy (signed by the Executive Director) to include the adoption of Zero Open Burning Policy dated January 2008	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 -	<p>For fire watch, for aerial monitoring Asean Fire Alert has been used for hot spot area/ peat soil area.</p> <p>Kuala Kabong has subscribed to Asean Fire Alert (AFA) since 7/10/2020. The hotspot area has been identified to AFA during the subscription. This monitoring base on colour of Fire Weather Index (FWI), if the colour changes from blue into yellow the estate will standby for any emergency fire break.</p> <p>In case of any fire detected by AFA, an alert will be sent to PIC of Kuala Kabong estate. On site preparedness, 3200 gallon of portable water browser is readily available to fight any potential fire.</p> <p>On top AFA, Kuala Kabong estate will perform Estate Patrol. The record of the patrolling was sighted. The patrolling is conducted daily. The patrolling conducted by auxiliary police according to the patrolling schedule. The monitoring for any fire at the estate will also be conducted by workers and "mandos". In case of any fire detected, the "mandos" will report to the management/security head.</p>	Complied
7.11.3	The unit of certification engages with adjacent stakeholders on fire prevention and control measures. - Minor compliance -	Engagement with adjacent stakeholders was done on 23 September 2020 at Kuala Kabong estate. This meeting conduct to educate and inform the stakeholder neighbouring with estate regarding to Fire Management at peat area with BOMBA.	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.

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7.12.1	<p>(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.</p> <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>	No development within Sedenak Complex certification unit.	Complied				
7.12.2	<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>	The HCV assessment for the Sedenak complex was conducted by A.J.F.M Dekker. Report dated February 2013 was available for verification. The structure of the report generally has the description about methodology used, coverage and the findings on presence of HCV and RTE species.	Complied				
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</p>	<p>Based on the report, there was no HCV or RTE presence in the plantation. Nonetheless, Sedenak complex estate has its own self-declared conservation areas, the detail as per below:-</p> <p>Kuala Kabong estate</p> <table border="1" data-bbox="1137 1313 1933 1385"> <thead> <tr> <th>Conservation</th> <th>Area (Ha)</th> </tr> </thead> <tbody> <tr> <td>1 (Peat Swamp forest)</td> <td>2.19</td> </tr> </tbody> </table>	Conservation	Area (Ha)	1 (Peat Swamp forest)	2.19	Complied
Conservation	Area (Ha)						
1 (Peat Swamp forest)	2.19						

<p>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>	<table border="1"> <tr> <td>2 (Buffer Zone area Sg Merah)</td> <td>9.8</td> </tr> <tr> <td>3 (Bufferzone at water gate)</td> <td>0.02</td> </tr> <tr> <td>Total</td> <td>12.01</td> </tr> </table>	2 (Buffer Zone area Sg Merah)	9.8	3 (Bufferzone at water gate)	0.02	Total	12.01										
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	<p>Ulu Tiram Estate</p> <table border="1"> <tr> <td>Conservation</td> <td>Area (Ha)</td> </tr> <tr> <td>Swampy</td> <td>10.14</td> </tr> <tr> <td>Buffer zone</td> <td>7.94</td> </tr> <tr> <td>Pond</td> <td>5.03</td> </tr> <tr> <td>Total</td> <td>23.11</td> </tr> </table>		Conservation	Area (Ha)	Swampy	10.14	Buffer zone		7.94	Pond	5.03	Total	23.11				
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	<p>Sedenak Estate</p> <table border="1"> <tr> <td>Conservation</td> <td>Area (Ha)</td> </tr> <tr> <td>Pond & Buffer Zone</td> <td>25.58</td> </tr> <tr> <td>Drain & Buffer Zone</td> <td>0.81</td> </tr> <tr> <td>Total</td> <td>26.39</td> </tr> </table>		Conservation	Area (Ha)	Pond & Buffer Zone	25.58	Drain & Buffer Zone		0.81	Total	26.39						
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	<p>Regular security patrol and sighting within the estate was carried out and finding/issue recorded by the respective estate personal/security to monitor the conservation / buffer zone areas. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented. Signage that prohibit hunting,</p>																

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		fishing and water polluting activities were verified on-site found to be satisfactorily maintained.			
7.12.5	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. - Minor compliance -	No local communities have been identified in self-declared HCV areas within sampling Estate.	Complied		
7.12.6	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. - Minor compliance -	Although there is no RTE species identified at Kuala Kabong 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 3/3/2020 for internal stakeholders (workers)	Complied		
7.12.7	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. - Minor compliance -	The HCV management plan is developed based on recommendation given by the assessor dated 17/5/2020 based on email date. The plan includes monitoring of buffer zone area and conservation area in the estate and surrounding area. Monitoring of action plan was carried out at appropriate frequency as a mechanism to ensure effectiveness of implementation. Report of the monitoring was adequately recorded by the person in-charge on daily basis. Based on the report, no RTE sighted and no evidence of encroachment/trespasses at the identified HCV and conservation area. Among established management sighted: <table border="1" data-bbox="1137 1278 1912 1342"> <tr> <td>Conservation/biodiversity area</td> <td>Management Plan</td> </tr> </table>	Conservation/biodiversity area	Management Plan	Non-compliance
Conservation/biodiversity area	Management Plan				

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		<p>Riparian reserve/buffer zone</p>	<p>Fire patrol during dry spell, fire drills and raising water level. Availability of signage Constant supervision and clear instruction to contractors Restoration of damaged buffer zone by planting up with forest trees. Continuous education to workers</p>	
		<p>At all conservation area</p>	<p>To monitor the animal was sighted in estate and recorded. Last animal sighted was on 26/9/2020 at P02/2.</p>	
<p>7.12.8</p>	<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>Checked daily patrolling and sighting reports dated 26/9/20. Based on the report, there was no RTE species and illegal activities reported. In Basir Ismail estate animal sighting was done on 5/9/2020 at P98A/1 and latest was on 30/9/2020 in staff quarters.</p> <p>No land clearing without prior HCV assessment since November 2005 occurred at Sedenak Complex. In Sedenak estate, have increase 5.26 Ha area in planted area because ex-nursery been planted with oil palm on April 2020. This area was been using as nursery by Kulim Nursery Sdn Bhd from 2/11/2016 until 16/7/2018. This area not abandoned for more than 3 years complied as per verification with RSPO as per email with RSPO Certification Manager dated 24/7/2017 stated Oil Palm Nursery area on the Existing RSPO Certified Oil Palm Plantation. This oil palm nursery area (Only Oil Palm Nursery) can be planted with oil palm after all the seedlings are sent to field planting and the nursery us empty also not abandoned for more than 3 year. This will be considered as replanting.</p>		<p>Complied</p>

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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)	
Malaysia Trader	Bukit Layang Estate	April 2020
Malaysia Trader	Eng Lee Heng	May 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	
	Palong		
Pasir Panjang Mill	Kulim Estate	Pasir Panjang	Certified RSPO
		Siang	
	Jcorp Estate	Bukit Kelompok	
		Tunjuk Laut	
		Pasir Logok	
Bukit Payung			

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in **2019** for Sedenak POM and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in **2019** for **Sedenak POM** and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	1.99
PKO	0

Extraction	%
OER	20.91
KER	5.43

Production	t/yr
FFB Process	371,074.60
CPO Produced	77,574.05
PKO Produced	0

Land Use	Ha
OP Planted Area	33,950
OP Planted on peat	1,366.44
Conservation (forested)	14.01
Conservation (non-forested)	215.11
Total	35,546

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	67,234.22	0.52	16,369.16	4.27	124,812.29	0.00	208,415.68	4.79
CO ₂ Emission from fertilizer	5,471.37	0.04	1,888.61	0.49	5,290.60	0.00	12,650.59	0.53
NO ₂ Emission	13,979.88	0.1	1,424.21	0.37	3,436.9	0.9	18,840.99	1.37
Fuel Consumption	667.61	0.01	536.91	0.14	3,233.31	0.00	4,437.82	0.15
Peat Oxidation	62,068.35	0.48	0	0	0	0	62,068.35	0.48
Sink								
Crop Sequestration	-63,523.06	-0.49	-15,513.27	-4.04	-109,214.87	0.00	-188,251.20	-4.53

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Conservation Sequestration	0	0	-0.37	0	0	0	-0.37	0
Total	85,898.37	0.66	4,705.25	1.23	27,558.23	0.9	118,161.9	2.79

*Note: Includes both estates and smallholders

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	57,972.21	0.16
Fuel Consumption	1626.22	0.00
Grid Electricity Utilization	0.00	0.00
Credit		
Export of Grid Electricity	0.00	0.00
Sales of PKS	-7,304.02	-0.02
Sales of EFB	0.00	0.00
Total	52,294.41	0.14

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 (%)	27
Divert to anaerobic diversion (%)	73

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	13,016.07	21,400.53	34,416.60
2	Oct 2019	14,304.42	21,876.83	36,181.25
3	Nov 2019	9,252.14	12,300.57	21,552.71
4	Dec 2019	14,793.12	14,180.68	28,973.80
5	Jan 2020	10,233.28	16,648.91	26,882.19
6	Feb 2020	11,543.78	20,902.58	32,446.36
7	Mar 2020	9,388.84	17,862.44	27,251.28
8	Apr 2020	9,610.50	24,072.70	33,683.20
9	May 2020	12,894.80	19,130.90	32,025.70
10	June 2020	17,547.07	19,816.89	37,363.96
11	July 2020	17,217.75	23,755.27	40,973.02
12	Aug 2020	15,570.80	28,952.97	44,523.77
13	Sept 2020	16,081.66	25,549.89	41,631.55
TOTAL		171,454.23	266,451.16	437,905.39
Note:				

B. Monthly Records of Certified CPO & PK since the last audit			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	Sept 2019	2,942.21	763.32
2	Oct 2019	3,065.75	803.10
3	Nov 2019	1,966.71	505.78
4	Dec 2019	3,013.91	765.96
5	Jan 2020	2,150.37	564.91
6	Feb 2020	2,373.88	626.26
7	Mar 2020	1,980.88	476.01
8	Apr 2020	1,972.54	483.37
9	May 2020	2,589.13	598.05
10	June 2020	3,403.49	904.33
11	July 2020	3,444.02	842.88
12	Aug 2020	3,118.26	821.88
13	Sept 2020	3,203.99	901.70

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TOTAL	35,225.14	9,057.55
Note:		

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-47d65a6f-5a0e TR-0609c2dd-8bc7 TR-a1501c57-261f TR-1724fdd2-80f5 TR-02bf023c-5a1d TR-2de78ce2-5aec TR-0804c887-fced TR-d7f88463-a36b TR-4deba265-391d TR-c86cea45-36e1	2,044.49	-
2	DEF	TR-2b7ebbe2-56d4 TR-5573fe32-08ce	-	1,128.34
	TOTAL		2,044.49	1,128.34
Note:				

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)
1	GHI	ISCC	4,322.74	-
	Total		4,322.74	-
Note:				

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	28,055.46	-	
2	XYZ	-	6,743.91	
	TOTAL	28,055.46	6,743.91	
Note:				

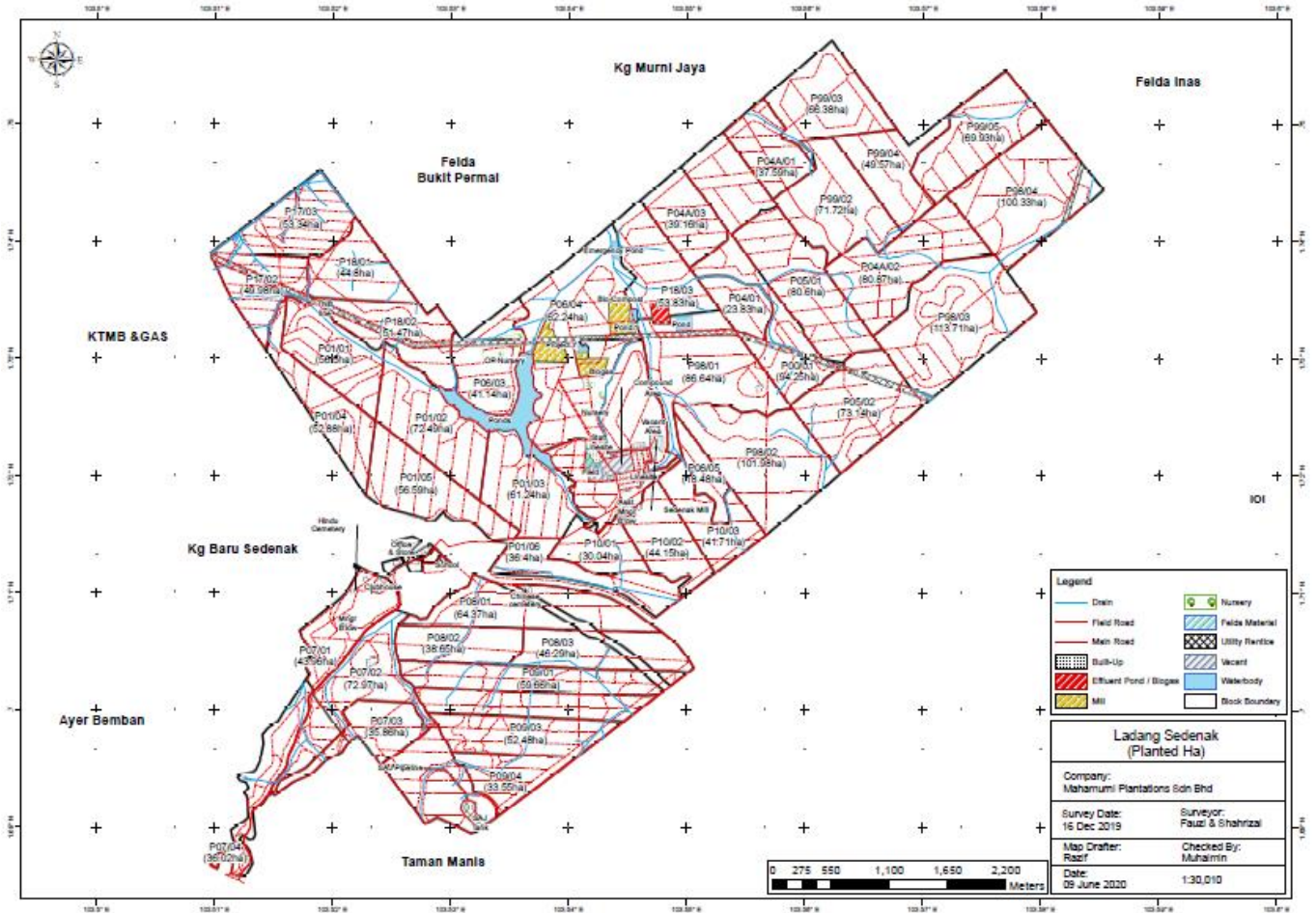
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F. Records of Certified CPO Sold under RSPO Credits since the last audit (if any)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
	NIL		
Note:			

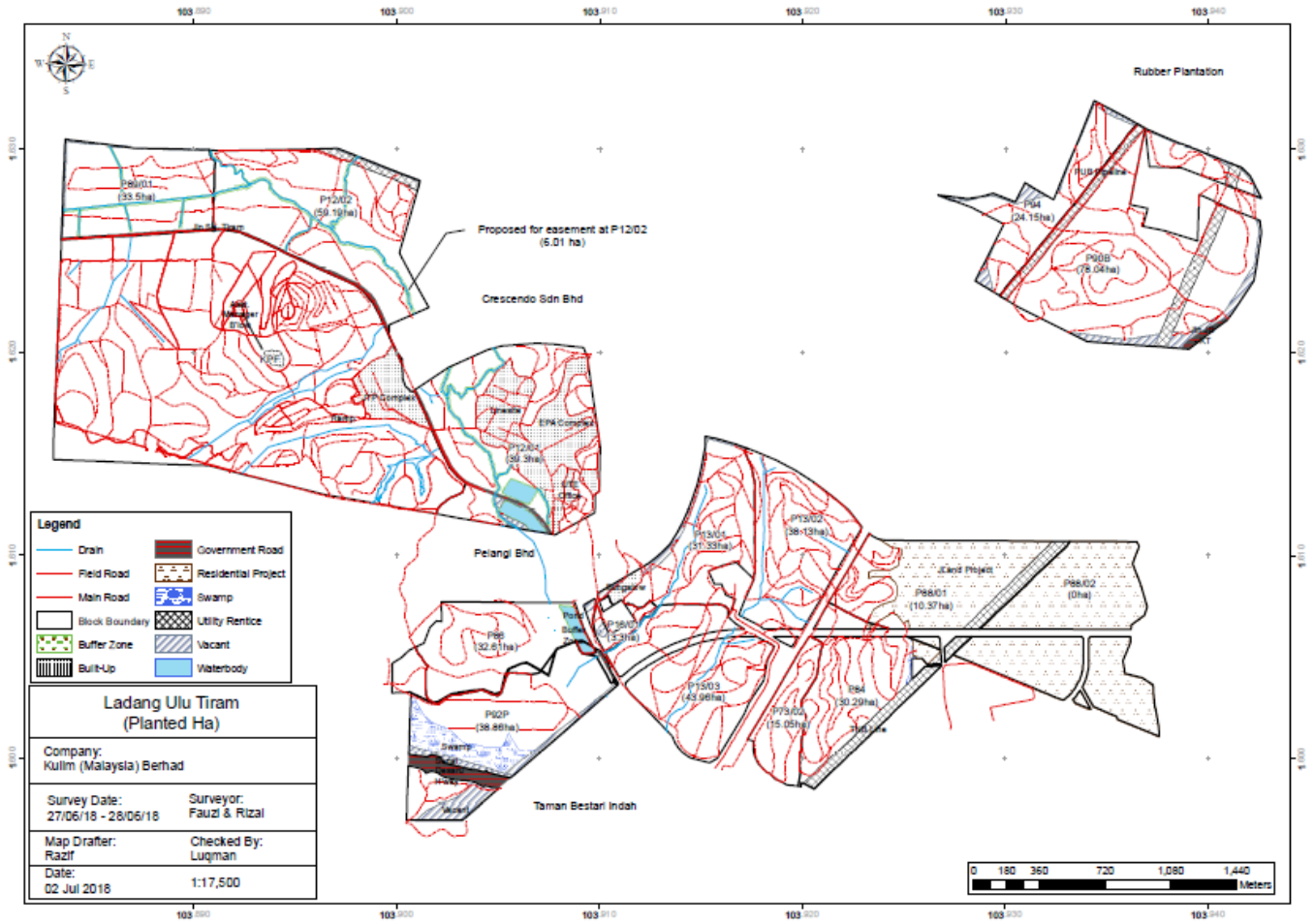
Appendix E: Location Map of Certification Unit and Supply bases



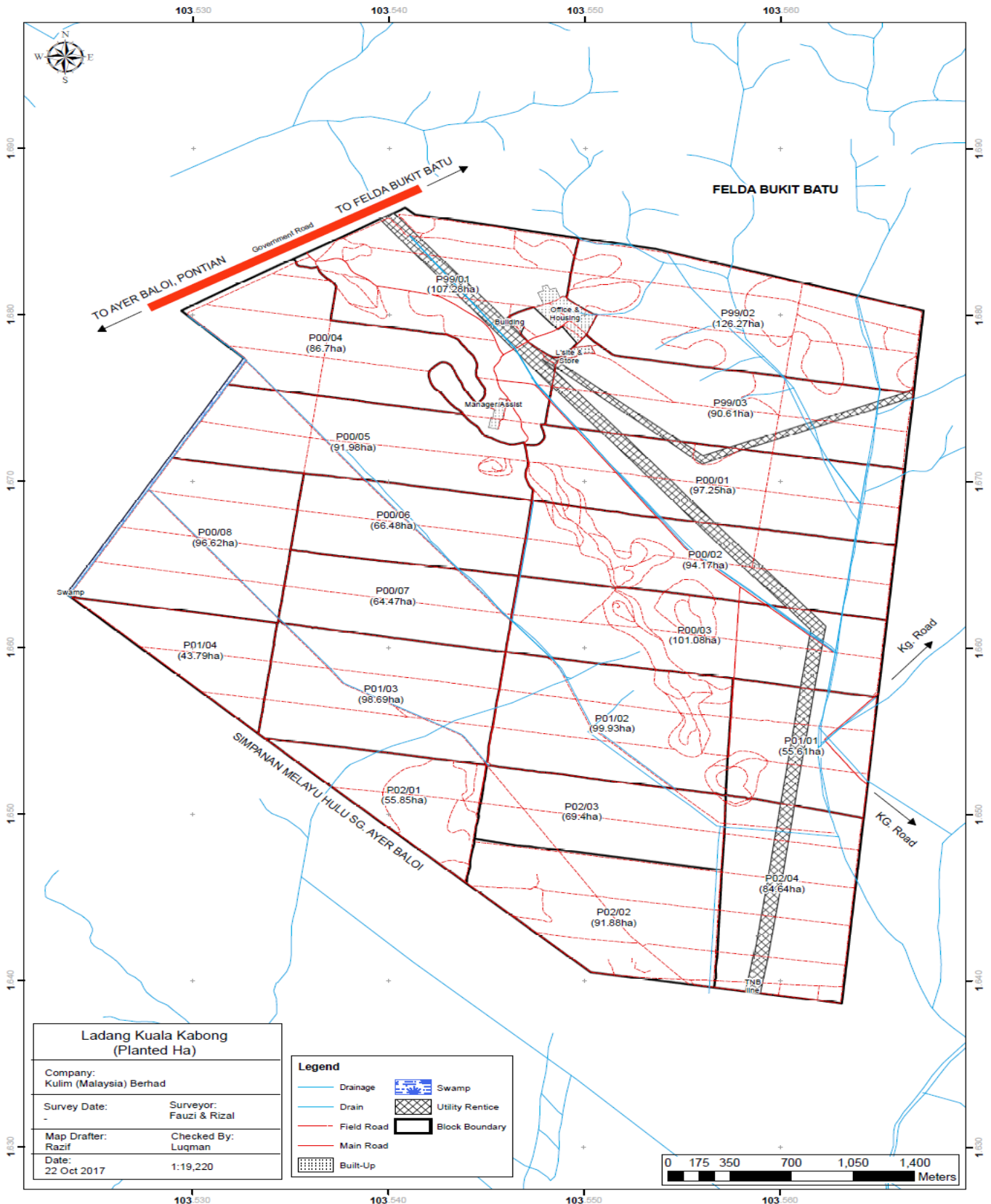
Appendix F: Estate Field Map (Sedenak, Ulu Tiram, Kuala Kabong & Basir Ismail Estate)



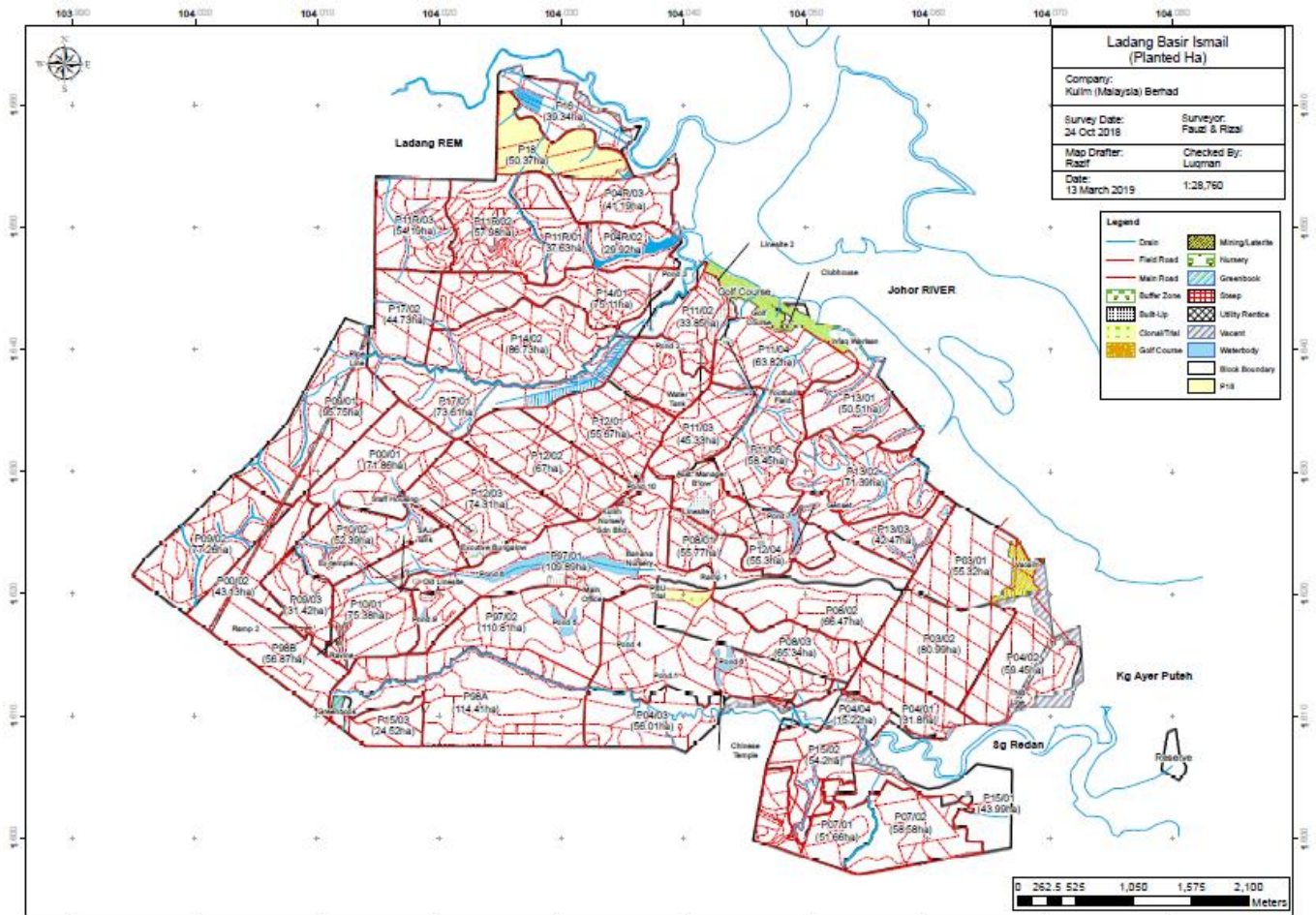
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Appendix G: List of Smallholder Sampled (Not Applicable)

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