

**RSPO PRINCIPLE AND CRITERIA –
1st ANNUAL SURVEILLANCE ASSESSMENT (ASA2_1)
Public Summary Report**

Johor Corporation
Client company Address: Kulim (M) Berhad K.B. 705 80990 Johor Bahru Johor, Malaysia
Certification Unit: Palong Cocoa Palm Oil Mill and supply base Location of Certification Unit: K.B. 504, 85009 Segamat, Johor Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0080-09-000-00	Membership Approval Date	15/06/2009
Parent Company Name	Johor Corporation		
Address	KB 705 80990 Johor Bahru, Johor, Malaysia		
Subsidiary (Certification Unit Name)	Kulim (M) Berhad – Palong Cocoa Palm Oil Mill		
Address	K.B. 504, 85009 Segamat, Johor, Malaysia		
Contact Name	Mrs Salasah Elias		
Website	www.kulim.com.my	E-mail	salrasah@kulim.com.my
Telephone	07 8611611	Facsimile	07 8631084

2. Certification Information			
Certificate Number	RSPO 613087	Date of First Certification	23/01/2009
		Certificate Start Date	22/01/2019
		Certificate Expiry Date	22/01/2024
Scope of Certification	Palm oil and Palm Kernel Production		
Applicable Standards	RSPO P&C MY-NI 2014; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module D)		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
QMS 00714	ISO 9001:2015	SIRIM QAS International Sdn Bhd	10/11/2020
A116161	MS 1500:2009	JAKIM	30/06/2021
EU-ISCC-Cert-DE119-60196780	ISCC	ASG Cert	08/05/2020
MSPO 698010	MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills	BSI Services Malaysia Sdn Bhd	31/03/2024
MSPO 698011	MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Palm Oil Plantations and Organized Smallholders		31/03/2024

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS Coordinates	
		Latitude	Longitude
Palong Cocoa Palm Oil Mill	K.B. 504, 85009 Segamat, Johor, Malaysia	2° 42' 23.09" N	102° 47' 6.04" E
Palong Estate	Segamat, Johor, Malaysia	2°44' 55.89" N	102° 44' 55.53" E
Mungka Estate	Segamat, Johor, Malaysia	2° 41' 15.44" N	102° 47' 8.35" E
Kemedak Estate	Segamat, Johor, Malaysia	2° 42' 47.03" N	102°46' 7.28" E
Sepang Loi Estate	Segamat, Johor, Malaysia	2° 41' 32.09" N	102° 49' 4.08" E
UMAC Estate	Bandar Tun Razak, Pahang, Malaysia	2° 53' 3.31" N	102° 48' 23.94" E
Labis Bahru Estate	Segamat, Johor, Malaysia	2° 25' 49.29" N	102° 52' 27.92" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Palong Estate	1,829.89	5.68	80.08	1,915.65	95.52
Mungka Estate	1,746.5	67.88	113.68	1,928.06	90.58
Kemedak Estate	1,691.69	15.06	79.52	1,786.27	94.71
Sepang Loi Estate	899.92	12.69	57.60	970.21	92.76
UMAC Estate	1,549.81	2.24	58.01	1,610.06	96.26
Labis Bahru Estate	1,945.51	14.53	148.12	2,108.16	92.28
Total	9,663.32	118.08	537.01	10,318.41	93.65

Remarks:

- 1) Palong Estate: 5.68 ha is conservation area as per the report.
- 2) Labis Bahru Estate: 14.53 ha is conservation area as per the report.

6. Plantings & Cycle							
Estate	Age (Years)					Mature**	Immature
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30		
Palong Estate	0	1,447.74	382.15	0	0	1,829.89	0
Mungka Estate	0	1,063.13	683.37	0	0	1,746.5	0
Kemedak Estate	0	526.66	1,165.03	0	0	1,691.69	0

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Sepang Loi Estate	0	0	899.92	0	0	899.92	0
UMAC Estate	0	173.89	1,353.24	22.68	0	1,549.81	0
Labis Bahru Estate	0	247.69	1,428.16	269.66	0	1,945.51	0
Total (ha)	0	3,459.11	5,911.87	292.34	0	9,663.32	0

7. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (Jan 2019-Dec 2019)	Actual (Oct 2018-Aug 2019)	Forecast (Jan 2020-Dec 2020)
Palong Estate	44,918.90	36,990.72	38,050.00
Mungka Estate	44,294.90	38,608.50	39,173.00
Kemedak Estate	43,803.50	36,212.27	36,714.00
Sepang Loi Estate	26,716.30	21,934.29	22,009.00
UMAC Estate	48,305.40	29,365.90	37,094.00
Labis Bahru Estate	51,936.30	43,145.04	39,859.00
Total	259,975.30	206,256.70	212,899.00
Remark:			
1) Certified FFB (October 2018 – December 2018) = 66,747.33 MT			
2) Certified FFB (January 2019 – August 2019) = 139,509.40 MT			

8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *			
Estate	Tonnage / year		
	Estimated (Jan 2019-Dec 2019)	Actual (Oct 2018-Aug 2019)	Forecast (Jan 2020-Dec 2020)
	N/A		
Total	N/A		

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (Jan 2019-Dec 2019)	Actual (Oct 2018-Aug 2019)	Forecast (Jan 2020-Dec 2020)
	N/A		
Total	N/A		

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10. Certified Tonnage			
	Estimated (Jan 2019-Dec 2019)	Actual (Oct 2018-Aug 2019)	Forecast (Jan 2020-Dec 2020)
	FFB	FFB	FFB
Mill Capacity: 40 MT/hr	259,975.30	206,256.70	212,899.00
SCC Model: IP	CPO (OER: 21.00%)	CPO (OER: 22.08%)	CPO (OER: 21.80 %)
	54,597.00	45,550.36	46,412.00
	PK (KER: 5.10%)	PK (KER: 5.44 %)	PK (KER: 5.31 %)
	13,259.00	11,225.85	11,326.00
Remark: 1) Period of October 2018 – December 2018: FFB Tonnage: 66,747.33 MT, CPO Tonnage: 14,875.38 MT, PK Tonnage: 3,604.97 MT 2) Period of January 2019 – August 2019: FFB Tonnage: 139,509.40 MT, CPO Tonnage: 30,674.98 MT, PK Tonnage: 7,620.88 MT			

11. Actual Sold Volume (CPO) (October 2018 – August 2019)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	18,942.16	819.58	0	25,788.62*	45,550.36
Remark: *RSPO Credits: 11,000.00 MT					

Conventional product = product that is produced using certified FFB but sold without RSPO claim.

12. Actual Sold Volume (PK) (October 2018 – August 2019)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	4,295.59	0	0	6,887.81	11,183.40
Remark: Conventional product = product that is produced using certified FFB but sold without RSPO claim.					

13. Actual Group 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,
Lingkaran Syed Putra, Mid Valley City,
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BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 180 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta and Australia which involve in RSPO Certification Program.

2.1 Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted from 24-27/09/2019. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criteria 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2017 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base.

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

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Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as 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 (ASA 2_2)	Year 4 (ASA 2_3)	Year 5 (ASA 2_4)
Palong Cocoa Palm Oil Mill	✓	✓	✓	✓	✓
Palong Estate	-	✓	-	-	✓
Mungka Estate	✓	-	-	✓	-
Kemedak Estate	-	-	✓	-	-
Sepang Loi Estate	-	-	✓	-	-
UMAC Estate	✓	-	-	✓	-
Labis Bahru Estate	-	✓	-	-	✓

Tentative Date of Next Visit: September 28, 2020 – October 1, 2020

Total No. of Mandays: 13.0 mandays including one day SC audit for mill

2.2 BSI Assessment Team:

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Hu Ning Shing	Team Leader	She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO

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		and RSPO in her previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social, legal, SCC for Palm Oil Mill and workers & stakeholders consultation. She is fluent in Bahasa Malaysia and English languages.
Muhamad Naquiuddin	Team Member	He hold Bachelor of Science Horticulture at University Putra Malaysia. He has 11 years working experience in oil palm plantation industry as sustainability team. Joining the sustainability team, he managed, implement and monitors the RSPO, ISCC, MSPO and ISO9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training related to RSPO, MSPO and other certifications where applicable to the operations during previous company. He is a trained as Safety and Health Officer, Food Safety System (FSSC and ISO 22000) for Mill and refineries, ISO 9001, ISO 45001 and already attend HCV training with Proforest. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation. During this assessment, he assessed on the aspects of legal, estate best practices, environmental & waste Management and workers consultation. He is fluent in Bahasa Malaysia and English languages.
Mohamed Hidir Zainal Abidin	Team Member	He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 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.
Amir Bahari	Team Member	He obtained qualification in B.Sc. (Hons) Chemistry USM 1985 & Diploma in Palm Oil Milling Tech/Management MPOB 1996. He has been in the plantations industry for 30 years, among others managing rubber factories, palm oil mills and estates. During the tenure of employment he has been trained as an auditor in ISO 9001, ISO 14001, OHSAS 18001 & also RSPO. He has accumulated 38 man-days in the auditing profession after ending career in the plantation industry. During the assessment he covered mills and estates best practices, workers consultation and occupational safety & health. He is fluent in both verbal/written in Bahasa Malaysia and English.

Accompanying Persons:

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No.	Name	Role
	Nil	

2.3 Assessment Plan

The assessment plan was sent to client prior to the assessment.

PRELIMINARY AGENDA						
Date	Time	Subjects	HNS	MN	AB	MH
Monday 23/09/2019	PM	Audit team travelling to Segamat (VIP Hotel)	√	√	√	-
Tuesday 24/09/2019 Palong Cocoa Palm Oil Mill	0830 - 0900	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). Verification on previous audit findings 	√	√	√	-
	0900 - 1200	Palong Cocoa 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. Visit to laboratory, weighbridge and palm product storage area.	√	√	√	-
	1000 - 1100	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-	-	-
	1200 – 1300	Lunch	√	√	√	-
	1300 - 1630	Palong Cocoa POM 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.	√	√	√	-
	1630 - 1700	Interim Closing Briefing	√	√	√	-

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Wednesday 25/09/2019 Palong Estate	0830 - 1200	Palong 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.	√	√	√	-
	1000 – 1100	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-	-	-
	1200 -1300	Lunch	√	√	√	-
	1300 - 1630	Palong Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√	-
	1630 - 1700	Interim Closing Briefing	√	√	√	-
Thursday 26/09/2019 Labis Bahru Estate	0830 - 1200	Labis Bahru 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.	√	√	√	-
	1000 – 1100	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	√	-	-	-
	1200 -1300	Lunch	√	√	√	-
	1300 - 1630	Labis Bahru Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√	-
	1630 - 1700	Interim Closing Briefing	√	√	√	-

Friday 27/09/2019	0900 – 1230	Supply chain audit for Palong Cocoa POM <ul style="list-style-type: none"> • General COC for supply chain • RSPO rules communication and claim • Module D: Identity Preserved 	√	-	-	√
Palong Cocoa Palm Oil Mill	1230 - 1330	Closing Meeting	√	-	-	√

Section 3: Assessment Findings

3.1 Normative requirement applied for this assessment:

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

3.2 Time Bound Plan progress for multiple management units

Time Bound Plan		
Requirement	Remarks	Compliance
Does the plan include all current subsidiaries, estates and mills?	Yes we include : For Malaysia the group estate have been completed certified. For Indonesia, PT Win (PT SSR, PT HBS, and PT WSK) was completed disposal on December 2017. Currently Kulim acquire PT TPR and PT Raj was now under rehabilitation process.	Yes
Have all the estates and mills certified within five years after obtaining RSPO membership?	Yes, Kulim group certified within 5 years.	Yes
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three-year from the date of acquisition. Certification plan for the new acquisition shall be available.	Yes, Kulim have a new acquire PT TPR and PT RAJ in September 2016. Currently not certified and was under rehabilitation for 5 years.	Yes
Have there been any changes to the time-bound plan since the last audit (both new acquisition and existing)? If yes, justification is required. Is this consistent with the ACOP reporting?	No changes	Yes

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Have there been any isolated lapses in implementation of the plan? If yes a Minor non-compliance shall be raised	There is no isolated lapse in Time Bound Plan except for smallholder proposed certification program that halted due to unstable supply to the mill	Yes
Have there been any fundamental failure (e.g. unable to justify delay in planning the assessments) to proceed with implementation of the plan? If yes a Major non-compliance shall be raised	Yes, failure to certify all smallholder as per time bond plan due to various problem i.e. insufficient budget by smallholder and etc.	Yes
Have there been any stakeholder comments?	So far there no comments received.	Yes
Un-Certified Units or Holdings		
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. 	So far no new planting that replaced primary forest	Yes
Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure.	No new planting activities within all uncertified unit.	Yes
Any Land conflicts are being resolved through a mutually agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6. The RSPO RaCP tracker shall be checked to confirm for any land conflicts/Liabilities https://www.rspo.org/certification/remediation-and-compensation/racp-tracker . The progress on the Liabilities shall be verified and reported.	No land conflict within all uncertified units.	Yes
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.	No labour dispute within all uncertified units.	Yes
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	No legal non-compliance within all uncertified units.	Yes
Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.	RSPO internal audit assessment for all uncertified units been conducted and the report had been Submitted to all unit for improvement plan. The report indicated no systematic failures to proceed with implementation that should be raised as major Nonconformities.	Yes

3.3 Progress of scheme smallholders and/or outgrowers

Progress of scheme smallholders or outgrowers towards compliance with relevant standards

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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.	

3.4 Details of findings

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

During the 1st annual surveillance assessment there were two (2) Major & one (1) Minor nonconformities raised. The Palong Cocoa Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1825761-201903-M1	Clause & Category (Major / Minor)	Indicator 6.1.1 Major
Date Issued	27/09/2019	Due Date	25/12/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	23/12/2019
Statement of Nonconformity:	SIA was not conducted for the impacts detected during the time of audit.		
Requirement Reference:	A social impact assessment (SIA) including records of meetings shall be documented.		
Objective Evidence:	Following impacts were not identified during SIA assessment: 1) Change of payment method of wages from cash to bank/ KASH card. 2) Impacts of delay in renewal of work permit due to late process of MyEG and Immigration Department.		
Corrections:	1) The matter was immediately included in individual social register at Palong Complex. 2) The delayed issue has been immediately included into the SIA Register of respective complex.		
Root Cause Analysis:	1) The decision of changing the workers’ salary payment method is in compliance with Part V, Section 25 (1) of Employment Act 1955. It was initially started with Pilot testing implementation at two (2) OUs with implementation was conducted on staggered basis – complex by complex with Palong being		

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	<p>conducted in September 2019. Issues & impacts picked up and addressed during internal audit at other unit but not done at Palong Complex.</p> <p>2) The renewal delay for Foreign Workers renewal process was initially in order and was not included in Palong SIA assessment.</p>
Corrective Actions:	<p>1) HCMD is to liaise and advise SQD via memo and/or email should there' any expected change and/or review of social environment of the employees.</p> <p>2) EOD is to liaise and advise SQD via memo and/or email should there' any expected change of practices and/or requirements that warrant social impacts (negative or positive) to OUs & its workers.</p>
Assessment Conclusion:	<p>Palong Cocoa POM and Palong Estate has carried out a social impact assessment on 1/12/2019 by included the impacts such as implementation of KASH card and the delay in renewal of Foreign Workers permits. A progress update on the implementation of the KASH card was sighted dated 15/12/2019. Besides, a notes of meeting on Foreign Workers various issues was held on 20/11/2019 to ensure the operating units have monitor and submit the permit for renewal 2 months prior the expiry date. Reminder letter will be sent by EOD to the operating unit for renewal application.</p> <p>The corrective action was effectively closed on 23/12/2019 by offsite due to the risk of system breakdown was very minimal. Continuous implemented will be further verified in the next assessment.</p>

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1825761-201903-M2	Clause & Category (Major / Minor)	Indicator 6.1.3 Major
Date Issued	27/09/2019	Due Date	25/12/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	23/12/2019
Statement of Nonconformity:	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones with the affected parties was not sighted		
Requirement Reference:	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.		
Objective Evidence:	Kulim (Malaysia) Berhad has yet to develop the mitigation plan and promotion plan for the change of payment method for wages with the consultation with the affected parties and delay in renewal of work permit due to late process of MyEG and Immigration Department.		
Corrections:	The matter was immediately addressed with inclusion of issues in individual social register at Palong Complex For purpose of mitigation of impacts, HCMD is to provide with supporting activities report and responses from HCMD findings during the introductory session at Palong Complex for us to prepare the promotion of positive impact and monitoring plan for mitigation of the negative impact on the kash card implementation.		

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	<p>Renewal Delay has now registered as social risk that affect availability of legalized workers at time.</p> <p>The risk has been assessed and management monitoring plan has been initiated as mitigation of the said issue.</p>
Root Cause Analysis:	<p>The decision of changing the workers' salary payment method is in compliance with Part V, Section 25 (1) of Employment Act 1955</p> <p>Issues & impacts picked up with necessary mitigation of all impacts being address at other unit but not done at Palong Complex.</p> <p>Estates Operation Department (EOD) had initially provide and issued an official advice wrt works permit renewal. It was handled smoothly and it does not taken as issues and/or expected risk in the process hence no inclusion of respective issues In SIA.</p>
Corrective Actions:	<p>HCMD is to liaise and advise SQD via memo and/or email should there' any expected change and/or review of social environment of the employees.</p> <p>EOD is to liaise and advise SQD via memo and/or email should there' any expected change of practices and/or requirements that warrant social impacts (negative or positive) to OUs & its workers.</p>
Assessment Conclusion:	<p>Palong Cocoa POM and Palong Estate has carried out a social impact assessment on 1/12/2019 by included the impacts such as implementation of KASH card and the delay in renewal of Foreign Workers permits. A progress update on the implementation of the KASH card was sighted dated 15/12/2019. Besides, a notes of meeting on Foreign Workers various issues was held on 20/11/2019 to ensure the operating units have monitor and submit the permit for renewal 2 months prior the expiry date. Reminder letter will be sent by EOD to the operating unit for renewal application. Management plan for negative and positive impacts were developed especially for the impacts such as implementation of KASH card and delay in renewal of work permits. Emergency, short term, mid term and long term actions were identified.</p> <p>The corrective action was effectively closed on 23/12/2019 by offsite due to the risk of system breakdown was very minimal. Continuous implemented will be further verified in the next assessment.</p>

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1825761-201903-N1	Clause & Category (Major / Minor)	Indicator 5.6.3 Major
Date Issued	27/09/2019	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	Found inconsistence in data for GHG and estate issuance record.		

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Requirement Reference:	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.		
Objective Evidence:	Data verification and objective evidence as per below;		
		Palong Estate	Labis Bahru Estate
	Data from GHG	Fertiliser ERP - 3.55MT Mix2+B – 506MT Kieserite – 164 MT	Fertiliser Mix 2+B – 227.7MT
	Data from Bin Card issuance	ERP - 3.55MT Mix2+B – 514MT Kieserite – 167 MT	Mix 2+B – 220.2MT
Corrections:	Correction of data input in RSPO PalmGHG calculator done immediately.		
Root Cause Analysis:	RSPO PalmGHG was done by Sustainability & Quality Department (SQD). There is an error in transferring data from source (bin card) at operational unit into RSPO PalmGHG calculator.		
Corrective Actions:	SQD will established template on data needed RSPO PalmGHG calculator. Estate to submit the data template with the evidence such as summary store issues note. SQD will verify all the data during internal audit.		
Assessment Conclusion:	The implementation of the corrective actions will be verified during next assessment.		

Opportunity for Improvements	
OFI #	Description
OFI 1	N/A

Positive Findings	
PF #	Description
PF 1	N/A

3.4.1 Status of Nonconformities Previously Identified and Observations

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1693979-201810-M1	Clause & Category (Major / Minor)	Indicator 2.1.1 Major
Date Issued	25/10/2018	Due Date	24/01/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/01/2019
Statement of Nonconformity:	Compliance of legal requirements was not implemented effectively.		
Requirement Reference:	Evidence of compliance with relevant legal requirements shall be available.		
Objective Evidence:	i) During site visit and document verification, found in UMAC estate and Palong POM is not followed Environmental Quality (Scheduled waste) Reg 2005 scheduled 5th (Inventory) for SW 404. The Inventory for SW 404 is not		

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	<p>available for UMAC estate and Palong POM. In UMAC estate SW 408 is been identified generate by estate in Waste management plan however during verification implementation no Inventory record of SW 408 is available.</p> <p>ii) Document reviewed in Palong Cocoa POM found that workers sampled below have worked more than 104 hours of overtime per month without obtain approval from Labour Department:</p> <table border="1" data-bbox="544 616 1460 974"> <thead> <tr> <th>Employee No.</th> <th>Month</th> <th>Total Hours</th> </tr> </thead> <tbody> <tr> <td rowspan="2">637024</td> <td>November 2017</td> <td>249.5</td> </tr> <tr> <td>September 2018</td> <td>147</td> </tr> <tr> <td>637045</td> <td>November 2017</td> <td>160</td> </tr> <tr> <td>637141</td> <td>November 2017</td> <td>147</td> </tr> <tr> <td>637137</td> <td>November 2017</td> <td>219</td> </tr> <tr> <td>637154</td> <td>November 2017</td> <td>200.5</td> </tr> <tr> <td>637136</td> <td>November 2017</td> <td>203.5</td> </tr> <tr> <td rowspan="2">637151</td> <td>November 2017</td> <td>145</td> </tr> <tr> <td>September 2018</td> <td>242</td> </tr> </tbody> </table> <p>iii) Sampled of the workers whose permit was expired and under renewal process or in progress of application of permit for new workers during the time of audit. The permits which expired or not available as below:</p> <ol style="list-style-type: none"> Permit No.: PD 8685773 valid until 13/9/2018, submitted on 23/8/2018 (PCPOM) Permit No.: PD 6391991 valid until 1/9/2018, submitted on 19/8/2018 (ME) Permit No.: PD 8539971 valid until 1/4/2018, submitted on 23/4/2018 (ME's Contractor worker) Passport No.: B 5792093 who joined on 17/4/2017 (ME's Contractor worker) Passport No.: B 5792096 who joined on 17/4/2017 (ME's Contractor worker) Passport No.: B 5792097 who joined on 17/4/2017 (ME's Contractor worker) 	Employee No.	Month	Total Hours	637024	November 2017	249.5	September 2018	147	637045	November 2017	160	637141	November 2017	147	637137	November 2017	219	637154	November 2017	200.5	637136	November 2017	203.5	637151	November 2017	145	September 2018	242
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637024	November 2017	249.5																											
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637137	November 2017	219																											
637154	November 2017	200.5																											
637136	November 2017	203.5																											
637151	November 2017	145																											
	September 2018	242																											
<p>Corrective Actions:</p>	<p>i) Kulim has appointed the Complex PIC for SW for the complex to monitor scheduled waste management at OUS to ensure the practice follow the legal requirement and reported to SQD for purpose of checking where OUs forwarded the e-SWIS system password to SQD for purpose of checking the monthly updating by all OUs.. The program to equip the PIC with CEPSSWAM training has been planned. Refresher training on Scheduled Waste Management to be conducted annually to OUs.</p> <p>ii) Submission of monthly overtime of all Operating Units for analysis by SQD together with approved overtime approval form as evidence of overtime performed monthly. Submission by Mills of the approved permit for extended overtime to SQD.</p> <p>iii) Foreign Workers Unit to revise the permit renewal SOP to incorporate the processing period by MyEG and Immigration Department Retraining on Foreign Workers Recruitment and Renewal to be conducted to FW PIC of all Operating Units. Implementation of a control checklist of Contractor' Foreign Workers by Operating Units updated to current in order to monitor the expiry of each FW posted to respective unit. Training on Foreign Workers Recruitment and</p>																												

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	<p>renewal to be conducted to FW PIC of all Operating Units and similar session to be conducted to all</p>
<p>Assessment Conclusion:</p>	<p>ASA2_1 verification:</p> <p>The following was checked and verified at Palong/Labis Bahru Estates;</p> <ul style="list-style-type: none"> i. E SWISS has been maintained and submitted to DOE ref AS (B)J11/123/000/159 n a monthly basis to include all the produced scheduled waste including SW404 Aug dated 30/8/19. A copy being forwarded to SQD of Kulim M Bhd. ii. Training to the newly appointed MA and the attendant was made recent being on 11/9/19 (Palong Estate) and 13/6/19 on the management of clinical waste SW404, and also the handling of other scheduled waste generated by the estate. The training was made by the Assistant Manager. Training record and material evidence was verified. iii. Other training include the following <ul style="list-style-type: none"> Palong Estate <ul style="list-style-type: none"> 1. 20/6/19 Management of scheduled waste 2. 22/1/19 RSPO requirement to environmental issues 3. 06/2/19 Aspect/Impact and EIA 4. 05/3/19 Environmental Policy and requirement Labis Bahru Esatte <ul style="list-style-type: none"> 5. 27/3/19 Zero burning 6. 16/4/19 Biodiversity and RTE 7. 23/9/19 protection of buffer zone 8. 13/6/19 Clinical waste management <p>Palong Cocoa POM has obtained permit from JabatanTenaga Kerja Semenanjung Malaysia as below:</p> <ul style="list-style-type: none"> i. Ref. No.: BHG. PU/9/134 Jld 17 (16) dated 30/11/2018 to have the maximum overtime hours to 130 hours and the permit is valid for 5 years from the date of issuance. <p>Besides, Palong Cocoa POM has submitted monthly overtime report to Sustainability Department to ensure no overtime hour has exceeded 130 hours per month. Seen the latest report was submitted on 4/9/2019. Verified the report found that no overtime has exceeded 130 hours.</p> <p>Sampled of foreign workers with valid work permit as below:</p> <ul style="list-style-type: none"> a. Permit No.: PE 6754531 valid until 16/1/2020 (PCPOM) b. Permit No.: PE 7993156 valid until 24/3/2020 (PCPOM) c. Permit No.: PE 7695584 valid until 25/4/2020 (PCPOM) d. Permit No.: PE 8190568 valid until 4/7/2020 (PCPOM) e. Permit No.: PE 8748907 valid until 13/9/2020 (PCPOM) f. Permit No.: PE 7259689 valid until 10/3/2020 (PE) g. Permit No.: PE 8684772 valid until 1/9/2020 (PE) h. Permit No.: PE 8189492 valid until 28/6/2020 (PE) i. Permit No.: PE 7172048 valid until 26/2/2020 (PE) j. Permit No.: PE 7391596 valid until 19/4/2020 (PE) k. Permit No.: PE 7630247 valid until 2/5/2020 (PE's Contractor Worker) l. Permit No.: PE 6319654 valid until 23/12/2019 (PE's Contractor Worker) m. Permit No.: PE 6169164 valid until 9/10/2019 (PE's Contractor Worker) n. Permit No.: PE 6169907 valid until 9/10/2019 (PE's Contractor Worker) o. Permit No.: PE 6306088 valid until 3/11/2019 (LBE)

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	<p>p. Permit No.: PE 6703348 valid until 9/1/2020 (LBE) q. Permit No.: PE 8076686 valid until 27/6/2020 (LBE) r. Permit No.: PE 8608019 valid until 25/8/2020 (LBE) s. Permit No.: PE 8490001 valid until 15/8/2020 (LBE's Contractor Worker) t. Permit No.: PE 7266118 valid until 5/3/2020 (LBE's Contractor Worker) u. Permit No.: PE 6716085 valid until 21/1/2020 (LBE's Contractor Worker)</p> <p>All the workers of contractors sampled have possessed valid work permit. Thus, the major non-conformance was remained closed.</p>
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Nonconformity					
NCR Ref #	1693979-201810-M2	Clause & Category (Major / Minor)	Indicator 8.1.1 Major		
Date Issued	25/10/2018	Due Date	24/01/2019		
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/01/2019		
Statement of Nonconformity:	The action plan for continual improvement plan was not fully identified and implemented.				
Requirement Reference:	The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.				
Objective Evidence:	<p>The action plan for continual improvement plan was not fully identified and implemented. Example action plan that had been established:</p> <ol style="list-style-type: none"> 1. Dispose the scheduled waste as EQ (Scheduled waste) Regulations 2. Medical surveillance 3. Chemical exposure monitoring test 4. HIRARC 5. Union meeting 6. Social impact assessment 				
Corrective Actions:	Six (6) monthly submission to SQD for purpose of incorporating it into the annual Sustainability KPI				
Assessment Conclusion:	ASA2_1 verification:				
	During the surveillance audit 24-26/9/19 the following document being follow-up				
	A continual improvement plan dated 31/1/19 template by SQD to all operating units to be use base on site specific action plans. The details among others have been revised to include the following. Therein contain sections of issues, action plan, timeline and PIC.				
		Issue	Action Plan	Time line	PIC
	1	OSH			
		Safety	Upgrade parking for tractor	Sept 2019	EM,AM
2	Social				
	Housing	Repaint workers line sites	Dec 2019	EM,AM	
		Furniture replacement for staff	Dec 2019	EM,AM	

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	Activities	Sport activities include indoor games	Sept 2019	EM,AM
3	Environmental			
	biodiversity	Replace signage at hotspot area	June 2019	EM,AM
4	Productivity			
	Structure	Fixing new culvert	June 2019	EM,AM
	Mechanisation	Purchase new vicon spreader	May 2019	EM,AM
		Purchase new mechanical buffalo	Sept 2019	EM,AM
<p>A 6 monthly meeting was held by the SQD and the operating units to review the status of the progress. Thus, the major non-conformance was remained closed.</p>				

Nonconformity			
NCR Ref #	1693979-201810-M3	Clause & Category (Major / Minor)	Indicator 4.6.11 Major
Date Issued	25/10/2018	Due Date	24/01/2019
Closed (Yes / No)	Yes	Date of nonconformity Closure	16/01/2019
Statement of Nonconformity:	Medical surveillance for the sprayers was not fully documented.		
Requirement Reference:	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.		
Objective Evidence:	Medical surveillance for 2 sprayers was not fully documented in Mungka Estate: 1. 635533 2. 635547		
Corrective Actions:	1. KSTS to provide the guide for Medical Surveillance Process Flow for all Operating Units. 2. Reminder to all OUs on requirement of annual Medical Surveillance to be sent together with list of the workers that has undergone the medical surveillance in previous year, one month before expiry of MS.		
Assessment Conclusion:	ASA2_1 verification: The medical Surveillance process flow was been establish dated 16 December 2018 and communicated through email by safety officer. Medical surveillance done periodically, latest record was on 6 Julai 2019.The surveillance done by Dr Muzaffar Salim(HQ/11/DOC/00/235) from Klinik Falck Bestari. From the result all workers was fit to work with chemical. Sampling on workers id 637090,950288 and 951997. Medical surveillance done – HQ/11/DOC/00/235 from Klinik Falck Bestari. From the result all workers was fit to work with chemical all was fit to work with chemical. Next batch will be send on 30 Oct 2019. Total attended was 23 person. In Labis Bahru estate, Medical surveillance was done on 7 July 2019 referred report from Dr. Muzaffar Salim (HQ/11/DOC/00/235) from Klinik Falck Bestari. Attended		

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	by 28 person including all sprayer, store keeper, workshop and others. From the report found 2 workers (Id;605648 & 605039)was unfit to work with chemical. The workers already been transfer to general work dated transfer letter 2 Sept 2019 and retest was done on 14 Sept 2019 and 2nd retest will be after 4 month. All record been verified. JKPP 7 been send on 20 August 2019 to DOSH. Thus, the major non-conformance was remained closed.
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Nonconformity			
NCR Ref #	1693979-201810-N1	Clause & Category (Major / Minor)	Indicator 2.1.3 Minor
Date Issued	25/10/2018	Due Date	Next Annual Surveillance Assessment
Closed (Yes / No)	Yes	Date of nonconformity Closure	27/09/2019
Statement of Nonconformity:	Mechanism for ensuring compliance was not fully implemented at PCPOM, UMAC Estate and Mungka Estate.		
Requirement Reference:	A mechanism for ensuring compliance shall be implemented.		
Objective Evidence:	Based on Kulim Group Compliance Framework for Palong Complex: 1. At Mungka Estate and UMAC Estate, the evaluation was not include regulation for: a) Factories and Machineries and; b) Occupational Safety and Health 2. The evaluation was not done correctly at Mungka Estate although the electricity supplied by TNB (Energy Commission Act 2001– stated fully complied).		
Corrective Actions:	1. The Compliance PRC will meet up on quarterly basis to track, update and communicate to OUs on any changes and/or updates of the laws and requirement. This will be captured in the Compliance Framework report activity. 2. PRC has to provide sample template for each OUs in the complex, bimonthly assessment and evaluation should be done for respective OUs submission prior to verification by Manager of respective OUs.		
Assessment Conclusion:	ASA2_1 verification: The Compliance PRC will meet up on quarterly basis to track, update and communicate to OUs on any changes and/or updates of the laws and requirement. This will be captured in the Compliance Framework report activity. Latest record was on July 2019 and previously was on March 2019, this been conducted by Risk management and compliance department (RMCD) as Legal Tracking Working Group. PRC has to provide sample template for each OUs in the complex, bimonthly assessment and evaluation should be done for respective OUs submission prior to verification by Manager of respective OUs. As per verification, latest record was on 19/9/2019 and 14 /7/2019. No new regulation accept Noise exposure 2019 already been update on March 2019. Thus, Minor NC was closed.		

Opportunity for Improvements	
OFI #	Description
OFI 1	N/A

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1693979-201810-M1	Major	2.1.1	25/10/2018	Closed on 16/01/2019
1693979-201810-M2	Major	8.1.1	25/10/2018	Closed on 16/01/2019
1693979-201810-M3	Major	4.6.11	25/10/2018	Closed on 16/01/2019
1693979-201810-N1	Minor	2.1.3	25/10/2018	Closed out on 27/09/2019
1825761-201903-M1	Major	6.1.1	27/09/2019	Closed out on 23/12/2019
1825761-201903-M2	Major	6.1.3	27/09/2019	Closed out on 23/12/2019
1825761-201903-N1	Minor	5.6.3	27/09/2019	"Open"

3.5. Stakeholders Consultation

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

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

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

List of Stakeholders Contacted	
Internal Stakeholders Field workers Mill workers NUPW representative Gender committee General workers	Union/Contractors/Local Communities Local Community (Kg. Padang Kimbang) Contractors
Government Departments NIL	NGO NIL

IS #	Description
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1	<p>Feedback: Workers – They were treated equally without any discrimination. Their wages are paid accordingly to Minimum Wage Order 2018. They are aware of the complaint procedures. They informed that the method of payment of wages will be changed from cash to bank/ KASH card soon and this will caused inconveniences to them.</p>
	<p>Management Responses: The management aware of the issue of payment of wages and will carry out consultation with workers later.</p>
	<p>Audit Team Findings: Refer to Indicator 6.1.1 and 6.1.3. Verify during next assessment.</p>
2	<p>Feedback: Contractors – They have signed contract agreement with the company and payment was made promptly. Besides, they have been invited to attend stakeholder meeting and aware of complaint procedure. They concluded that they have good relationship with the company.</p>
	<p>Management Responses: Management noted and will continue to maintain good relationship with the contractors.</p>
	<p>Audit Team Findings: No other issue.</p>
3	<p>Feedback: Local Community (Kg. Padang Kimbang) – He informed that they have good relationship with the management. They will seek for assistance if they need any help. Residents in the village are provided with job opportunity. No land dispute has been reported so far.</p>
	<p>Management Responses: The management will continue to maintain good relationship and provide assistance whenever possible.</p>
	<p>Audit Team Findings: No further issue.</p>

Formal Signing-off of Assessment Conclusion and Recommendation

The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Palong Cocoa Palm Oil Mill has complied with the RSPO P&C MY-NI 2014 & RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of Palong Cocoa Palm Oil Mill is approved and continued.

Report prepared by	Acceptance of Assessment Conclusion
<p>Name: Hu Ning Shing</p>	<p>Name: Salasah Elias</p>
<p>Company Name: BSI Services Malaysia Sdn Bhd</p>	<p>Company Name: Kulim Malaysia Berhad</p>
<p>Title: Lead Auditor</p>	<p>Title: Deputy General Manager</p>

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<p>Signature:</p> 	<p>Signature:</p> <p><i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i></p> 
<p>Date: 16/01/2020</p>	<p>Date: 16/01/2020</p>

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. In company website (http://www.kulim.com.my/), publicly available documents such as OSH plan, HCV documents, negotiation procedure, complaint records, sustainability handbook and report, EIA, Management Plans & Continuous Improvement Plans. Other sensitive information such as land title and etc will be provided upon request	Complied

Criterion / Indicator	Assessment Findings	Compliance																																																																												
1.1.2 Records of requests for information and responses shall be maintained. -Major compliance	<p>All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed. In both the mill and estates, there is an enquiry register record. Sighted the following being the recent transaction.</p> <table border="1" data-bbox="974 558 1809 762"> <thead> <tr> <th colspan="4">Palong Cocoa Palm Oil Mill</th> </tr> <tr> <th></th> <th>Agency</th> <th>Date</th> <th>Issues</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>DOSH</td> <td>31/3/19</td> <td>Machinery inspection .</td> </tr> <tr> <td>2</td> <td>MPOB</td> <td>15/8/19</td> <td>Production statistics</td> </tr> <tr> <td>3</td> <td>DOE</td> <td>17/7/19</td> <td>Calibration SDM</td> </tr> <tr> <td>4</td> <td>BOMBA</td> <td>16/7/19</td> <td>Fire certificate</td> </tr> </tbody> </table> <table border="1" data-bbox="974 794 1809 1066"> <thead> <tr> <th colspan="4">Palong Estate</th> </tr> <tr> <th></th> <th>Agency</th> <th>Date</th> <th>Issues</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>M/s Nafisah</td> <td>29/4/18</td> <td>Job application</td> </tr> <tr> <td>2</td> <td>M/s Abd Hamid</td> <td>25/6/18</td> <td>House SQ 09 usage</td> </tr> <tr> <td>3</td> <td>M/s Norma</td> <td>9/7/18</td> <td>Request for estate van</td> </tr> <tr> <td>4</td> <td>JKKP</td> <td>12/11/18</td> <td>Air compressor PMT 21524</td> </tr> <tr> <td>5</td> <td>JTK</td> <td>12/8/18</td> <td>Salary deduction details</td> </tr> </tbody> </table> <table border="1" data-bbox="974 1098 1637 1393"> <thead> <tr> <th colspan="4">Labis Bahru Estate</th> </tr> <tr> <th></th> <th>Agency</th> <th>Date</th> <th>Issues</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>SM Melayu Raya</td> <td>22/9/18</td> <td>Contribution for sports day</td> </tr> <tr> <td>2</td> <td>Indian Temple</td> <td>8/8/19</td> <td>Road usage for festival</td> </tr> <tr> <td>3</td> <td>JKKP</td> <td>10/10/18</td> <td>Air Compressor PMT 18012</td> </tr> <tr> <td>4</td> <td>M/s Fatimah</td> <td>19/6/19</td> <td>Service for a tractor.</td> </tr> </tbody> </table>	Palong Cocoa Palm Oil Mill					Agency	Date	Issues	1	DOSH	31/3/19	Machinery inspection .	2	MPOB	15/8/19	Production statistics	3	DOE	17/7/19	Calibration SDM	4	BOMBA	16/7/19	Fire certificate	Palong Estate					Agency	Date	Issues	1	M/s Nafisah	29/4/18	Job application	2	M/s Abd Hamid	25/6/18	House SQ 09 usage	3	M/s Norma	9/7/18	Request for estate van	4	JKKP	12/11/18	Air compressor PMT 21524	5	JTK	12/8/18	Salary deduction details	Labis Bahru Estate					Agency	Date	Issues	1	SM Melayu Raya	22/9/18	Contribution for sports day	2	Indian Temple	8/8/19	Road usage for festival	3	JKKP	10/10/18	Air Compressor PMT 18012	4	M/s Fatimah	19/6/19	Service for a tractor.	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance	
Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			
1.2.1	<p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance –</p>	<p>There is a SPO (Sustainability Palm Oil) Transparency Program under Kulim Malaysia Berhad established on 4/9/2004. The Group has also established Sustainability Policy signed by the Executive Director dated 22/6/2007. The procedure is to ensure that documents if to be release and made publicly available are readily available. The Corporate Dept will ensure that the following documents are available if requested and they do not impinge on confidentiality and will not cause detrimental sustainability or social outcomes. Among the documents that were made available for viewing are:</p> <ol 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) Pollution prevention plans e) Details of complaints and grievances f) Negotiation procedures g) Continuous improvement plan h) Biodiversity plans i) Policy documents (sustainability handbook) <p>In addition to the website, the policies were also displayed at various locations at the operating units including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p> <p>Records such as enquiry register, and record of government visit documented the visit or request from the stakeholders. Details as provided in 1.1.2 above.</p>	<p>Complied</p>
Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.			

Criterion / Indicator		Assessment Findings	Compliance
1.3.1	There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. -Minor compliance	Kulim (Malaysia) Berhad has developed Ethics Policy dated 1/5/2018 where the company will run the business with ethic and integrity. They will keep all the record of activities and transactions. Besides, the company has implemented No Gift and Entertainment Policy dated 1/5/2018. The company will not receive any gift or entertainment for personal from any interested parties. All the policies were displayed at the notice board in front of office. Furthermore, briefing of the policies were conducted on 14/4/2019 and 23/6/2019 for workers in Palong Cocoa POM, 22/1/2019 and 11/7/2019 in Palong Estate and 20/8/2019 in Labis Bahru Estate.	Complied
Principle 2: Compliance with applicable laws and regulations			
Criterion 2.1:			
There is compliance with all applicable local, national and ratified international laws and regulations.			

Criterion / Indicator		Assessment Findings	Compliance
2.1.1	Evidence of compliance with relevant legal requirements shall be available. - Major compliance -	<p>The list of permit and license required for the operations of at the estate and mill were sighted. The list includes expiry date to serve as compliance monitoring. The sample of permit and license:</p> <p>Palong Mill Permit for Air compressor 3 (JH PMT 3617) valid until 29 June 2020 Permit for Air Compressor 5 (JH PMT 27 440) valid until 29 June 2020 Permit For Boiler no 4 (JH PMD valid until 29 June 2020 Permit for Pemasangan Persendirian from Energy Commission (license no 2018/03113 series 32335 valid till 31 October 2019. MPOB license no 578392004000 valid until 20 Nov 2019. Fire Certificate for Bomba Series 303598 valid until 13 Oct 2019 Evidence on Noise exposure regulation 2019 implementation, the training for Hearing conservation was done on 6 Jan 2019 attended 30 person.</p> <p>Labis Bahru estate MPOB license referred 501775302000 valid till 30 April 2020 License for Diesel from KPDNKK (JH(SGT)0103/03 PSK valid till 11 Feb 2020 License for PMT JH/17 11529 valid till 9 Jan 2020 License for weighbridge B1538556 valid till 2 April 2020</p>	Complied
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	Legal register was identified accordingly as per compliance monitoring, latest review for the Noise exposure Regulation 2019. The legal register was reviewed on 4/7/2019 by Executive Regional Controller	Complied

Criterion / Indicator		Assessment Findings	Compliance
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	<p>The legal compliance is part of the compliance audit. The audit was conducted by executive regional controller for Palong Complex. The Compliance Framework assessment conducted had also served the purposed to demonstrate internal audit to ensure compliance to local regulations. The compliance audit was conducted on 15 July 2019 sampling (AS(B)J31/152/000/057Jld.5(05)-Audit/2019-01) for all operating units at Palong complex.</p> <p>The Compliance PRC will meet up on quarterly basis to track, update and communicate to OUs on any changes and/or updates of the laws and requirement. This will be captured in the Compliance Framework report activity. Latest record was on July 2019 and previously was on March 2019, this been conducted by Risk management and compliance department (RMCD) as Legal Tracking Working Group.</p> <p>PRC has to provide sample template for each OUs in the complex, bimonthly assessment and evaluation should be done for respective OUs submission prior to verification by Manager of respective OUs. As per verification, latest record was on 19/9/2019 and 14 /7/2019. No new regulation accept Noise exposure 2019 already been update on March 2019.</p>	Complied
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, sustainability team, website information and the information are communicated from the Head Office. Kulim (Malaysia) Berhad have centralised system for tracking any changes in the law.	Complied
<p>Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>			

Criterion / Indicator	Assessment Findings	Compliance																																																											
2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -	<p>The estates operations are on freehold land and no restriction on the land use right. Copies of land titles were available for verification. Details of the respective land titles to demonstrate the right to use the land as shown below. Quit rents were paid accordingly.</p> <table border="1" data-bbox="974 555 1769 962"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Estate</th> <th colspan="3">Land title</th> </tr> <tr> <th>HS(D) No</th> <th>PTD ref</th> <th>Expiry date</th> </tr> </thead> <tbody> <tr> <td></td> <td>Palong Mill</td> <td>11071</td> <td>1354</td> <td>18/8/2044</td> </tr> <tr> <td rowspan="2">1</td> <td rowspan="2">Palong Estate</td> <td>11069</td> <td>793</td> <td>11/9/2112</td> </tr> <tr> <td>12917</td> <td>792</td> <td>11/9/2112</td> </tr> <tr> <td rowspan="5">2</td> <td rowspan="5">Labis Bahru Estate</td> <td>Grant No</td> <td>Lot no</td> <td>Ha</td> </tr> <tr> <td>38197</td> <td>1265</td> <td>1237.52</td> </tr> <tr> <td>38189</td> <td>1699</td> <td>355.51</td> </tr> <tr> <td>44205</td> <td>3771</td> <td>117.80</td> </tr> <tr> <td>38196</td> <td>1166</td> <td>111.18</td> </tr> </tbody> </table> <p>The mill is located in Ladang Mungka and separated by fencing. Palong estate shared land title of the following together with other 2 sister estates. Details as provided below;</p> <table border="1" data-bbox="974 1121 1769 1353"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Estate</th> <th colspan="3">Land title</th> <th rowspan="2">ha</th> </tr> <tr> <th>HS(D) No</th> <th>PTD ref</th> <th>Expiry date</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Palong, mungka</td> <td>11071</td> <td>1354</td> <td>11/9/2112</td> <td>3406</td> </tr> <tr> <td>2</td> <td>Palong & kemedak</td> <td>11069</td> <td>793</td> <td>11/9/2112</td> <td>931</td> </tr> </tbody> </table>		Estate	Land title			HS(D) No	PTD ref	Expiry date		Palong Mill	11071	1354	18/8/2044	1	Palong Estate	11069	793	11/9/2112	12917	792	11/9/2112	2	Labis Bahru Estate	Grant No	Lot no	Ha	38197	1265	1237.52	38189	1699	355.51	44205	3771	117.80	38196	1166	111.18		Estate	Land title			ha	HS(D) No	PTD ref	Expiry date	1	Palong, mungka	11071	1354	11/9/2112	3406	2	Palong & kemedak	11069	793	11/9/2112	931	<p>Complied</p>
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2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	<p>Both the Estates have maps showing the locations of boundary stones/pegs that have been physically located and marked. Inspection of boundary stones during the field visit confirmed that they were clearly marked and maintained.</p> <table border="1"> <thead> <tr> <th></th> <th>Estate</th> <th>Boundary site</th> <th>Neighboring properties</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Palong</td> <td>P08/Block 3</td> <td>Smallholder Balai Padang</td> </tr> <tr> <td></td> <td></td> <td>P07/Block 3</td> <td>TNB rent ice</td> </tr> <tr> <td></td> <td></td> <td>P09/Block 4</td> <td>Jalan Segamat-Sebaya</td> </tr> <tr> <td></td> <td></td> <td>P07/Block 3</td> <td>Ladang Kemedak</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>2</td> <td>Labis Bahru</td> <td>P06/Block 4</td> <td>Kg Melayu Raya</td> </tr> <tr> <td></td> <td></td> <td>P05/Block 1</td> <td>Kg Melayu Raya</td> </tr> <tr> <td></td> <td></td> <td>P03/Block 1</td> <td>Felcra Pogoh</td> </tr> </tbody> </table> <p>Guidelines on the placement of boundary markers are provided by the Group Estates Dept via letter dated 12/11/07</p>		Estate	Boundary site	Neighboring properties	1	Palong	P08/Block 3	Smallholder Balai Padang			P07/Block 3	TNB rent ice			P09/Block 4	Jalan Segamat-Sebaya			P07/Block 3	Ladang Kemedak					2	Labis Bahru	P06/Block 4	Kg Melayu Raya			P05/Block 1	Kg Melayu Raya			P03/Block 1	Felcra Pogoh	Complied
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2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified. Interviewed with the local communities confirmed that demarcation of land was sighted and no land dispute reported.	Complied																																				
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified. Interviewed with the local communities confirmed that demarcation of land was sighted and no land dispute reported.	Complied																																				

Criterion / Indicator		Assessment Findings	Compliance
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified. Interviewed with the local communities confirmed that demarcation of land was sighted and no land dispute reported.	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified. Interviewed with the local communities confirmed that demarcation of land was sighted and no land dispute reported.	Complied
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified. Interviewed with the local communities confirmed that demarcation of land was sighted and no land dispute reported.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <ul style="list-style-type: none"> a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. <p>- Minor compliance -</p>	<p>There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified. Interviewed with the local communities confirmed that demarcation of land was sighted and no land dispute reported.</p>	<p>Complied</p>
<p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>-Minor compliance</p>	<p>There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified. Interviewed with the local communities confirmed that demarcation of land was sighted and no land dispute reported.</p>	<p>Complied</p>
<p>2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>-Major compliance</p>	<p>There is no land dispute in the certification unit and supply base at the time of audit. The land belongs to Kulim (Malaysia) Berhad. Land ownership documents verified. Interviewed with the local communities confirmed that demarcation of land was sighted and no land dispute reported.</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
Principle 3: Commitment to long-term economic and financial viability		
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.		

<p>3.1.1</p>	<p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -</p>	<p>The annual business plan is available. The document is in the form of annual budget and the projection for 5 years (Budget year 2019 / PY2 / PY3 / PY4 / PY5) prepared as guidance for future planning. The annual business plan is available as per the Group Financial Procedure. & Guidelines. The Mill budget contains the following components;</p> <ul style="list-style-type: none"> i. FFB processed ii. Mill throughput/utilization iii. Extraction ratios iv. Revenue & expenditure (general charges/production/maintenance) v. General expenditure vi. Profit/Loss, projected cash flow <p>Inclusive in the business plan is also Capital Expenditure (CAPEX) among others replacement / upgrading of building/machinery, workers amenities for the mill.</p> <p>Similarly the estate possessed a business management plan among others to include the following components:</p> <ul style="list-style-type: none"> a) Mature area / Immature area b) FFB production & forecast c) Income – FFB selling price d) Revenue expenditure (general charges upkeep & cultivation, harvesting) e) Mechanisation operation f) Depreciation /amortisation g) Capital expenditure h) Gross profit /Loss <p>The cost of production was reviewed and compared against expenditure each year with projections in place for future years. The parameters of the projections are as follows: <i>All figures were extracted out for reason of confidentiality.</i></p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings							Compliance
		Year	2019	2020	2021	2022	2023	2024	
		Mature Ha	X	X	X	X	X	X	
		Immature Ha	X	X	X	X	X	X	
		FFB Tons	X	X	X	X	X	X	
		Yld/Ha	X	X	X	X	X	X	
		Cost/Ton FFB (RM/mt)	X	X	X	X	X	X	
		Cost/Ha (RM/ha)	x	x	x	x	x	x	
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	All the estates maintained record of replanting program until the year 2040. For purpose of auditing record the horizon is limited to 5 years. Figures in ha otherwise stated.							Complied
		Estate	2020	2021	2022	2023	2024	Remarks	
		Palong	-	-	-	-	-	Next planting in 2032	
		L Bahru	270.08	-	-	235.53	208.50	-	
Principle 4: Use of appropriate best practices by growers and millers									
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.									

<p>4.1.1</p>	<p>Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -</p>	<p>The Mill operations are guided by the following documents</p> <p>a) Quality Manual (PCPOM/QM) document no PCPOM/QM.4.0 recent reviewed dated 01/2/18</p> <p>b) Standards Operating Procedure (PCPOM/SOP) dated 01/2/18 covering the following stations/operations among others;</p> <table border="1" data-bbox="972 555 1731 823"> <thead> <tr> <th></th> <th>stations</th> <th></th> <th>Stations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>loading ramp</td> <td>6</td> <td>kernel recovery</td> </tr> <tr> <td>2</td> <td>sterilization</td> <td>7</td> <td>effluent treatment pond</td> </tr> <tr> <td>3</td> <td>press station</td> <td>8</td> <td>water treatment plant,</td> </tr> <tr> <td>4</td> <td>clarification /oil separation</td> <td>9</td> <td>boiler house</td> </tr> <tr> <td>5</td> <td>Nut polishing & cracking</td> <td>10</td> <td>power Plant</td> </tr> </tbody> </table> <p>c) Work Instructions derived from SOPs and displayed the work stations/notice boards. Among others include;</p> <table border="1" data-bbox="972 954 1731 1190"> <thead> <tr> <th></th> <th>stations</th> <th></th> <th>Stations</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Boiler Station</td> <td>6</td> <td>Power Plant</td> </tr> <tr> <td>2</td> <td>Emergency Response Procedure</td> <td>7</td> <td>Maintenance and servicing of oil trap</td> </tr> <tr> <td>3</td> <td>Laboratory Manual</td> <td>8</td> <td>Workshop Operations</td> </tr> <tr> <td>4</td> <td>Waste Management,</td> <td>9</td> <td>Working at Height</td> </tr> <tr> <td>5</td> <td>Handling of chemicals</td> <td>10</td> <td>Oxy-Acetylene Welding</td> </tr> </tbody> </table> <p>Similarly, the estates adopted the guidelines provided in the following documents</p> <p>a) Kulim (M) Berhad Agricultural Manual (released in 1988 revised in 1992 & 2002 covering activities relating to;</p>		stations		Stations	1	loading ramp	6	kernel recovery	2	sterilization	7	effluent treatment pond	3	press station	8	water treatment plant,	4	clarification /oil separation	9	boiler house	5	Nut polishing & cracking	10	power Plant		stations		Stations	1	Boiler Station	6	Power Plant	2	Emergency Response Procedure	7	Maintenance and servicing of oil trap	3	Laboratory Manual	8	Workshop Operations	4	Waste Management,	9	Working at Height	5	Handling of chemicals	10	Oxy-Acetylene Welding	<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance
			Activities		Activities	
		1	Replanting / roads drains	7	pruning /ablation	
		2	Bridges culverts/fences	8	soil conservation	
		3	construction of estate building	9	justification of chemical use	
		4	manuring including POME	10	weed management,	
		5	Bio compost	11	Integrated pest mgmnt	
		6	Harvesting & collection	12	Plant diseases	
		<p>a) Total of 19 SOPs and 18 WI's covering all aspects of oil palm management including composting site operation. Among others SOP of;</p> <ul style="list-style-type: none"> - Harvesting /Spraying/Manuring - Workshop/Welding/ - Mechanical Buffalo - Chemical handlings <p>Estates have establish SOP and Estate Manual cover and land preparation, planting material, upkeep, harvesting and transport. SOP such as Standard Operation Procedure (SOP) dated 8 Jan 2018 for Panduan Kerja Selamat at Stor alat Ganti, Stor racun Water sampling, triple rinsing and etc. Agriculture Manual for Kulim (Malaysia) Berhad dated amend on 3 Dec 2017 and OSH Guidelines for Estate such as Panduan Kerja Selamat Dibawah Akta Keselamatan dan Kesihatan Pekerjaan 1994 Kulim (Malaysia) Berhad dated 18 May 2009.</p>				

Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -</p>	<p>The following mechanism is available and adopted as standard practices and procedures in the mill and estates operations.</p> <p><i>Palong Cocoa Palm Oil Mill</i></p> <ul style="list-style-type: none"> a) Mill inspectorate Visit program 2x /year – Report dated 16/7/19 was sighted b) Internal audit by Sustainability SQD 2x /year c) Task Force visits d) Visiting Accounts Audit 4x/year e) Monthly and weekly ad hoc meeting f) Daily /monthly grading production & financial report g) Daily and monthly lab analysis report. h) Daily supervision by the mill Supervisors/Executives <p><i>Palong / Labis Bahru Estates</i></p> <ul style="list-style-type: none"> a) Plantation Inspectorate Visit program 2x /year b) Internal audit by Sustainability Unit 2x /year c) Task Force visits d) Monthly and weekly ad hoc meeting e) Daily /monthly production & financial report f) Daily supervision by the field staff/Executives. <p>General Manager visits the estates on quarterly basis to review estate performance against Kulim Sustainability standard. Latest Plantation Inspectorate visit Palong estate was on 8 – 9 July 2019 (Report No. 2/2019). Plantation Inspector comment only P13 achieved the productivity while the rest of the other fields do not. Agronomy report; 01/2019, date visit: 28 April 2019 by Agronomy Advisory and Services Department</p>	<p>Complied</p>
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -</p>	<p>Both the estates and the mill maintained all the above records including the administrative documents in either soft or hard copies in the office. Records are kept for a minimum of 10 years.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	There was no third party sourced FFB at Palong Cocoa POM.	Complied
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agriculture practices which follows the group agriculture manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield. The implementation of SOPs is checked during daily inspection by staff as well as by internal audits. SOP – Kulim (M) Berhad Agriculture Manual(AM) dated 29 Nov 2018 verified. Content of AM comprises of: <ul style="list-style-type: none"> i) Replanting ii) Roads, Drains, Bridges, Culverts and Fences iii) Construction of Estate Buildings iv) Manuring v) Harvesting vi) Pruning and ablation vii) Soil Conservation viii) Justification of Chemical Use ix) Weeds Management x) Integrated Pest Management xi) Plant Management xii) Protection of Natural water course xiii) Planting terrace xiv) Standard operating for coversion of old crops other than oil palm into oil palm. 	Complied

Criterion / Indicator		Assessment Findings	Compliance												
4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators. In Palong estate:- <table border="1" data-bbox="969 491 1615 724"> <thead> <tr> <th>Date/Field</th> <th>Fertiliser type</th> <th>Hectare</th> </tr> </thead> <tbody> <tr> <td>18/9/2019 (P11/3)</td> <td>Mix 1</td> <td>2.52</td> </tr> <tr> <td>12/5/2019 (P11/3)</td> <td>B.R.P</td> <td>15.77</td> </tr> <tr> <td>21/6/2019 (P12/6)</td> <td>Mix 2</td> <td>19.74</td> </tr> </tbody> </table>	Date/Field	Fertiliser type	Hectare	18/9/2019 (P11/3)	Mix 1	2.52	12/5/2019 (P11/3)	B.R.P	15.77	21/6/2019 (P12/6)	Mix 2	19.74	Complied
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4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Leaf and soil nutrient analysis are commonly used in the diagnosis of fertilizer requirements in oil palms. The frequency for leaf sampling must be conduct for every year while for soil analysis, the frequency for soil sampling is conducted at 5 years intervals (Leaf and Soil Sampling Notes Procedure-Kulim (M) Bhd). Latest Soil sampling dated 21 May 2019 (Report No:- SI/1905/0149-0152) in Palong estate.	Complied												
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	In Palong estate, the record for EFB application is available under Bio Compost & EFB Mulching Book Record. Latest record is 30 August 219 12.37 MT at P11/02. For Palong estate, the record of EFB application is available.	Complied												
Criterion 4.3: Practices minimise and control erosion and degradation of soils.															
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	For Palong Estate, Majority soil series is under Bungor Series (51%) and Gajah Mati Series (30%). Refer to Palong Estate Soil and the source from Semi detailed Soil Map (DOA), 2012. Soil series map available at Palong Estate. No soil categorised as problematic or fragile soil.	Complied												

Criterion / Indicator		Assessment Findings	Compliance
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Based on topography map, majority of field area under Undulating (6-12o) for both Palong and Labis Bahru Estate. Slope area constructed with terrace and stop bund. Planting terraces had been constructed where slope >7°. Fields are established with cover crops such as mucuna. No changes from previous audit.	Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Road Maintenance programme was available in estate to ensure road in good condition, in Labis Bahru last road maintain done on March 2019in field P00 (207.86 Ha), P08 (132.08 Ha) and P07 (160.28 Ha)	Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	No peat soil in both estate	Complied
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	No peat soil in both estate	Complied
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	No peat soil in both estate	Complied
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.			

<p>4.4.1</p>	<p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>The mill water management plan has been established with the recent review made on 01/8/2019. Among others the plan therein has emphasized;</p> <ul style="list-style-type: none"> a) rain water harvesting for cleaning purposes, b) water from the reservoir for the mill operations c) water from pond and treated for human consumption d) continual training for workers on water efficiency consumption, e) desilting of water reservoir to retain the reservoir optimal capacity. f) The action plan in event of draught/water pollution and <p>The estates similarly possessed the following water management plan. Among others containing the following initiatives.</p> <table border="1" data-bbox="972 751 1825 1362"> <thead> <tr> <th></th> <th>Source</th> <th>Activity</th> <th>Threat</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Reservoir /pond/ SAJ/Rain</td> <td>Chemical mixing</td> <td>Pollution Draught Wastage</td> <td>Enforcement of buffer zone as non-spraying activities.</td> </tr> <tr> <td></td> <td></td> <td>General Upkeep</td> <td>Pollution Draught Wastage</td> <td>Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW.</td> </tr> <tr> <td></td> <td></td> <td>Line site</td> <td>Pollution Draught Wastage</td> <td>Every house is supplied with containers. To schedule water supply to avoid wastage. Awareness on water usage efficiency. Outsource from neighboring estates.</td> </tr> <tr> <td></td> <td></td> <td>Drain upkeep</td> <td>Interrupti on water flow at</td> <td>Periodic desilting</td> </tr> </tbody> </table>		Source	Activity	Threat	Action Plan	1	Reservoir /pond/ SAJ/Rain	Chemical mixing	Pollution Draught Wastage	Enforcement of buffer zone as non-spraying activities.			General Upkeep	Pollution Draught Wastage	Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW.			Line site	Pollution Draught Wastage	Every house is supplied with containers. To schedule water supply to avoid wastage. Awareness on water usage efficiency. Outsource from neighboring estates.			Drain upkeep	Interrupti on water flow at	Periodic desilting	<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance
				drainage system.	Building of sand bags at specific points to contain water (weirs)	
				Water pollution	Prohibit workers from activities at water source Drinking water analysis. Monitor condition of septic tank Adhere SW management procedure to avoid pollution caused by SW.	

<p>4.4.2</p>	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -</p>	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones has been verified at <i>Palong and Labis Bahru</i> Estates. Riparian buffer zones have been identified and demarcated. No chemicals and fertilizer application observed been used in their maintenance. In some areas Guatemala grass were planted along the river banks. Guidelines of the width of the rivers and natural courses to be protected have been illustrated in the SOP revised dated 01/11/2018. The buffer zones established are as following:</p> <table border="1" data-bbox="1048 651 1570 887"> <thead> <tr> <th></th> <th>River width</th> <th>Buffer zone</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>>40 meters</td> <td>50 meters</td> </tr> <tr> <td>2</td> <td>20 - 40 meters</td> <td>40 meters</td> </tr> <tr> <td>3</td> <td>10 - 20 meters</td> <td>20 meters</td> </tr> <tr> <td>4</td> <td>5 - 10 meters</td> <td>10 meters</td> </tr> <tr> <td>5</td> <td>< 5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>Buffer zones were protected. Areas visited for both the estates as tabled below;</p> <table border="1" data-bbox="972 1018 1563 1219"> <thead> <tr> <th></th> <th>Estates</th> <th>Location</th> <th>Field no</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Palong</td> <td>Sg Perlah</td> <td>P07/Block 1</td> </tr> <tr> <td>2</td> <td>Palong</td> <td>Sg Kemedak</td> <td>P09/Block 2</td> </tr> <tr> <td>3</td> <td>Palong</td> <td>Sg Temuih</td> <td>P10/Block 3</td> </tr> <tr> <td>4</td> <td>Labis Bahru</td> <td>Water pond</td> <td>P08/Block 2</td> </tr> </tbody> </table> <p>Water samples from the intake point are taken for phosphate and nitrate analysis for detection of fertilizer application effect to the water courses. Extracted record of both the estates with details below;</p>		River width	Buffer zone	1	>40 meters	50 meters	2	20 - 40 meters	40 meters	3	10 - 20 meters	20 meters	4	5 - 10 meters	10 meters	5	< 5 meters	5 meters		Estates	Location	Field no	1	Palong	Sg Perlah	P07/Block 1	2	Palong	Sg Kemedak	P09/Block 2	3	Palong	Sg Temuih	P10/Block 3	4	Labis Bahru	Water pond	P08/Block 2	<p>Complied</p>
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**RSPO Public Summary Report
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		Palong Estate 15/8/19		Sg Perlah		Sg Badoh	
	Parameter	unit	Pt A	Pt B	Pt A	Pt B	
1	Phosphate	mg PO4/L	<0.2 0	0.81	0.91	5.70	
2	Nitrate nitrogen	mg NO3N/L	1.14	0.23	3.34	0.81	
		Labis Bahru Estate 18/8/19					
	Parameter	unit	Pt A	Pt B	Pt A	Pt B	
1	Phosphate	mg PO4/L	0.36	0.37	0.32	0.34	
2	Nitrate nitrogen	mg NO3N/L	0.24	0.24	<0.0 4	0.15	
<p>The limit for phosphate and nitrate is 0.2 ppm and 7 ppm respectively.</p> <p>Similarly the mill takes samples from 2 points of Sg Mungka on a monthly basis. Results dated 18/7/19 as shown below;</p>							
		Palong Cocoa Mill					
	Parameter	unit	Point A	Point B			
1	BOD	mg/L	23	40			
2	A Nitrogen	mg/L	2.62	3.91			
3	Dissolved oxygen	Mg DO/L	24.2	4.31			
4	temperature	C	24.2	24.2			
<p>Water for human consumption samples are taken monthly recent being on 27/5/19. Analysis includes the above for the upstream/downstream in</p>							

Criterion / Indicator		Assessment Findings					Compliance
		addition the presence of metal content. All results conform to the specification.					
		Palong Cocoa Mill					
	Parameter	unit	results	Regulation raw water	Standard drinking water	Results	
1	PH	-	6.1	5.5-9.0	7.3	6.5-9.0	
2	Turbidity	-	43.1	1000	0.5	5	
3	Aluminium	NTU	<0.2	-	<0.2	0.2	
4	Chlorine	mg/L	-	-	0.9	0.2-5.0	
5	Coliform	mg/L	85	5000	<10	Nil	
6	E coli	MPN/ml	105	5000	<10	Nil	

Criterion / Indicator		Assessment Findings	Compliance																																				
4.4.3	<p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).</p> <p>- Minor compliance -</p>	<p>The effluent treatment plant was made in accordance and interview with operator in charge revealed that the operation was in accordance with standard operation procedure and legal requirements. No over flow was observed, and flow meter reading was recorded daily. The mill monitoring the effluent and submits to DOE through '<i>Borang Penyata Suku Tahunan</i>'. Palong Cocoa Palm DOE license 004720 was for land application and the requirement is for the BOD to be less than 100 mg/l. The results from final discharge were compliance within parameter limit. The Mill had made correspondence with the DOE on the BOD level of 100 mg/l compliance. Record was sighted and verified.</p> <table border="1"> <thead> <tr> <th>Sample date</th> <th>25/4/19</th> <th>19/5/19</th> <th>28/6/19</th> </tr> </thead> <tbody> <tr> <td>PH</td> <td>8.30</td> <td>8.20</td> <td>8.30</td> </tr> <tr> <td>BOD</td> <td>248</td> <td>140</td> <td>208</td> </tr> <tr> <td>COD</td> <td>1727</td> <td>2864</td> <td>2189</td> </tr> <tr> <td>Total solids</td> <td>6304</td> <td>3416</td> <td>7768</td> </tr> <tr> <td>Suspended solids</td> <td>1192</td> <td>432</td> <td>1304</td> </tr> <tr> <td>Oil & grease</td> <td>8</td> <td>8</td> <td>6</td> </tr> <tr> <td>A Nitrogen</td> <td>127</td> <td>57</td> <td>133</td> </tr> <tr> <td>Total N</td> <td>271</td> <td>131</td> <td>238</td> </tr> </tbody> </table>	Sample date	25/4/19	19/5/19	28/6/19	PH	8.30	8.20	8.30	BOD	248	140	208	COD	1727	2864	2189	Total solids	6304	3416	7768	Suspended solids	1192	432	1304	Oil & grease	8	8	6	A Nitrogen	127	57	133	Total N	271	131	238	Complied
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Criterion / Indicator	Assessment Findings	Compliance																																								
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -</p>	<p>The mill processing water are obtained from the water catchment adjacent to the mill complex. The water usage monitoring is made monthly with the latest recording for to date 2019 is detailed below;</p> <table border="1" data-bbox="974 523 1731 970"> <thead> <tr> <th>Month</th> <th>Water M3 Process & Domestic</th> <th>FFB processed/mt</th> <th>Water/FFB</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>24250</td><td>18240</td><td>1.33</td></tr> <tr><td>Feb</td><td>21130</td><td>14517</td><td>1.46</td></tr> <tr><td>Mac</td><td>21850</td><td>15115</td><td>1.45</td></tr> <tr><td>Apr</td><td>24280</td><td>18139</td><td>1.34</td></tr> <tr><td>May</td><td>20331</td><td>18551</td><td>1.10</td></tr> <tr><td>Jun</td><td>20870</td><td>16819</td><td>1.24</td></tr> <tr><td>Jul</td><td>22420</td><td>18122</td><td>1.24</td></tr> <tr><td>Aug</td><td>24010</td><td>20006</td><td>1.20</td></tr> <tr><td>TOTAL</td><td>179141</td><td>139509</td><td>1.28</td></tr> </tbody> </table> <p>Variation is due to the following factors;</p> <ul style="list-style-type: none"> a) Production volume variance. b) Changes in the mill cleaning schedule. c) Mill machinery breakdown/pipe leakage. d) Weather condition i.e. rain fall 	Month	Water M3 Process & Domestic	FFB processed/mt	Water/FFB	Jan	24250	18240	1.33	Feb	21130	14517	1.46	Mac	21850	15115	1.45	Apr	24280	18139	1.34	May	20331	18551	1.10	Jun	20870	16819	1.24	Jul	22420	18122	1.24	Aug	24010	20006	1.20	TOTAL	179141	139509	1.28	<p>Complied</p>
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<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>																																										

Criterion / Indicator		Assessment Findings	Compliance									
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	IPM Plan includes the planting of beneficial plants, control of damage by rodents, Bagworms, Tussock Moths, Rhinoceros Beetle and Tirathaba rufivena. Beneficial plants such as Cassia Cobanensis (60%), Turnera Subulata (30%), Antigonan (10%) are grown in the estates as per Kulim (M) Berhad –IPM Plan/programme. The reference can refer to SPO Integrated Pest Management Programme dated 4 Sept 2007. Latest implementation of IPM for Barn Owl Box census for occupancy dated 25 August 2019, in Palong estate have 75 BOB with occupancy 60.85% cover 1929.89 Ha.	Complied									
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	In Palong estate IPM training been done yearly basis, latest training on IPM dated 14 March 2019 by Agronomist, ICP Agrosolution Sdn Bhd. For Labis Bahru estate Biodiversity and IPM training conducted by management team to staff and workers that involve in cencus, attended by 14 person.	Complied									
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment												
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Justification of pesticides applied is available in the agriculture manual. Refer to agriculture manual 21/10/2015, H01: Justification of Chemical Use. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target spec	Complied									
4.6.2	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications was maintained. Sample of Ai/Ha summary:- <table border="1" data-bbox="972 1209 1859 1359"> <thead> <tr> <th>Estate</th> <th>Hectarage</th> <th>AI/Ha</th> </tr> </thead> <tbody> <tr> <td>Palong</td> <td>1829.89</td> <td>0.21</td> </tr> <tr> <td>Labis Baharu</td> <td>1945.51</td> <td>0.63</td> </tr> </tbody> </table>	Estate	Hectarage	AI/Ha	Palong	1829.89	0.21	Labis Baharu	1945.51	0.63	Complied
Estate	Hectarage	AI/Ha										
Palong	1829.89	0.21										
Labis Baharu	1945.51	0.63										

Criterion / Indicator		Assessment Findings	Compliance
4.6.3	Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Kulim’s Agriculture Manual. The implementation in the field is consistent with the manual. There is no prophylactic use of pesticides.	Complied
4.6.4	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Palong estate have Class Ib usage (Monocrotophos) and last usage on 21 March 2018, alternatives been used such as Adonis(Acephate) class III started used on 26 March 2018. Record of Form I,II and III (Highly pesticide usage) was available under Trunk Injection document. Latest implementation was on 28 August 2019.	Complied
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipment’s and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers.	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation. Agrochemical containers recycled for premix agrochemical and certain is dispose as recycle waste at G-Planter latest disposal dated 18 Oct 2018 with total 1939 empty container at Mungka estate.	Complied
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Agriculture Manual, Section I: Weeds Management. The implementation in the field is consistent with the Agriculture Manual.	Complied
4.6.8	Pesticides shall be applied aurally only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying at all visited estates.	Complied
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	There is no associated smallholder at Palong Certification Unit. Employees handling pesticide given knowledge and skill required to cover safe handling practices and standard operating procedures.	Complied
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	Proper disposal of waste material are carried out as per the company procedures. The procedures are fully understood by workers and managers. Workers interview reveal that they are aware of the zero burning policy including domestic waste are not allowed to be burned. The management dispose waste material as per regulation for schedule waste and domestic waste.	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -</p>	<p>The chemical register available dated 21 Jan 2019, no new chemical was been used by Mill.</p> <p>For Palong Cocoa POM CHRA(JKKP HQ/03/ASS/00/154-2018/060) been done on 21 May 2018 by Hjh Noormahani Harun & Aisyah Borhan from QMSPRO Sdn Bhd.</p> <p>Medical surveillance done periodically, latest record was on 6 Julai 2019.The surveillance done by Dr Muzaffar Salim(HQ/11/DOC/00/235) from Klinik Falck Bestari. From the result all workers was fit to work with chemical. Sampling on workers id 637090,950288 and 951997.</p> <p>Medical surveillance done – HQ/11/DOC/00/235 from Klinik Falck Bestari. From the result all workers was fit to work with chemical all was fit to work with chemical. Next batch will be send on 30 Oct 2019. Total attended was 23 person.</p> <p>In Labis Bahru estate, Medical surveillance was done on 7 July 2019 referred report from Dr. Muzaffar Salim (HQ/11/DOC/00/235) from Klinik Falck Bestari. Attended by 28 person including all sprayer, store keeper, workshop and others. From the report found 2 workers (Id;605648 & 605039)was unfit to work with chemical. The workers already been transfer to general work dated transfer letter 2 Sept 2019 and retest was done on 14 Sept 2019 and 2nd retest will be after 4 month. All record been verified. JKKP 7 been send on 20 August 2019 to DOSH.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	No female sprayer at Palong Estate and Labis bahru Estate.	Complied
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			
4.7.1	A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -	<p>PCPOM and supply bases continued to maintain Occupational Safety and Health Policy which has been signed by Executive Director of Kulim Malaysia Berhad dated 1/5/2018.</p> <p>OHS plan for 2019 has been established. The OHS plan comprises of OSH legal compliance, emergency response plan (ERP), OSH management system, risk management and safety committee activities. Sample of OSH management system activities as follows:-</p> <p>Audiometric test done on 4 Nov 2018 by Dr Mohd Rizal Abd Aziz (HQ/15/DOC/00/395) from Kulim Safety Training and Services Sdn Bhd. Attended by 49 person. From the result 5 person hearing impairment and 2 person with STS. JKPP 7 record was available for all the hearing impairment and STS dated Jan 2019.</p> <p>OSH meeting was done periodically, sampling in Labis bahru estate done last was on 22 August 2019 and previously was May 2019. Workplace inspection was done on 19 August 2019 and all in good order. No accident happen accept 2 cases of poisoning referred indicator 4.6.11. JKPP 7 dated 20 August 2019</p>	Complied
4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -	<p>HIRARC for all activities was assessed which was based on Risk Assessment Criteria stated in the procedure (SOP) Hazard Identification, Risk Assessment and Risk Control, dated 20/11/2009- Kulim (M) Bhd. Eg:</p> <p>HIRARC in Palong estate already been done periodically dated on 22/9/2019. All accident been reviewed in HIRARC.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.7.3	All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. - Minor compliance -	Observed at engine room, oil room, boiler station, workshop, spraying activity and harvesting activity, adequate and appropriate protective equipment was provided. The training was conducted accordingly at mill and estates. #Cross refer with indicator 4.8.2	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.4</p>	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -</p>	<p>Palong Cocoa POM OSH meeting conducted on quarterly basis and last meeting conducted on 13/8/2019. Conducted 3 monthly once previously meeting was done on 20 May 2019.</p> <p>The work place inspection and review of accident record was discussed during the OSH meeting. No any unresolved safety and health issues noted.</p> <p>OSH Committee Members for 2019 Chairman – Labis Bahru Estate Manager Appointment letters for OSH committee members was sighted dated Jan 2019. OSH/EHS meeting: 22/8/2018, 19/6/2019 and 28/3/18.</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.5</p>	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p> <p>Accident record was kept properly by management, latest record of JKPP 8 was dated 16/1/2019 referred JKPP8/26496/2018 from the record they have 5 occupational accident happen in estate. For JKPP 6 record, there are 2 occupational accident. One accident happen on 10 August 2019 and others on 26 August 2019. All happen in harvesting area.</p> <p>In Labis Bahru estate, record of accident was kept properly. JKPP 8 (LLB/19/JKPP8-9) dated 17 April 2019 amended record JKPP 8 (JKPP8/25704/2018) was available. There are 7 accident of JKPP 6 record and 2 cases of JKPP 7 been reported for 2018. All JKPP 6 and JKPP 7 was available in the record.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings				Compliance																
4.7.6	All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	All workers provided with medical care, and covered by accident insurance. Sample insurance policies checked: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Mill/estate</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>SOCISO</td> <td>August 2019</td> <td>Palong POM</td> <td> ID No: Malaysian:637035,637053,637048 and 637143 Foreigner:637139,637187,637158 & 637182 </td> </tr> <tr> <td>SOCISO</td> <td>August 2019</td> <td>Palong estate</td> <td> ID No:- Malaysian: 634010, 634810 & 951918 Foreigner: 634848, 634736 7 634802 </td> </tr> <tr> <td>FWCS (JB-10080568-FWC) from MSIG</td> <td>28/10/2018 - 27/10/2019</td> <td>Palong estate</td> <td> ID No:- 634608,634680 & 634749 </td> </tr> </tbody> </table>				Insurance	Period	Mill/estate	Remarks	SOCISO	August 2019	Palong POM	ID No: Malaysian:637035,637053,637048 and 637143 Foreigner:637139,637187,637158 & 637182	SOCISO	August 2019	Palong estate	ID No:- Malaysian: 634010, 634810 & 951918 Foreigner: 634848, 634736 7 634802	FWCS (JB-10080568-FWC) from MSIG	28/10/2018 - 27/10/2019	Palong estate	ID No:- 634608,634680 & 634749	Complied
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Criterion / Indicator		Assessment Findings	Compliance												
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	Records of incident and accident were available, using internal reporting system. Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory. Sample of accident statistic as shown below : <table border="1" data-bbox="972 555 1845 707"> <thead> <tr> <th></th> <th>Palong</th> <th>Labis Baru</th> <th>Palong POM</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>11.76</td> <td>31.81</td> <td>8.10</td> </tr> <tr> <td>2018</td> <td>29.41</td> <td>23.69</td> <td>20.00</td> </tr> </tbody> </table>		Palong	Labis Baru	Palong POM	2017	11.76	31.81	8.10	2018	29.41	23.69	20.00	Complied
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Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.															
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	Sighted an approved Training Scheduled for 2019 was established. Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding SDS, all SOPs, safe working practices, the correct use of PPE, all aspects of the RSPO and etc.	Complied												

<p>4.8.2</p>	<p>Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Training records for employees available and maintained at the office. Records are verified on a sampling basis which covers all aspect of training and RSPO P&C requirement. Samples of training record for 2019 as follows:</p> <table border="1" data-bbox="972 475 1823 1377"> <thead> <tr> <th colspan="3">Palong POM</th> </tr> <tr> <th>Date</th> <th>Training</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>4/2/2019</td> <td>RSPO Refreshment</td> <td>Palong Oil Mill</td> </tr> <tr> <td>17/3/2019</td> <td>Emergency response plan</td> <td></td> </tr> <tr> <td>2/5/2019</td> <td>Working at high & confined space</td> <td></td> </tr> <tr> <td>12/5 /2019</td> <td>PPE training</td> <td></td> </tr> <tr> <td>3/9/2019</td> <td>First Aid Training</td> <td></td> </tr> <tr> <td>8/9/2019</td> <td>Scheduled waste management</td> <td></td> </tr> <tr> <td>16/7/2019</td> <td>Fire Fighting and Fire Drill</td> <td>Palong estate</td> </tr> <tr> <td>3/3/2019</td> <td>Tractor training</td> <td></td> </tr> <tr> <td>8/7/2019</td> <td>Spraying training</td> <td></td> </tr> <tr> <td>23/7/2019</td> <td>Rat Bait Training</td> <td></td> </tr> <tr> <td>6/4/2019</td> <td>Chemical Handling training</td> <td></td> </tr> <tr> <td>17/9/2019</td> <td>Harvesting training</td> <td></td> </tr> <tr> <td>24/9/2019</td> <td>First aid training</td> <td></td> </tr> <tr> <td>5/9/2019</td> <td>ERP training</td> <td></td> </tr> <tr> <td>10/4/2019</td> <td>Sexual Harassment and equality policy training</td> <td>Labis Bahru</td> </tr> </tbody> </table>	Palong POM			Date	Training	Remarks	4/2/2019	RSPO Refreshment	Palong Oil Mill	17/3/2019	Emergency response plan		2/5/2019	Working at high & confined space		12/5 /2019	PPE training		3/9/2019	First Aid Training		8/9/2019	Scheduled waste management		16/7/2019	Fire Fighting and Fire Drill	Palong estate	3/3/2019	Tractor training		8/7/2019	Spraying training		23/7/2019	Rat Bait Training		6/4/2019	Chemical Handling training		17/9/2019	Harvesting training		24/9/2019	First aid training		5/9/2019	ERP training		10/4/2019	Sexual Harassment and equality policy training	Labis Bahru	<p>Complied</p>
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Criterion / Indicator		Assessment Findings			Compliance
		16/4/2019	HCV and biodiversity training		
		19/8/2019	Workers induction		
		13/6/2019	Scheduled waste training		
Principle 5: Environmental responsibility and conservation of natural resources and biodiversity					
Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.					

<p>5.1.1</p>	<p>An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>Kulim (Malaysia) Berhad have conducted the annual Environmental Risk Assessment.</p> <ul style="list-style-type: none"> a) The last review was dated July 2019. The Environmental Risk Assessment was conducted by Kulim SPO team and operating units (e.g. mill & estate). b) The Environmental Risk Assessment is annually reviewed and accepted to conclude that proper environmental management has been considered prior any activities. c) As per the EQA 1974, there is no EIA required as there is no expansion of mill activities or expansion of new land planting. <p>The EAI as detailed in the estates register covers all estates activities/operations. Among others the significant environmental aspects related to the estates operation including the activities from;</p> <table border="1" data-bbox="972 847 1807 1150"> <thead> <tr> <th></th> <th>Activities</th> <th></th> <th>Activities</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Community</td> <td>8</td> <td>Road maintenance</td> </tr> <tr> <td>2</td> <td>Harvesting & collection</td> <td>9</td> <td>Use of chemicals</td> </tr> <tr> <td>3</td> <td>Fertilizer application</td> <td>10</td> <td>Use of hydrocarbons</td> </tr> <tr> <td>4</td> <td>Machine operations</td> <td>11</td> <td>Dispensary</td> </tr> <tr> <td>5</td> <td>Pest and Disease</td> <td>12</td> <td>Scheduled waste</td> </tr> <tr> <td>6</td> <td>Replanting</td> <td>13</td> <td>Storage / office</td> </tr> <tr> <td>7</td> <td>Vehicle maintenance</td> <td>14</td> <td>Water treatment plant</td> </tr> </tbody> </table> <p>Similarly, the environmental aspects for the mill are tabulated in the EAI master list Risk Assessment (RA) Register updated on July 2019. Among others the EAI's are divided into the all stations in the mill processing as listed below. The newest added activities being the MDS and ETP (additional dust cyclone being installed).</p> <ul style="list-style-type: none"> a) the boiler stack emission, black smoke 		Activities		Activities	1	Community	8	Road maintenance	2	Harvesting & collection	9	Use of chemicals	3	Fertilizer application	10	Use of hydrocarbons	4	Machine operations	11	Dispensary	5	Pest and Disease	12	Scheduled waste	6	Replanting	13	Storage / office	7	Vehicle maintenance	14	Water treatment plant	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> b) palm oil mill effluent (POME) discharge and water contamination, c) Activities related to managing of scheduled wastes and general waste. d) Activities of all operations beginning from the mill entrance ending to the effluent, EFB operations. e) Activities relating to construction i.e. building repair and new construction <p>Documents are maintained, sighted and verified</p>	
5.1.2	<p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p> <p>- Minor compliance -</p>	<p>Both the estates and the mill maintained its documented environmental impact assessment.</p> <ul style="list-style-type: none"> a) The information of environmental impact assessment contained in the Environmental Aspect Identification (EAI) and Environmental Impact Evaluation Risk Assessment Register (RA) register. b) The documents included the identification and evaluation of environmental aspects covering mill and plantation operation, including replanting. No replanting was observed c) Relevant environmental aspects and impacts (particularly potential soil erosion from land clearing) were identified and mitigated (planting LCC to prevent erosion). d) Palong Cocoa Mill developed documents relating to <ul style="list-style-type: none"> - Pollution & Emission Management Plan dated 01/4/2019. This was sighted i.e. permissible black smoke emission and to ensure final effluent discharge within the stipulated limit has been developed. <p>All the Estates/Mill Executives has been assigned to ensure the action plan are effectively implemented within the stipulate time frame. They were assisted by the respective supervisors/staff.</p>	Complied

<p>5.1.3</p>	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -</p>	<p>The mitigation measures to manage the significant environmental impact were defined in the following documents a) Mill – Pollution & Emission Plan dated 01/4/19 b) Estate – Pollution & Emission Plan endorsed on 01/8/19</p> <p>Details as provided therein among others as given below;</p> <table border="1" data-bbox="972 587 1825 1027"> <thead> <tr> <th colspan="4">Palong Cocoa Palm Oil Mill</th> </tr> <tr> <th></th> <th>Emission</th> <th>Source</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td rowspan="2">1</td> <td rowspan="2">Dark smoke</td> <td>Mill stack – boiler</td> <td>As required</td> </tr> <tr> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td rowspan="2">2</td> <td rowspan="2">Noise</td> <td>Diesel engines</td> <td>Operational hours</td> </tr> <tr> <td>Dust particles</td> <td>Operational hours</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">Dust particles</td> <td>Shredded EFB</td> <td>Operational hours</td> </tr> <tr> <td>Boiler ashes</td> <td>Operational hours</td> </tr> <tr> <td rowspan="3">4</td> <td rowspan="3">Air pollutant</td> <td>Boiler combustion</td> <td>As required</td> </tr> <tr> <td>Diesel engine</td> <td>As required</td> </tr> <tr> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td>5</td> <td>POME</td> <td>Mill process</td> <td>Daily</td> </tr> <tr> <td rowspan="2">6</td> <td rowspan="2">Waste Water</td> <td>PCD</td> <td>As required</td> </tr> <tr> <td>Septic tank spillage</td> <td>Weekly inspection</td> </tr> </tbody> </table> <table border="1" data-bbox="972 1059 1825 1351"> <thead> <tr> <th></th> <th>Emission</th> <th>Action Plan</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td rowspan="2">1</td> <td rowspan="2">Dark smoke</td> <td>Follow manual procedure to ensure compliance meets permissible limits</td> <td>Execs/Boilerman</td> </tr> <tr> <td>Vehicle inspection</td> <td>Exec/supervisors</td> </tr> <tr> <td>2</td> <td>Noise</td> <td>Noise mapping data</td> <td>Exec/supervisors</td> </tr> <tr> <td rowspan="2">3</td> <td rowspan="2">Dust particles</td> <td>Routine maintenance</td> <td>Exec/supervisors</td> </tr> <tr> <td>Storage far from water source</td> <td>Exec/supervisors</td> </tr> </tbody> </table>	Palong Cocoa Palm Oil Mill					Emission	Source	Frequency	1	Dark smoke	Mill stack – boiler	As required	Running vehicles	Daily	2	Noise	Diesel engines	Operational hours	Dust particles	Operational hours	3	Dust particles	Shredded EFB	Operational hours	Boiler ashes	Operational hours	4	Air pollutant	Boiler combustion	As required	Diesel engine	As required	Running vehicles	Daily	5	POME	Mill process	Daily	6	Waste Water	PCD	As required	Septic tank spillage	Weekly inspection		Emission	Action Plan	PIC	1	Dark smoke	Follow manual procedure to ensure compliance meets permissible limits	Execs/Boilerman	Vehicle inspection	Exec/supervisors	2	Noise	Noise mapping data	Exec/supervisors	3	Dust particles	Routine maintenance	Exec/supervisors	Storage far from water source	Exec/supervisors	<p>Complied</p>
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		4	Air pollutant	Conduct stack monitoring	Exec/supervisors	
				Routine maintenance	Exec/supervisors	
				Inspection & maintenance of vehicle.	Exec/supervisors	
		5	POME	Supervise management of effluent application.	Exec/supervisors	
		6	Waste Water	Regular PCD inspection. Follow SW guidelines.	Execs/Staff/foreman	
				Conduct weekly line site inspection. Appropriate action in event of spillages.	Execs/Staff/EHA	
		<i>Palong/Labis Bahru Estates</i>				
			Emission	Source	Frequency	
		1	Dark smoke	Running vehicles	Daily	
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		3	Air pollution	Diesel engine	Operational hours	
				Running vehicles	Operational hours	
		4	Waste water	PCD	Scheduled inspection	
				Septic tank spillage	Weekly inspection	
	Emission	Action Plan	PIC			
1	Dark smoke	Inspection of vehicle condition	Exec/staff			
2	Noise	Scheduled maintenance	Exec/staff			
		Inspection of vehicle inspection	Exec/staff			

Criterion / Indicator		Assessment Findings			Compliance	
		3	Air pollution	Routine maintenance as schedule	Exec/staff	
				Inspection of vehicle condition	Exec/staff	
		4	Waste water	Inspection of PCD for functional	Exec/staff/foreman	
				Adherence to SW guidelines		
				Weekly line site inspection		
				Appropriate action on spillage		
		Records of periodical reporting of each of the above items were evident to support that the plans have been monitored. The plans were reviewed annually.				

Criterion 5.2:
The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and and operations managed to best ensure that they are maintained and/or enhanced.

<p>5.2.1</p>	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -</p>	<p>The last assessment conducted was in June 2007 for Sept 2007 for Palong and Labis Bahru Estates respectively. The assessment was conducted by A.J.F.M Dekker. The assessment was a Rapid Biodiversity Assessment. The report has identified the list of natural habitats that is possible present in the operating units. The report details the findings of a rapid appraisal of the biodiversity in the estates and addresses the RSPO P&C relevant to biodiversity conservation and HCV. Therein being provided details relating to the following;</p> <ul style="list-style-type: none"> a) General biodiversity issues b) Watercourses and drainage c) Habitats natural and man-made d) Wildlife e) Ponds and reservoirs f) Wetlands /watercourses g) Legal aspects h) Immediate and long term effect. <p>In both Palong and Labis Bahru Estates there is no HCV habitat within and outside the estate. There is also no wildlife neither reported nor observed by the employees. In the central region of Palong Estate there is an old mine lying vacant. Both the estates within contains pockets of semi-natural vegetation.</p> <table border="1" data-bbox="972 1107 1749 1394"> <thead> <tr> <th colspan="2"></th> <th colspan="3">Natural habitat</th> </tr> <tr> <th colspan="2"></th> <th>Within</th> <th>At boundary</th> <th>Water bodies</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Palong</td> <td>Tiny patch on unplatable and wet grassed banks along small streams & drains</td> <td>Degraded swamp forest, shrubby</td> <td>1</td> </tr> </tbody> </table>			Natural habitat					Within	At boundary	Water bodies	1	Palong	Tiny patch on unplatable and wet grassed banks along small streams & drains	Degraded swamp forest, shrubby	1	<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance	
		2	Labis Bahru	Surrounded by smallholders and FELCRA.	-	Nil	
			estate	Wildlife species			
				Within	At boundary		
		1	Palong	Long tailed-macaque, white throated kingfisher.	-		
		2	Labis Bahru	Long tailed-macaque and giant squirrel	-		
5.2.2	Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -	There is no RTE found the entire Palong Cocoa Complex as recorded. The management however maintained the following practices; a) Records of sighting if any are recorded and forwarded to the management SQD e.g. wild boars, monkeys and squirrels among others. b) The management conducted a regular patrol of HCV areas, access and boundary of estates. Signage, such as "No Hunting", "No Fishing", "Buffer Zone" was available. c) No use of chemicals observed been applied in the buffer zone as prohibited.				Complied	

Criterion / Indicator		Assessment Findings	Compliance																																								
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	<p>The Biodiversity Improvement Plan dated 01/08/2019 had identified the plan. Among others consists of the following;</p> <ul style="list-style-type: none"> a) to continue educating the workers regarding RTE. Workers interviewed confirmed that they are aware of no hunting is permitted in and within the estate. b) Regular educating the employees via morning muster briefing about the need to protect the RTE species. c) Appropriate disciplinary measures will be taken if found violated. d) Information pertaining RTE and relevant CU policies were displayed at the display boards. e) Buffer zone establishment to map areas and install buffer zone pegs. f) Encroachment control in HCV area and monitoring g) Stabilize the slope at the pump house near the river. <p>Training in relation to the RTE/HCV management for both the estates as shown below;</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4">Palong Estate</th> </tr> <tr> <th></th> <th>Date</th> <th>Subject</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>24/4/19</td> <td>Biodiversity & IPM management</td> <td>Entire</td> </tr> <tr> <td>2</td> <td>6/2/19</td> <td>Aspect /Impact – EIA management plan</td> <td>8</td> </tr> <tr> <td>3</td> <td>5/3/19</td> <td>Environmental Policy & Guidelines</td> <td>Entire</td> </tr> </tbody> </table> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="4">Labis Bahru Estate</th> </tr> <tr> <th></th> <th>Date</th> <th>Subject</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>23/9/19</td> <td>Biodiversity & IPM management</td> <td>14</td> </tr> <tr> <td>2</td> <td>5/8/19</td> <td>Fertilizer application and at buffer zone area</td> <td>5</td> </tr> <tr> <td>3</td> <td>7/2/19</td> <td>Water sampling</td> <td>2</td> </tr> </tbody> </table>	Palong Estate					Date	Subject	Attendees	1	24/4/19	Biodiversity & IPM management	Entire	2	6/2/19	Aspect /Impact – EIA management plan	8	3	5/3/19	Environmental Policy & Guidelines	Entire	Labis Bahru Estate					Date	Subject	Attendees	1	23/9/19	Biodiversity & IPM management	14	2	5/8/19	Fertilizer application and at buffer zone area	5	3	7/2/19	Water sampling	2	Complied
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5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance -</p>	<p>The plan is described and incorporated in the Biodiversity Improvement Plan dated 01/8/2019.</p> <ul style="list-style-type: none"> a) Animal sighting records. There are no RTE identified in the sighting records. b) Buffer zone signages act as continuous awareness to workers. c) Training being provided to employees. reference 4.7.3 <p>There is annual meeting held at HQ annually by the HCV management committee. Among others discussion covers the following agenda;</p> <ul style="list-style-type: none"> a) Introduction b) Objectives and function c) HCV / Human elephant conflict – HEC d) New planting procedure 	Complied
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	<p>There are no HCV set-asides for local communities identified in all the estates.</p>	Complied
<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>			

<p>5.3.1</p>	<p>All waste products and sources of pollution shall be identified and documented. - Major compliance -</p>	<p>All waste and pollution are identified and documented in the Waste & Pollution Management Plan 2019 made on the Regional level. The management plan was last reviewed on 01/8/19. Details of waste generated from the estates/mill activities among others as shown below;</p> <table border="1" data-bbox="972 523 1653 1315"> <thead> <tr> <th></th> <th>Type of waste</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste rubbish</td> <td>Line sites, office complex</td> </tr> <tr> <td>2</td> <td>Industrial waste-fertilizer bags</td> <td>Empty bags store</td> </tr> <tr> <td>3</td> <td>Scrap metal</td> <td>workshop</td> </tr> <tr> <td>4</td> <td>SW 404 Clinical waste</td> <td>clinic</td> </tr> <tr> <td>5</td> <td>SW rags, plastics, filters</td> <td>workshop</td> </tr> <tr> <td>6</td> <td>Spent lubricant & hydraulic oil</td> <td>workshop</td> </tr> <tr> <td>7</td> <td>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</td> <td>Scheduled waste store</td> </tr> <tr> <td>8</td> <td>Sewage waste</td> <td>Workers /staff toilets & office</td> </tr> <tr> <td></td> <td>EFB/Fibre/shell/boiler ash</td> <td>EFB applied in field, fibre in bio-compost production. Shell being sold externally Ash stored far from water course.</td> </tr> </tbody> </table> <p>The pollution identified from Palong Cocoa Mill activities as follows;</p>		Type of waste	Location	1	Domestic waste rubbish	Line sites, office complex	2	Industrial waste-fertilizer bags	Empty bags store	3	Scrap metal	workshop	4	SW 404 Clinical waste	clinic	5	SW rags, plastics, filters	workshop	6	Spent lubricant & hydraulic oil	workshop	7	Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store	8	Sewage waste	Workers /staff toilets & office		EFB/Fibre/shell/boiler ash	EFB applied in field, fibre in bio-compost production. Shell being sold externally Ash stored far from water course.	<p>Complied</p>
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<p>5.3.2</p>	<p>All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>Kulim (Malaysia) Berhad adopted the guidelines provided by the Agriculture Department on the empty chemicals containers management. All empty chemical containers in both estates and mill were triple rinsed, and disposed through approved licensed contractor <i>G-Planter Sdn Bhd</i>. The DOE licensed contractor <i>Kualiti Alam Sdn Bhd</i> caters the collection of scheduled wastes for both mill and estates within Palong Cocoa Complex. Sighted record of disposal made as follows by the estates/mill;</p> <table border="1" data-bbox="972 619 1675 992"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Item</th> <th colspan="3">Quantity/pcs</th> </tr> <tr> <th>Palong g</th> <th>L Bahru</th> <th>PCPO M</th> </tr> </thead> <tbody> <tr> <td></td> <td>Date</td> <td>23/8/ 19</td> <td>26/3/ 19</td> <td>-</td> </tr> <tr> <td>1</td> <td>20 L plastic pesticides containers</td> <td>6</td> <td>35</td> <td>Nil</td> </tr> <tr> <td>2</td> <td>4 L plastic pesticides containers</td> <td>249</td> <td>234</td> <td>Nil</td> </tr> <tr> <td>3</td> <td>Storm – Rat Bait Boxes</td> <td>260</td> <td>274</td> <td>Nil</td> </tr> <tr> <td>4</td> <td>Ally bottles</td> <td>94</td> <td>154</td> <td>Nil</td> </tr> </tbody> </table> <p>.</p> <table border="1" data-bbox="972 1024 1675 1377"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Item</th> <th colspan="3">Quantity/mt</th> </tr> <tr> <th>Palong</th> <th>L Bahru</th> <th>PCPOM</th> </tr> </thead> <tbody> <tr> <td></td> <td>Date</td> <td>02/5/19</td> <td>02/5/19</td> <td>15/9/19</td> </tr> <tr> <td>1</td> <td>SW 102</td> <td>-</td> <td>0.043</td> <td>0.1278</td> </tr> <tr> <td>2</td> <td>SW109</td> <td>-</td> <td>0.005</td> <td>0.0032</td> </tr> <tr> <td>3</td> <td>SW110</td> <td>-</td> <td>-</td> <td>0.0161</td> </tr> <tr> <td>4</td> <td>SW305</td> <td>0.8300</td> <td>0.155</td> <td>0.4302</td> </tr> <tr> <td>5</td> <td>SW307</td> <td>0.1500</td> <td>-</td> <td>0.0136</td> </tr> <tr> <td>6</td> <td>SW408</td> <td>-</td> <td>-</td> <td>0.0194</td> </tr> <tr> <td>7</td> <td>SW409</td> <td>0.0800</td> <td>-</td> <td>0.0702</td> </tr> </tbody> </table>		Item	Quantity/pcs			Palong g	L Bahru	PCPO M		Date	23/8/ 19	26/3/ 19	-	1	20 L plastic pesticides containers	6	35	Nil	2	4 L plastic pesticides containers	249	234	Nil	3	Storm – Rat Bait Boxes	260	274	Nil	4	Ally bottles	94	154	Nil		Item	Quantity/mt			Palong	L Bahru	PCPOM		Date	02/5/19	02/5/19	15/9/19	1	SW 102	-	0.043	0.1278	2	SW109	-	0.005	0.0032	3	SW110	-	-	0.0161	4	SW305	0.8300	0.155	0.4302	5	SW307	0.1500	-	0.0136	6	SW408	-	-	0.0194	7	SW409	0.0800	-	0.0702	<p>Complied</p>
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		8	SW429	-	-	0.0325	
		9	SW410	0.0300	-	0.1015	

5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p>	<p>There are procedures and guidelines in the disposal of wastes and pollutants guided by SQD Head Office level to minimise pollution on the routine operation.</p> <p>a) Estates/Mill</p> <table border="1" data-bbox="972 539 1825 1098"> <thead> <tr> <th></th> <th>Type of waste</th> <th>Description</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste</td> <td>Rubbish</td> <td>Line sites, office, workshop, store,</td> </tr> <tr> <td rowspan="3">2</td> <td rowspan="3">Industrial waste</td> <td>Fertilizer bags</td> <td>Empty bags store</td> </tr> <tr> <td>Scrap metal</td> <td>workshop</td> </tr> <tr> <td>POME</td> <td>ETP</td> </tr> <tr> <td>3</td> <td>Sewage waste</td> <td>sewage</td> <td>Workers &housing toilets & office</td> </tr> <tr> <td rowspan="4">4</td> <td rowspan="4">Scheduled Waste</td> <td>SW 404 Clinical waste</td> <td>clinic</td> </tr> <tr> <td>SW rags, plastics, filters</td> <td>workshop</td> </tr> <tr> <td>Spent lubricant & hydraulic oil</td> <td>workshop</td> </tr> <tr> <td>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</td> <td>Scheduled waste store</td> </tr> </tbody> </table> <table border="1" data-bbox="972 1129 1825 1358"> <thead> <tr> <th></th> <th>Type</th> <th>Description</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste</td> <td>Rubbish</td> <td>Collection/disposal min 2x-3x /week internally. Establish landfill/collection SOP Landfill site L Bahru P08/B2 Landfill site Palong P12/B1</td> </tr> </tbody> </table>		Type of waste	Description	Location	1	Domestic waste	Rubbish	Line sites, office, workshop, store,	2	Industrial waste	Fertilizer bags	Empty bags store	Scrap metal	workshop	POME	ETP	3	Sewage waste	sewage	Workers &housing toilets & office	4	Scheduled Waste	SW 404 Clinical waste	clinic	SW rags, plastics, filters	workshop	Spent lubricant & hydraulic oil	workshop	Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store		Type	Description	Action	1	Domestic waste	Rubbish	Collection/disposal min 2x-3x /week internally. Establish landfill/collection SOP Landfill site L Bahru P08/B2 Landfill site Palong P12/B1	Complied
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				Establish collection schedule & PIC Create awareness on hygiene Monitoring of line site	
		2	Industrial waste	Fertilizer bags	Inventory of bags, reuse for LF collection, sell to appointed contractor
				Scrap metal	Inventory maintained, tender at zone level for sale to licensed contractor.
				POME	Daily monitoring of application at designated field P00.
		3	Sewage waste	sewage	To monitor during housing inspection and residents' complaints. Engagement with licensed contractor for sewage management.
		4	Scheduled Waste	SW 404 Clinical waste	Inventory maintained. Storage in sharp bin in clinic. Disposal to Kualiti Alam Sdn Bhd.
				SW rags, plastics, filters	Inventory maintained. Storage in scheduled waste store. Disposal to licensed contractor.
				Spent lubricant & hydraulic oil	Collection by licensed vendor. Inventory maintained.

Criterion / Indicator	Assessment Findings		Compliance															
		<p>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</p>	<p>Inventory maintained. Storage in SW store. All containers are labeled. Empty containers collected by authorized vendor.</p>															
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<p>5.4.1</p>	<p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -</p>	<p>The utilisation of fossil fuel in 2019 is being monitored with records shown below</p> <table border="1" data-bbox="972 443 1825 813"> <thead> <tr> <th colspan="4">Ladang Palong</th> </tr> <tr> <th></th> <th>FFB prodn</th> <th>Diesel L</th> <th>FFB/Diesel</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>2924</td><td>2511</td><td>1.16</td></tr> <tr><td>Feb</td><td>2417</td><td>2395</td><td>1.01</td></tr> <tr><td>Mac</td><td>2337</td><td>1932</td><td>1.21</td></tr> <tr><td>Apr</td><td>2495</td><td>2520</td><td>0.99</td></tr> <tr><td>May</td><td>2745</td><td>2997</td><td>0.92</td></tr> <tr><td>June</td><td>2410</td><td>3368</td><td>0.72</td></tr> <tr><td>July</td><td>3368</td><td>3294</td><td>1.02</td></tr> <tr><td>Aug</td><td>4598</td><td>2485</td><td>1.85</td></tr> <tr><td></td><td>23292</td><td>21502</td><td></td></tr> </tbody> </table> <table border="1" data-bbox="972 845 1825 1216"> <thead> <tr> <th colspan="4">Ladang Labis Bahru</th> </tr> <tr> <th></th> <th>FFB prodn</th> <th>Diesel L</th> <th>FFB/Diesel</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>3883</td><td>2514</td><td>0.65</td></tr> <tr><td>Feb</td><td>3223</td><td>2378</td><td>0.74</td></tr> <tr><td>Mac</td><td>3755</td><td>3330</td><td>0.89</td></tr> <tr><td>Apr</td><td>4753</td><td>3286</td><td>0.69</td></tr> <tr><td>May</td><td>4742</td><td>2909</td><td>0.61</td></tr> <tr><td>June</td><td>4407</td><td>2430</td><td>0.55</td></tr> <tr><td>July</td><td>3977</td><td>1717</td><td>0.43</td></tr> <tr><td>Aug</td><td>3506</td><td>2804</td><td>0.80</td></tr> <tr><td></td><td>32245</td><td>21368</td><td>0.66</td></tr> </tbody> </table> <table border="1" data-bbox="972 1248 1825 1377"> <thead> <tr> <th colspan="4">Palong Cocoa Mill</th> </tr> <tr> <th></th> <th>FFB prodn</th> <th>Diesel L</th> <th>FFB /Diesel</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>18240</td><td>4264</td><td>0.23</td></tr> <tr><td>Feb</td><td>14517</td><td>2951</td><td>0.20</td></tr> </tbody> </table>	Ladang Palong					FFB prodn	Diesel L	FFB/Diesel	Jan	2924	2511	1.16	Feb	2417	2395	1.01	Mac	2337	1932	1.21	Apr	2495	2520	0.99	May	2745	2997	0.92	June	2410	3368	0.72	July	3368	3294	1.02	Aug	4598	2485	1.85		23292	21502		Ladang Labis Bahru					FFB prodn	Diesel L	FFB/Diesel	Jan	3883	2514	0.65	Feb	3223	2378	0.74	Mac	3755	3330	0.89	Apr	4753	3286	0.69	May	4742	2909	0.61	June	4407	2430	0.55	July	3977	1717	0.43	Aug	3506	2804	0.80		32245	21368	0.66	Palong Cocoa Mill					FFB prodn	Diesel L	FFB /Diesel	Jan	18240	4264	0.23	Feb	14517	2951	0.20	<p>Complied</p>
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Mac	15115	4342	0.29
Apr	18139	3577	0.20
May	18551	4527	0.24
June	16819	4212	0.25
July	18122	4767	0.26
Aug	20006	3929	0.20
total	139509	32569	0.23

Performance variation in view of several factors i.e.

- a) infrastructure of estates,
- b) community size / no of gen-sets,
- c) no of vehicles / age of machine.
- d) Weather interference / crop production volume

In addition, the mill also performed the monitoring of renewable energy usage in its operations. The data compiled as shown below.

Month	FFB prodn	Fibre/mt	Shell/mt	EFB mt
Jan	18240	2802	1168	3725
Feb	14517	2243	9168	2616
Mac	15115	2326	956	2852
Apr	18139	2625	1126	2830
May	18551	2734	1113	2524
June	16819	2467	969	2552
July	18122	2718	1097	2740
Aug	20006	3021	1252	3402
Total	139509	20936	8649	23242

When the renewable energy consumption is maximised the utilisation of non-renewable is reduced.

Criterion / Indicator		Assessment Findings	Compliance
Criterion 5.5:			
Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	There is no land preparation by burning at both <i>Palong and Labis Bharu</i> Estates. Sustainability handbook has described therein on Environmental Policy to include the adoption of Zero Open Burning Policy dated January 2008. The management endorsed commitment to fully comply with the Malaysian environmental law –EQA and Regulations 1974.	Complied
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	There is no land preparation by means of burning at both the estates. This is confirmed through observation during the field visits and interview with the workers	Complied
Criterion 5.6:			
Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	For Palong Mill, Ambient Air quality monitoring and Air emission monitoring has been carried out as per required frequency stipulated in mill's compliance schedule. In addition, smoke density meters were calibrated consistently every 6 monthly. The assessment of all polluting activities already conduct under environmental aspect and impact	Complied
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH ₄) emission through POME treatment. Other less significant GHG emissions identified including CO _x , SO _x and NO _x from various sources including fossil fuel, chemical and fertilizer consumptions.	Complied

Criterion / Indicator		Assessment Findings	Compliance									
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	<p>Kulim has published Carbon footprint report. Calculation was based on PalmGHG tools, version 3.0.1. Tools and systems used to monitor significant pollutants includes the DOE CEMS monitoring system for air emissions, water quality at discharge points as per DOE regulations and Scheduled Waste disposal as per the DOE requirements via eSwis. POME is treated using aerobic and anaerobic ponds and use in Biogas plan for generate electricity and flaring activity. This have been taken into calculate. Effluent waste-water samples were taken as per DOE requirement and quarterly reports sent to DOE via the latest "OER" @ Online Environmental Reporting. No changes however found data fertiliser issue and data fertiliser that used in GHG cal was not same as per table below, thus minor nc been issued.</p> <table border="1"> <thead> <tr> <th></th> <th>Palong estate</th> <th>Labis Bahru estate</th> </tr> </thead> <tbody> <tr> <td>Data from GHG</td> <td>Fertiliser ERP - 3.55MT Mix2+B – 506MT Kieserite – 164 MT</td> <td>Fertiliser Mix 2+B – 227.7MT</td> </tr> <tr> <td>Data from Bin Card issuance</td> <td>ERP - 3.55MT Mix2+B – 514MT Kieserite – 167 MT</td> <td>Mix 2+B – 220.2MT</td> </tr> </tbody> </table>		Palong estate	Labis Bahru estate	Data from GHG	Fertiliser ERP - 3.55MT Mix2+B – 506MT Kieserite – 164 MT	Fertiliser Mix 2+B – 227.7MT	Data from Bin Card issuance	ERP - 3.55MT Mix2+B – 514MT Kieserite – 167 MT	Mix 2+B – 220.2MT	Minor nonconformance
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Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.

Criterion 6.1:

Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

Criterion / Indicator		Assessment Findings	Compliance
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	SIA was carried out by Sustainability Department on 15/4/2019 and 19/8/2019 for Palong Cocoa POM and Palong Estate and 17/4/2019 and 20/8/2019 for Labis Bahru Estate which involved the participation of internal workers and external stakeholders. However, the following impacts were not identified during SIA assessment: i. Change of payment method of wages from cash to bank/ KASH card. ii. Impacts of delay in renewal of work permit due to late process of MyEG and Immigration Department. Thus, a major non-conformance was raised.	Major nonconformance
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	The SIA conducted has involved the participation of stakeholders and seen the attendance list.	Complied
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	SIA Management Plan was developed dated 15/8/2019 by the Sustainability Department for Palong Cocoa POM. There was no negative impacts identify through SIA assessment by the internal and external stakeholders. However, Kulim (Malaysia) Berhad has yet to develop the mitigation plan and promotion plan for the change of payment method for wages with the consultation with the affected parties and delay in renewal of work permit due to late process of MyEG and Immigration Department. Thus, a major non-conformance was raised.	Major nonconformance
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	The plan has been reviewed on yearly basis and the last review was conducted on 15/9/2019.	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	There was no scheme smallholder involved in the certification unit.	Not applicable
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Kulim (Malaysia) Sdn Bhd has developed a Communication and Consultation Management Guidelines V2.0 dated November 2009 where the objective of the procedure is to effectively communicate with internal and external stakeholders on matter pertaining to social and environmental aspect and impacts, performance and safety & health issue. The modes for internal communication are such as muster call, meeting with representatives, inspections, suggestion boxes and memo. In addition, meeting with stakeholders and telephone are the modes of communication with external stakeholders.	Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	<p>Assistant Mill Manager has been appointed to be the social person-in-charge in Palong Cocoa POM and appointment letter dated 24/7/2018 was sighted.</p> <p>Chief Clerk of Palong Estate has been appointed as social person in charge to handle social issue reported in Palong Estate. Appointment letter dated 15/6/2019 was sighted.</p> <p>Manager of Labis Bahru Estate has appointed Assistant Manager to be the person responsible for compliance and appointment letter dated 1/1/2019 was sighted.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -	<p>Stakeholder list in Palong Cocoa POM has included contractors, suppliers, government authorities, supplying estates and local communities. The list was last updated on 20/9/2019.</p> <p>Stakeholder meeting with external stakeholders for whole Palong Complex was conducted on 12/3/2019. Representatives from government authorities, NUPW's representative, contractors and local community were attended to the meeting. There was no issue raised by the stakeholders verified through the meeting minutes.</p> <p>Labis Bahru Estate has carried out stakeholder meeting with local communities, neighbouring plantation and smallholders on 10/4/2019. No issue arise from the stakeholders by verified the meeting minutes.</p>	Complied
<p>Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.</p>			

Criterion / Indicator	Assessment Findings	Compliance	
<p>6.3.1</p>	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Sdn Bhd has developed Grievance Policy dated 1/5/2018. The objective of the procedure is to ensure that there is a transparent process for ensuring stakeholder’s grievances and complaints are dealt with fairly, consistently and promptly. The policy was briefed to the workers on 20/1/2019 in Palong Cocoa POM.</p> <p>The company has implemented SPO Grievance Procedure dated 4/9/2007. The objective of the procedure is to ensure that Kulim has a documented system for dealing with complaints and grievances that is agreeable to all sides and accepted by all stakeholders. The timeframe to resolve the complaints and grievance is 25 work days. Extension of time limits may be authorized upon request to the Human Resources. The dispute resolution mechanisms are established through open and consensual agreements with affected parties.</p> <p>Interviewed with stakeholders confirmed that they have been briefed on the grievance mechanism during stakeholder meeting.</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance –</p>	<p>Palong Cocoa POM has implemented Enquiry Register and Housing Complaint to record complaints and grievances by the internal and external stakeholders. Sampled of the complains as below:</p> <ul style="list-style-type: none"> i. Area: Canteen dated 6/2/2019 Issue: 40W Flo tube was damaged. Action: Seen the Store – Bin Card that on 6/2/2019 has issued two units of 40W Flo tube to the chargeman to replace at the canteen. ii. House No.: 41 dated 5/8/2019 Issue: Toilet door was broken. Action: Seen the Store Requisition Carpenter book that on 14/8/2019 has issued three units of door lock to the carpenter to replace. <p>Palong Estate and Labis Bahru Estate has implemented Complaint Book to record complaints from internal and external stakeholder. Sampled of the complaint as below:</p> <ul style="list-style-type: none"> i. House No.: 31 dated 8/7/2019 Issue: Roofing broken Action: Seen the Sundry Order Book found that issuance of the materials on 9/7/2019 and action has taken on 11/7/2019. Site visit to linesite found that the roofing has been replaced accordingly. ii. House No.: 39 and 40 dated 9/8/2019 Issue: Overhead tank leakage. Action: Seen INV# 1094 dated 10/9/2019 where the contractor has carried out repair work for the respective houses. 	<p>Complied</p>
<p>Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		

Criterion / Indicator		Assessment Findings	Compliance
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	Kulim (M) Berhad has established Estate Land Encroachment Procedure with Doc. No.: PROP/MP/5 dated 1/1/2015. The objective of the procedure is to establish and maintain the procedure on handling estate land encroachment cases professionally without tarnish the company. The procedure has clearly described the process such as legal surveyor to be appointed for demarcation, compensation process involved the government authorities and the company.	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	SOP as per indicator above.	Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	There was no land encroachment reported during the time of audit verified through interviewed with the local communities.	Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			

Criterion / Indicator	Assessment Findings	Compliance	
6.5.1	<p>Documentation of pay and conditions shall be available.</p> <p>- Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill and estates workers are under direct employment and contractor’s workers. The payslip has included basic pay, allowances, working days, deduction of salary such as Union, electricity and water bill. Payslip for October 2018, January 2019 and August 2019 was sampled based on the crop summary as below:</p> <ul style="list-style-type: none"> i. Employee No.: 637139 (PCPOM) ii. Employee No.: 637121 (PCPOM) iii. Employee No.: 637152 (PCPOM) iv. Employee No.: 637052 (PCPOM) v. Employee No.: 637172 (PCPOM) vi. Employee No.: 637167 (PCPOM) vii. Employee No.: 634617 (PE) viii. Employee No.: 634852 (PE) ix. Employee No.: 634741 (PE) x. Employee No.: 634734 (PE) xi. Passport No.: BP0895081 (PE’s Contractor Worker) xii. Passport No.: BP0092175 (PE’s Contractor Worker) xiii. Passport No.: C2182465 (PE’s Contractor Worker) xiv. Passport No.: AU002885 (PE’s Contractor Worker) xv. Employee No.: 605752 (LBE) xvi. Employee No.: 605780 (LBE) xvii. Employee No.: 605709 (LBE) xviii. Employee No.: B3272675 (LBE’s Contractor Worker) xix. Employee No.: B6588357 (LBE’s Contractor Worker) xx. Employee No.: BQ038786 (LBE’s Contractor Worker) xxi. Employee No.: BP0964185 (LBE’s Contractor Worker) <p>All the sampled workers have achieved the minimum wage order.</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -</p>	<p>Employment contract are available and explained in language that understood by workers. The contract was signed by the workers and sampled of contracts as below:</p> <ul style="list-style-type: none"> i. Employee No.: 637139 (PCPOM) ii. Employee No.: 637121 (PCPOM) iii. Employee No.: 637152 (PCPOM) iv. Employee No.: 637052 (PCPOM) v. Employee No.: 637172 (PCPOM) vi. Employee No.: 637167 (PCPOM) vii. Employee No.: 634617 (PE) viii. Employee No.: 634852 (PE) ix. Employee No.: 634741 (PE) x. Employee No.: 634734 (PE) xi. Passport No.: BP0895081 (PE's Contractor Worker) xii. Passport No.: BP0092175 (PE's Contractor Worker) xiii. Passport No.: C2182465 (PE's Contractor Worker) xiv. Passport No.: AU002885 (PE's Contractor Worker) xv. Employee No.: 605723 (LBE) xvi. Employee No.: 605812 (LBE) xvii. Employee No.: 605819 (LBE) xviii. Employee No.: 605709 (LBE) xix. Employee No.: B3272675 (LBE's Contractor Worker) xx. Employee No.: B6588357 (LBE's Contractor Worker) xxi. Employee No.: BQ038786 (LBE's Contractor Worker) xxii. Employee No.: BP0964185 (LBE's Contractor Worker) 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	All the workers are provided with free housing and subsidized basic amenities such as water and electricity. Free medical facilities were provided to the workers and their family as well. Linesite inspection was carried out by Hospital Assistant in Palong Cocoa POM on weekly basis. The last inspection for September was conducted on 4/9/2019, 6/9/2019, 13/9/2019 and 20/9/2019. The results of inspection was recorded in Weekly Linesite Inspection logbook and verified by the Mill Manager. Linesite inspection was carried out weekly basis by Hospital Assistant of Labis Bahru Estate. The last inspection for September 2019 was on 6/9/2019, 13/9/2019 and 20/9/2019. The report will be approved by VMO and manager.	Complied
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food. - Minor compliance –	There was sundry shops located inside the vicinity. Workers have access to adequate, sufficient and affordable foods. Interviewed with the workers found that they are satisfied with the foods and goods supplied in the sundry shops. Besides, the estates are located about 30 km from the nearest town, Segamat. Visit the sundry shops found that pricing was displayed.	Complied
Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 where the company recognized and respected the rights of employees to form and/ or join trade unions of their choice which are given due recognition by KULIM. The policy was in bi-lingual which is Bahasa Malaysia and English. The policy has been displayed at the notice board outside the office and briefed to the workers on 20/1/2019 in Palong Cocoa POM and 9/6/2019 in Labis Bahru Estate. Besides, document reviewed and interviewed with the workers confirmed that they are allowed to join any association such as NUPW.	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	<p>Union Meeting was held annually and the last meeting was conducted on 25/8/2019 in Palong Cocoa POM. Total 8 participants from management and workers have attended the meeting. Seen the meeting minutes and no issue was raised by the workers.</p> <p>Besides, meeting between management and Indonesian workers in Palong Cocoa POM was held on 15/8/2019 with total 8 participants. Enquires from the workers were answered by the management during the meeting. No further issue that need action to rectify.</p> <p>Workers in Palong Estate have joined the NUPW freely and meeting was carried out on 19/10/2018 with participation of 6 workers' representatives and 3 management representatives. No issue was reported during the meeting as verified through meeting minutes and interviewed with the workers.</p> <p>NUPW meeting was conducted on 19/5/2019 in Labis Bahru Estate. Total 11 representatives were attended the meeting. Some of the issues were raised during the meeting and the management has responded on the issue immediately.</p>	Complied
Criterion 6.7: Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	<p>Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 where they are not engage in or support the use of Child Labour and will provide adequate support to enable children of its employees to attend and remain in school until no longer a child. The minimum age of workers to recruit is 18 years old. The policy has been displayed at the notice board outside the office and briefed to the workers on 20/1/2019 in Palong Cocoa POM, 22/1/2019 and 11/7/2019 in Palong Estate and 2/8/2019 in Labis Bahru Estate. Document verified the master list of the workers confirmed that the minimum age of workers employed are above 18 years old.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 where the company will not engage in nor support discrimination in any form. The policy has been displayed at the notice board outside the office and briefed to the workers on 20/1/2019 in Palong Cocoa POM, 22/1/2019 and 11/7/2019 in Palong Estate and 20/8/2019 in Labis Bahru Estate.	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Interviewed with the workers consisted of different gender and ethnic confirmed that the company treats all of them equally without any discrimination. They are, provided with similar benefits such as free accommodation, water and electricity supplies, offered overtime to everyone who wants to work and free medical treatment to everyone.	Complied
6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Procedure on Staff Recruitment & Termination was developed. The procedure is to ensure the recruitment of the most suitable staff based on job requirement specification (Eg: education and experience). Each of the role has clearly specific the job requirement in the procedure. Besides, Recruitment of New Foreign Workers procedure has been developed to ensure the new foreign workers recruited for the operating units are legal workers which according to Immigration Act 1959/1963.	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.			

Criterion / Indicator		Assessment Findings	Compliance
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Kulim (Malaysia) Berhad has developed Sexual Harassment Policy dated 1/5/2018 where the company seeks to eradicate all forms of sexual harassment in the workplace and wherever possible influence the behavior of its employees. KULIM has a zero tolerance on sexual harassment. The policy has been displayed at the notice board outside the office and briefed to the workers on 19/5/2019 in Palong Cocoa POM, 22/1/2019 and 11/7/2019 in Palong Estate and 25/9/2019 in Labis Bahru Estate.	Complied
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1/5/2018 where the company recognized and respects the right of employees of their rights and freedoms relating to reproduction and reproductive health. The policy has been displayed at the notice board outside the office and briefed to the workers on 20/1/2019 in Palong Cocoa POM, 22/1/2019 and 11/7/2019 in Palong Estate and 25/9/2019 in Labis Bahru Estate.	Complied
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Kulim (Malaysia) Berhad has developed Code of Practice on Prevention and Eradication of Sexual Harassment in the Workplace to provide guideline to employers on the establishment of in house mechanism at the workplace. Reporting procedure with Complaint/ Grievance procedure was mechanism to handle sexual harassment in the workplace. Kulim (Malaysia) Berhad has established Women on Wards Committee (WOW) to all operating units. Meeting was conducted at periodic basis and the last meeting was conducted on 29/7/2019 in Palong Cocoa POM, 24/1/2019 in Palong Estate and 7/4/2019 in Labis Bahru Estate. No issue was reported verified through meeting minutes and interviewed with workers. The committee has organized activities such as bowling, baking cookies and religious class.	Complied
Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.			

Criterion / Indicator		Assessment Findings	Compliance
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	There is no smallholder dealing with the palm oil mill. Pricing mechanism for FFB is not applicable because the FFB sourced is from own company estates.	Complied
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	There is no smallholder dealing with the palm oil mill. Pricing mechanism for FFB is not applicable because the FFB sourced is from own company estates.	Complied
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Sampled of contract agreement as below: i. Contract No.: MPSB/CPO 1/2016 (MIRZAFIZ) for transport of CPO from mill to refineries which extended until 29/2/2020. ii. Contract No.: MPSB/CPO 1/2016 (YEWATAN) for transport of CPO from mill to refineries which extended until 29/2/2020. iii. Contract No.: MPSB/PALONG 2/2018 for loading and transporting of FFB which valid until 30/9/2021.	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	As per the agreement, Clause 5.3, payment of fees shall be made within thirty (30) days from the date of certification of submitted invoices by MPSB. Sampled of the payment records as below: i. INV# I-000387 dated 30/6/2019; Payment Voucher# 19000498 dated 16/7/2019 ii. INV# YT1906-00006 dated 30/6/2019; Payment Voucher# 19000497 dated 16/7/2019 iii. INV# I-000405 dated 31/7/2019; Payment Voucher# 19000569 dated 18/8/2019 iv. INV# YT1907-00006 dated 31/7/2019; Payment Voucher# 19000573 dated 20/8/2019 v. INV# 00005136 dated 30/6/2019; Payment Voucher# 19000336 dated 4/7/2019 Interviewed with the contractors confirmed payment was made promptly.	Complied

Criterion / Indicator		Assessment Findings	Compliance
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.			
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	The mill and estates’ management have made contribution to the local communities such as provide job opportunity to the local communities to work in the mill. Besides, Palong Cocoa POM has made donation to school’s activities upon request, provided free transportation and school uniforms to the children of workers. Seen the petty cash voucher# 19000084 dated 23/9/2019.	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	There was no scheme smallholder involved in the certification unit.	Not applicable
Criterion 6.12: No forms of forced or trafficked labour are used.			

<p>6.12.1</p>	<p>There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -</p>	<p>The company has recruited all the employees with legal identification for local and valid passport and work permit for foreign workers. Contract of employment was signed by the workers prior to work. Sampled of foreign workers with valid work permit as below:</p> <ul style="list-style-type: none"> i. Permit No.: PE 6754531 valid until 16/1/2020 (PCPOM) ii. Permit No.: PE 7993156 valid until 24/3/2020 (PCPOM) iii. Permit No.: PE 7695584 valid until 25/4/2020 (PCPOM) iv. Permit No.: PE 8190568 valid until 4/7/2020 (PCPOM) v. Permit No.: PE 8748907 valid until 13/9/2020 (PCPOM) vi. Permit No.: PE 7259689 valid until 10/3/2020 (PE) vii. Permit No.: PE 8684772 valid until 1/9/2020 (PE) viii. Permit No.: PE 8189492 valid until 28/6/2020 (PE) ix. Permit No.: PE 7172048 valid until 26/2/2020 (PE) x. Permit No.: PE 7391596 valid until 19/4/2020 (PE) xi. Permit No.: PE 7630247 valid until 2/5/2020 (PE's Contractor Worker) xii. Permit No.: PE 6319654 valid until 23/12/2019 (PE's Contractor Worker) xiii. Permit No.: PE 6169164 valid until 9/10/2019 (PE's Contractor Worker) xiv. Permit No.: PE 6169907 valid until 9/10/2019 (PE's Contractor Worker) xv. Permit No.: PE 6306088 valid until 3/11/2019 (LBE) xvi. Permit No.: PE 6703348 valid until 9/1/2020 (LBE) xvii. Permit No.: PE 8076686 valid until 27/6/2020 (LBE) xviii. Permit No.: PE 8608019 valid until 25/8/2020 (LBE) xix. Permit No.: PE 8490001 valid until 15/8/2020 (LBE's Contractor Worker) xx. Permit No.: PE 7266118 valid until 5/3/2020 (LBE's Contractor Worker) xxi. Permit No.: PE 6716085 valid until 21/1/2020 (LBE's Contractor Worker) 	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		Seen the letter of authorization from the company that registered the contractor’s workers to the contractor to work in the plantations. Letter dated 30/12/2018 and 28/4/2019 was sighted.	
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	Interviewed with the foreign workers confirmed that no contract substitution has occurred as the terms and conditions offered in home country are the same as they received in the plantation.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Kulim (Malaysia) Berhad has developed Employee Handbook dated 1/9/2018 and Core Labour Standard Policy dated 1/5/2018 which has included the following terms: a. No forced labour and no contract substitution for all the employees. b. Provide the appropriate trainings to each of the employees. c. The company will provide decent living conditions according to Minimum Housing and Amenities Act 1990. d. The company will not engage in nor support discrimination in any form. The company has implemented all the terms such as provide free and decent living condition to workers, induction training to workers, no discrimination and no contract substitution verified through interviewed with the workers.	Complied
Criterion 6.13: Growers and millers respect human rights.			
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	Kulim (Malaysia) Berhad has developed Sustainability Policy where the company respects, supports and upholds fundamental human rights and does not engage in any discrimination of race, religion and gender. The policy has been displayed at the notice board outside the office and briefed to the workers on 20/1/2019 in Palong Cocoa POM, 22/1/2019 and 11/7/2019 in Palong Estate and 20/8/2019 in Labis Bahru Estate.	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Not applicable in Peninsular Malaysia.	Not applicable
Principle 7: Responsible development of new plantings			
Palong Cocoa Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this surveillance assessment. The immature areas are replanted area.			
Principle 8: Commitment to continual improvement in key areas of activity			
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

<p>8.1.1</p>	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>The CU adopted several continuous improvements in reducing of pesticides i.e. increasing planting of beneficial plants mainly <i>Tunera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> and continue to monitor pest through Early Warning System.</p> <ul style="list-style-type: none"> a) The CU also adopted planting of <i>Legominious</i> Cover Crop mainly <i>Pueraria Javanica</i>, <i>euphobia</i> and <i>Calopogonium Mucunoides</i> at replanting area to minimize circle and selective weeding. b) <i>Neproliphis biserata</i> was maintained and encouraged to be planted in the estates. This can be seen in their continuous improvement plan. This was to suppress growth of noxious weeds and thus reduce the use of pesticides for selective weeding. c) Woody sprayings were carried out whenever necessary and only twice a year. Blanket spraying was not practiced encouraging soft grasses in inter row and frond stacking area <p>Mills waste such as EFB were used as fertilizer in the field and also material for the bio-compost production which is later applied in the fields.</p> <p>Environmental impact assessment, management action plans and continuous improvement plan for Palong and Labis Bahru estates have been updated and monitored by management. The improvement actions among others:</p> <ul style="list-style-type: none"> a) Construction of sump at chemical and workshop to prevent ground or water contamination. b) Collect back chemicals bags and allocate store for control of misused. c) use of tray for tractor parking and workshop stations to prevent ground contamination <p>The management of Mill/Estates had plan to reduce emission by daily inspection and monitoring for their farm tractor/lorry and gen set/water treatment plant to prevent any leakage and problem which can impact on smoke emission.</p> <p>The management of both estates and mill had plan to reduce emission by daily inspection and monitoring for their farm tractor / lorry and gen set /</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>water treatment plant to prevent any leakage and problem which can impact on smoke emission.</p> <p>The CU continued to improve the social impacts with activities like:</p> <ul style="list-style-type: none"> a) Repainting of workers houses a total of 20 units in y Dec 2019. b) Organising of sports activities include indoor game. c) Replacement of furniture for staff quarters d) organized social events for worker and communities, such Workers' Day celebration together with the best & beautiful house competition <p>Kulim Malaysia Bhd being a well-established organisation, had emphasised on the yield performance has always been the top priority in ensuring long-term economic and financial viability. In general, various efforts had been done to optimise the yield of the plantation such as;</p> <ul style="list-style-type: none"> a) maximizing crop recovery, optimum ripeness b) standard harvest ripe bunches only (10 MRS) and 100% loose fruit collection), c) the soil fertility was maintained and planting only high yielding planting material. d) Placement compost in the palm row for improved fertility. 	

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 2025)
	PT Rambang Agro Jaya (PT RAJ)	
Malaysia Trader	Bukit Layang Estate	2019
Malaysia Trader	Eng Lee Heng	2019

List of Estate Manage by Kulim (Malaysia) Berhad			
Mill Base	Kulim / Jcorp Estate	Estate	Status
Tereh Mill	Kulim Estate	Tereh Utara	Certified RSPO
		Tereh Selatan	
		Selai	
		Enggang	
		Mutiara	
		Sg Sembrong	
		Sg Tawing	
		Rengam	
Sedenak			
Sedenak Mill		Basir Ismail	
		Ulu Tiram	
Sindora Mill		Kuala Kabong	
		REM/Pasak	
Palong Mill		Sindora	
		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 **2018** for **Palong Cocoa 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 **2018** for **Palong Cocoa Palm Oil Mill** and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	1.03
PKO	0

Extraction	%
OER	21.45
KER	5.36

Production	t/yr
FFB Process	189,464.22
CPO Produced	40,632.00
PKO Produced	0

Land Use	Ha
OP Planted Area	9,663.32
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	118.3
Total	9,781.62

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	91,442.20	0.48	0	0	0	0	91,442.20	0.48
CO ₂ Emission from fertilizer	9,741.60	0.05	0	0	0	0	9741.60	0.05
NO ₂ Emmision	10,258.87	0.05	0	0	0	0	10,258.87	0.05
Fuel Consumption	1,077.11	0.01	0	0	0	0	1,077.11	0.01
Peat Oxidation	0	0	0	0	0	0	0	0
Sink								
Crop Sequestration	-86,523.75	-0.46	0	0	0	0	-86,523.75	-0.46
Conservation Sequestration	-234.82	0	0	0	0	0	-234.82	0

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Total	25,761.21	0.14	0	0	0	0	25,761.21	0.14
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*Note: Includes both estates and smallholders

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	29,787.19	0.16
Fuel Consumption	242.93	0
Grid Electricity Utilisation	164.82	0
Credit		
Export of Grid Electricity	0	0
Sales of PKS	-3,855.37	-0.02
Sales of EFB	0	0
Total	26,339.57	0.14

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	n/a
PK from other source	n/a
Fuel Consumptions	n/a
Total Crusher emissions	n/a

*This mill has no kernel crusher operation.

Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	37
Divert to anaerobic diversion (%)	63

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

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

5.1 Applicability of the general chain of custody requirements for the supply chain			
	Requirement	Evidence For any N/A raised, justification is required.	Compliance (Yes / No or N/A)
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	Palong Cocoa POM takes legal ownership and physically handles RSPO certified FFB from the estates and produced CPO and PK.	Yes
5.1.2	Traders and distributors require a licence obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	Palong Cocoa POM is not a trading company and does not have distributor license. Therefore, this requirement is not applicable.	Not applicable
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	RSPO Membership of Palong Cocoa Palm Oil Mill is under Johor Corporation with RSPO Membership No. 1-0080-09-000-00 since 15 June 2009. Palmtree Member ID: RSPO_PO1000001265 (Kulim (Malaysia) Berhad - Palong Palm Oil Mill) which license expires on 22/1/2020.	Yes
5.1.4	Processing aids do not need to be included within an organization's scope of certification.	Processing aids was not in used at Kulim Palong Cocoa Palm Oil Mill	Not applicable

5.2 Supply chain model			
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	<p>The mill has only received all the certified FFB from its certified estates that belongs to Kulim (Malaysia) Berhad. Traceability Procedure (Doc. No.: SQD/SMS/1.2, Issue No. 1, Rev. No.: 02 dated 28/2/2019) was developed to implement the supply chain system at the POM. The procedure is applicable from incoming FFB and outgoing CPO & PK at RSPO certified mills.</p> <p>During the period of October 2018 to August 2019, Palong Cocoa Palm Oil Mill has received and processed FFB from own plantations: 206,256.70 MT with Module D (Identity Preserved).</p>	Yes
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Palong Cocoa Palm Oil Mill was certified with Module D: Identity Preserved Module.	Yes
5.3. Documented Procedures			
5.3.1	<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <p>Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</p>	<p>Kulim (Malaysia) Berhad has developed Traceability Procedure (Doc. No.: SQD/SMS/1.2, Issue No. 1, Rev. No.: 02 dated 28/2/2019) and RSPO Supply Chain Procedure (Doc. No.: MKD/001, Rev. 01 dated 9/10/2018) which has cover the process of incoming of FFB and outgoing of CPO and PK. In addition, supporting procedures were developed to cover for the all the supply chain requirements as below:</p> <ul style="list-style-type: none"> i. Internal Audit Procedure (Doc. No.: SQD/SMS?5/0, Issue No.: 1, Rev. No.: 0 dated 1/7/2018) ii. Managing Customer Feedback Procedure (Doc. No.: PCPOM/SOP/9.4, Issue No.: 3, Rev. No. 0 dated 1/2/2018) 	Yes

		Control of Non-conforming Product Procedure (Doc. No.: PCPOM/SOP/8.15, Issue No.: 3, Rev. No. 0 dated 1/2/2018)	
	Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).	<p>Seen the records that included in the procedure are as below:</p> <ul 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 <p>Training records for RSPO Supply Chain & Stamping was sighted where the training was conducted on 19/9/2019 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>	Yes
	Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard.	Head of each operating unit has automatically be 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.	Yes
5.3.2	The site shall have a written procedure to conduct annual internal audit to determine whether the organization; i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	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).	Yes

	ii) effectively implements and maintains the standard requirements within its organization	The latest internal audit was carried out on 19/8/2019 in Palong Cocoa POM by SQD. No non-conformance was raised for RSPO SCCS but only 1 observation raised. Seen the RSPO, ISCC & MSPO List of Documentation Audit report where all the requirements of RSPO SCCS and RSPO Market Communications and Claims have been audited accordingly.	Yes
5.4. Purchasing and goods in			
5.4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; <p>A unique identification number</p>	<p>When FFB delivered to the mill from the estates, the transporters presented Delivery Order (DO) to the mill weighbridge clerk in order the FFB to be received by the mill. E.g. of information available in the DO is as follows:</p> <ul style="list-style-type: none"> • Consignment note no. (127802) • Estate’s names (UMAC) • Date & time of delivery (26/9/19) • Field No. (P03,P04, P05, P06, P08 and P09) • Vehicle no. (WDJ 5176) • RSPO certificate no. – RSPO 613086 <p>E.g. of information available in the mill’s weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> • Consignment note no. (127802) • Estate’s names (UMAC) • Date & time of delivery (26/9/19) • Field No. (P03,P04, P05, P06, P08 and P09) • Vehicle no. (WDJ 5176) • RSPO certificate no. – RSPO 613086 	Yes
	The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:	The information was available in various documents such as delivery order and weighbridge tickets.	Yes

	<ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/delivery date 		
	The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance.	The mill has a list of certified FFB suppliers which has the information about certificate number and validity period. This is applied to both second and third party FFB suppliers.	Yes
	A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.	A check of the validity of supply chain certification of supplier is done via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org). For diversion case from other certified management unit, physical RSPO certificate for all diverted crops certification unit's need to be check prior to delivery.	Yes
	The validity of licence for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements.	NA – this part is applicable for supply chain actor after refinery.	Not applicable
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	Kulim (Malaysia) Berhad has developed Control of Non-conforming Product Procedure (Doc. No.: PCPOM/SOP/8.15, Issue No.: 3, Rev. No. 0 dated 1/2/2018 to ensure the control and prevention of non-conformance product from unintended use. As to date, none of non-conforming product has received.	Yes
5.5. Outsourcing activities			
5.5.1	In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g.	No bulking facilities outsourced by the mill. CPO and PK transport outsourced to 3 rd party contractor;	Yes

	<p>subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independement mil cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>	<p>Teo Tuan Kwee Sdn Bhd, contract no. MPSB/CPO 1/2016. Contract extension, dated 18/2/18 extended until 29/2/2020.</p> <p>Specific clause on RSPO requirements detail out under addendum contract.</p>	
5.5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <p>a. The site has legal ownership of all input material to be included in outsourced processes;</p>	Not applicable. No outsourcing activity.	Not applicable
	<p>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p>	Not applicable. No outsourcing activity.	Not applicable
	<p>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p>	Not applicable. No outsourcing activity.	Not applicable
	<p>d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations,</p>	Not applicable. No outsourcing activity.	Not applicable

	systems, and any and all information, when this is announced in advance.		
5.5.3	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Not applicable. No outsourcing activity.	Not applicable
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.	Not applicable. No outsourcing activity.	Not applicable
5.6. Sales and goods out			
5.6.1	<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form.</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/ delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; <p>A unique identification number</p>	<p>Palong Cocoa POM ensured the required information is available in document form. Sampled of PK contract: CPOIP-M19054, quantity 500 mt (delivery month – August 2019)</p> <ul style="list-style-type: none"> • The name and address of the buyer; XXX • The name and address of the seller: Palong Cocoa POM, Segamat • The loading or shipment/ delivery date; e.g. 1/8/19 • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); Crude Palm Oil (CPO) RSPO IP • The quantity of the products delivered; e.g. 38.87 mt • Any related transport documentation; e.g. Despatch note e.g. #C07151 • Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 613087 • A unique identification number: palm trace no. • Available in a few forms e.g. DN no., seal no., etc. 	Yes

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		<p>Palong Cocoa POM ensured the required information is available in document form. Sampled of PK contract: MPOK 1812IP, quantity 500 mt (delivery month – August 2019)</p> <ul style="list-style-type: none"> • The name and address of the buyer; XXX • The name and address of the seller: Palong Cocoa POM, Segamat • The loading or shipment/ delivery date; e.g. 1/8/19 • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); Palm Kernel (PK) RSPO IP • The quantity of the products delivered; e.g. 41.86 mt • Any related transport documentation; e.g. Despatch note e.g. #K01843 • Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 613087 • A unique identification number: palm trace no. TR-ea2e7731- 6e61 • Available in a few forms e.g. DN no., seal no., etc. 	
	<ul style="list-style-type: none"> • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). 	<p>Information is complete and available in various documents such as sales contract, mill weighbridge ticket, delivery note, transporter collection order.</p>	<p>Yes</p>
	<ul style="list-style-type: none"> • For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. 	<p>Review period from October 2019 to August 2019. Shipping announcement details refer to table C.</p>	<p>Yes</p>

	Refer to section 5.7.1 of this document for further guidance.		
5.7. Registration of transactions			
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> are mills, traders, crushers and refineries and; take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. 	The registration of Palm Trace is carried out by the Kulim Marketing Department, HQ. All transaction will be registered in the Palm Trace.	Yes
5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. 	Summary of shipping announcement/confirmation is reported under table C and cross reference with table 7 and 8.	Yes
	<ul style="list-style-type: none"> Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document with a unique traceability number. Tracing can be done in a consolidated way at least annually. 	Not applicable. Products are not sold beyond refinery.	Not applicable

	<ul style="list-style-type: none"> Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. 	Conventional volume sold reported reconcile in 3 (three) monthly basis and reported under mass balance sheet.	Yes
	<ul style="list-style-type: none"> Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	Final volume sold is based on shipping confirmation acknowledge by refinery or buyer.	Yes
5.8. Training			
5.8.1	The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.	Palong Cocoa POM has developed Annual Training Program for the Year 2019 to arrange for the trainings to be conducted throughout the year.	Yes
5.8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.	Training records for RSPO Supply Chain & Stamping was sighted where the training was conducted on 19/9/2019 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.	Yes
5.9. Record Keeping			
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	Palong Cocoa POM has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements	Yes
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	As per the Traceability Procedure (Doc. No.: SQD/SMS/1.2, Issue No. 1, Rev. No.: 02 dated 28/2/2019), the records retention for all RSPO Supply Chain related records to be retained for a minimum of 5 years' period. Sampled of records of weighbridge tickets and daily production records for Year 2014 were sighted to maintain and keep at the office.	Yes

5.9.3	The organization shall be able to provide the estimate volume of palm oil/palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	Not applicable. The product of the facility is containing 100% palm oil.	Not applicable
5.10. Conversion factors			
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivaties. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.	Conversion factor of CPO and PK production is depending on the actual OER and KER. Last year's average from October 2018 to August 2019 were 22.08 % (OER) & 5.44 % (KER).	Yes
5.10.2	Conversion rates shall be periodically updated 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.	Yes
5.11. Claims			
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	Kulim (Malaysia) Berhad has obtained Trademark License from RSPO and seen the trademark license# 1-0080-09-100-00 which valid from 23/8/2019 – 22/8/2021 for IP Model for Palong Cocoa POM. The facility is aware with the requirements of the RSPO Rules on Market Communications and Claims.	Yes
General corporate communications			

4.1	A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim.	Kulim (Malaysia) Berhad has stated the member's history with regard to RSPO in the company's website and annual report 2017 without the use of trademark logo.	Yes
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 2017 without the use of trademark logo.	Yes
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.	Yes
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.	Yes
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.	Yes
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 (Identity Preserved) was stamped on the tickets.	Yes
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 (Identity Preserved) with RSPO certificate number: RSPO 613087.	Yes
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>If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.</p>	Palong Cocoa Palm Oil Mill is not under distributor or wholesaler category. Thus, this requirement is not applicable.	Not applicable
5.4	A certified member can provide information to its customers detailing the presence of certified palm oil contained within a product even if it is not eligible for a product-specific under RSPO rules. The end product must not be labelled as certified or sold in such a way that implies RSPO certification.	Palong Cocoa Palm Oil Mill is producing crude palm product and does not involved in any labelling of end product and the presence of certified palm oil contained within a product. This requirement is for the next supply chain actor and not applicable for POM.	Yes

	For example, a retailer or food service company may require a breakdown of all palm based ingredients within an end product and the certified status of each. This information may be provided by a certified RSPO member without constituting a product-specific claim.		
Business to consumer communication			
6.1	Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as 'product-specific' claims. Product-specific claims are voluntary.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not applicable
6.2	Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not applicable
6.3	When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not applicable
6.4	Business to consumer communication shall not include information about the claimant's RSPO membership status.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill 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 Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not applicable
6.6	Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not applicable

6.7	Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim.	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not applicable
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on www.rspo.org .	No business to consumer communication on product specific claim made by Palong Cocoa Palm Oil Mill and only produce crude and unfinished product. This is not applicable for POM.	Not applicable
MODULE A – IDENTITY PRESERVED & SEGREGATED SPECIFIC RULES			
Certified oil palm content (IP)			
	For IP, 95% or above of the oil palm content must be RSPO IP-certified.	Oil palm content is 100% CPO and claim as RSPO IP-certified.	Yes
	For SG, 95% or above of the oil palm content must be SG, or a combination of SG and IP.	No SG claim made.	Yes

	<p>Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the volume of non-certified oil palm products must be covered by the purchase of RSPO Credits of equivalent volume.</p>	<p>Oil palm content is 100% CPO and claim as RSPO IP-certified. All infeed material (FFB) is RSPO certified.</p>	<p>Yes</p>
<p>Labelling and trademark (IP)</p>			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> a. RSPO trademark which includes the tag 'CERTIFIED' or b. RSPO trademark which includes the tag 'This product contains certified sustainable palm oil'. Wherever a RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4pt (1.4 mm or 0.06 inch). In on-pack communications, the RSPO trademark can be printed anywhere on the pack. 	<p>As to date, no RSPO trademark used on the RSPO products. Kulim (Malaysia) Berhad has stated the member's history with regard to RSPO in the company's website and annual report 2017 without the trademark logo used.</p>	<p>Yes</p>
<p>Messaging (IP)</p>			
	<p>Messaging ALLOWED in storytelling in product-related communications may include some or all of the following elements:</p> <ul style="list-style-type: none"> • The oil palm products contained in this product have been certified to come from RSPO sources. www.rspo.org • By choosing this product, you are sure it contains RSPO-certified palm oil. For more information: www.rspo.org 	<p>As to date, no RSPO trademark used on the RSPO products. Kulim (Malaysia) Berhad has stated the member's history with regard to RSPO in the company's website and annual report 2017 without the trademark logo used.</p>	<p>Yes</p>

	<ul style="list-style-type: none"> • 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 <p>References to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown by company records.</p>		
5.12. Complaints			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Palong Cocoa POM has developed Managing Customer Feedback Procedure (Doc. No.: PCPOM/SOP/9.4, Issue No.: 3, Rev. No. 0 dated 1/2/2018) to ensure all complaints are handled and resolved and evaluate customers' perception about company's services and product. As to date, there were total 3 complaints related to CPO and 1 complaint related to PK from customers. All the complaints were recorded in the Customer Complaint Form and action has taken accordingly. All the complains have resolved.	Yes
5.13. Management Review			
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.	The management review meeting will be carry out once a year. The latest combined management review meeting for RSPO/ RSPO Supply Chain/ MSPO was conducted on 10/9/2019. Seen the management review meeting minutes.	Yes
5.13.2	The input to management review shall include information on:	The following inputs have been discussed during the meeting:	Yes

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	<ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. <p>Recommendations for improvement.</p>	<ul style="list-style-type: none"> i. Results of internal and external audit – Internal audit conducted on 19/8/2019 with 1 observation raised for RSPO SCCS. ii. Customer Feedback – Total 9 customer survey for CPO and 4 customer survey for PK has sent on Year 2018 which the rate has above the target of 60%. iii. Status of preventive and corrective action – CAP developed and discussed in the meeting with completion date and person in charge. <p>Changes that could affect the management system – Printing system of weighbridge ticket of FFB and CPO started to implement on July 2019 for RSPO and ISCC crop.</p>	
5.13.3	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. <p>Resource needs.</p>	<p>All the outputs of the management review meeting have been discussed and not limited to improvement of effectiveness of management system and resource needs.</p>	Yes

Appendix E : CPO Mill Supply Chain Assessment Report (Module D- CPO Mills: Identity Preserved)

D.1 Definition			
	Requirement	Evidence For any N/A raised, justification is required.	Compliance (Yes / No or N/A)
D.1.1	A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.	Palong Cocoa POM only receives certified FFB from certified supply bases. The POM qualifies for the Identity Preserved supply chain system and module. During the assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.	Yes
D.2 Explanation			
D.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report. Forecast volume for next license period: FFB: 212, 899 mt CPO: 46,412 mt PK: 11,326 mt	Yes
D.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).	Registration and reporting requirements was not met. No allocation of credit prior to book and claim exercise. Total of RSPO credit sales of 6,000 mt in November 2018 and 5,000 mt in December 2018. Thus, a major NC was issued.	Yes

		<p>An appeal was done on 13/10/2019 and result of the appeal process was finalized on 15/11/2019 and the internal review panel decided to drop the major non-conformance with the justification below: "Discussion with RSPO Secretariat confirms that RSPO credits can be accumulated and sold by end of the license period. Despite this is Identity Preserved certification, the selling of RSPO Credits does not require to follow the real time basis. As long as there is accumulation of the credits are not negative stock base on the actual production versus oil sold as RSPO certified / other scheme certified, credits are permitted to sold as when it is available."</p>	
D.3 Documented procedures			
D.3.1	<p>The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a. Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>Kulim (Malaysia) Berhad has developed Traceability Procedure (Doc. No.: SQD/SMS/1.2, Issue No. 1, Rev. No.: 02 dated 28/2/2019) and RSPO Supply Chain Procedure (Doc. No.: MKD/001, Rev. 01 dated 9/10/2018) which has cover the process of incoming of FFB and outgoing of CPO and PK. In addition, supporting procedures were developed to cover for the all the supply chain requirements as below:</p> <ul style="list-style-type: none"> i. Internal Audit Procedure (Doc. No.: SQD/SMS?5/0, Issue No.: 1, Rev. No.: 0 dated 1/7/2018) ii. Managing Customer Feedback Procedure (Doc. No.: PCPOM/SOP/9.4, Issue No.: 3, Rev. No. 0 dated 1/2/2018) 	Yes

		iii. Control of Non-conforming Product Procedure (Doc. No.: PCPOM/SOP/8.15, Issue No.: 3, Rev. No. 0 dated 1/2/2018)	
	b. The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.	Head of each operating unit has automatically be 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.	Yes
D.3.2	The site shall have documented procedures for receiving and processing certified FFBs.	The procedure mentioned in D.3.1 has explained the procedure for incoming of FFB and outgoing of CPO. Core process procedures were established to describe each of the processes of FFB.	Yes
D.4 Purchasing and goods in			
D.4.1	The site shall verify and document the tonnage and sources of certified FFBs received.	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified. Records verified by internal and external audit.</p> <p>The accompanying documents of incoming FFB from own estate are estate's weighing bridge tickets which has the info about name of estate, RSPO certificate number, weighbridge ticket number, seal number, date of delivery, field number, number of bunches. Upon arrival at the mill, the mill issues its weighbridge ticket as confirmation of receipt. The estate's ticket number were recorded in the mill's ticket number. For the review period of October 2018 to August 2019, no diversion crop received from other Kulim (M) Berhad certified estates.</p>	Yes

D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The facility is aware of this procedure. There was no projected overproduction for the period under review from October 2018 to August 2019.	Yes
D.5 Record keeping			
D.5.1	<p>The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.</p> <p><i>IP Mill must report on real time basis.</i></p>	<p>Based on Sustainable Product Monthly Movements for November and December 2018; Opening stock for November 2018: 2,690.45 mt Total CPO production for November: 5,120.49 mt CSPO sales (physical): 1,690.39 mt Book and claim (certificate): 6,000 mt CSPO stock balance: 120.55 mt</p> <p>Opening stock for December 2018: 120.55 mt Total CPO production for December: 4,517.70 mt CSPO sales (physical): 1,765.24 mt Book and claim (certificate): 5,000 mt CSPO stock balance: - 2,126 mt</p> <p>Delivery of CSPO physical stock is than available stock. Negative stock recorded in the closing month of December 2018 compared to positive stock recorded in balance sheet @ Sustainable Product Monthly Movements.</p> <p>An appeal was done on 13/10/2019 and result of the appeal process was finalized on 15/11/2019 and the internal review panel decided to drop the major non-conformance with the justification below:</p>	Yes

		Discussion with RSPO Secretariat confirms that RSPO credits can be accumulated and sold by end of the license period. Despite this is Mass Balance certification, the selling of RSPO Credits does not require follow the 3 monthly balancing. As long as there is accumulation of the credits are not negative stock base on the actual production versus oil sold as RSPO certified / other scheme certified, credits are permitted to sold as when it is available.	
D.6 Processing			
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non- certified oil palm product including during transport and storage to strive for 100% separation.	During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing.	Yes

Supply Chain Declaration

A. Monthly Records of Certified and Uncertified FFB Received since the last audit (October 2018 – August 2019)				
No.	Month - Year	Volume of FFB from certified supply bases (mt)	Volume of FFB from uncertified supply bases (mt)	Total FFB/Month (mt)
1	October 2018	23,777.39	-	23,777.39
2	November 2018	22,815.98	-	22,815.98
3	December 2018	20,153.96	-	20,153.96
4	January 2019	18,239.85	-	18,239.85
5	February 2019	14,516.79	-	14,516.79
6	March 2019	15,114.98	-	15,114.98
7	April 2019	18,138.67	-	18,138.67
8	May 2019	18,551.20	-	18,551.20
9	June 2019	16,819.44	-	16,819.44
10	July 2019	18,122.49	-	18,122.49
11	August 2019	20,005.97	-	20,005.97
Total		206,256.72	-	206,256.72

B. Monthly Records of Certified CPO & PK since the last audit (October 2018 – August 2019)			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	October 2018	5,237.19	1,362.51
2	November 2018	5,120.49	1,206.46
3	December 2018	4,517.70	1,036.00
4	January 2019	4,041.32	1,009.40
5	February 2019	3,276.83	881.70
6	March 2019	3,359.48	872.86
7	April 2019	3,839.58	1,017.42
8	May 2019	4,026.28	915.08
9	June 2019	3,638.93	757.65
10	July 2019	4,048.03	932.93
11	August 2019	4,444.53	1,233.84
Total		45,550.36	11,225.85

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C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any) (October 2018 – August 2019)					
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Palmtrace Trading License Number	Certified PK Sold (mt)
October 2018	-	TR-6c003807-f103 TR-72abfdcf79 TR-d516a247-cd21 TR-f53f8423-31df TR-326f6df5-93fd TR-bfb986a5-27cc TR-5b3f2b39-f0a2 TR-f77c87c8-d95b TR-1fdb9d1-85fa TR-c308cb82-7769	2652.07	TR-34c1db99-fbf2 TR-7c8c4c12-9dc0 TR-f23339e8-5f73	236.90
November 2018	-	TR-1cb915c8-24b8 TR-38a2952c-882f TR-1e585b02-efb1 TR-b4779d7a-8fa2 TR-47c20abf-3555 TR-fcf0fade-2ba8	1,808.91	TR-8a6253f9-c89c TR-2c76f556-7f90 TR-35c2d902-363e TR-b460e2b7-a609 TR-3b36eb2e-d83a	739.72
December 2018	-	TR-50b3a724-edf3 TR-a3c19191-ab98 TR-8bb172c9-0194 TR-54bd97f4-1d60 TR-d9327498-3aa2	1612.40	TR-c0fb7e8b-4cee TR-72fb9d3a-7197 TR-450b23c3-358d	277.12

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		TR-d19d4241-65cb TR-70ef0f8b-3b18 TR-d27d9a30-c913 TR-189f9ce0-27b1		TR-bdaa1859-3163	
January 2019	-	TR-a6b92557-f853 TR-01dc5a29-1e25 TR-85631721-c6ce TR-ecd916d4-1b16 TR-22ae3d25-ec17	2,169.45	TR-b8b68853-0e01 TR-427eaddc-8cb4	241.44
February 2019	-	TR-656c848d-6651 TR-a40f2f67-56ef TR-f30e7925-e904	505.46	TR-c2a1a13f-0083	173.13
March 2019	-	TR-f6b0c1af-8dff TR-c9aef7f-77bd	1333.74	TR-ffe565b6-0827 TR-1da81453-1aac TR-7b83311f-6f86 TR-2b560fe9-036b	571.32
April 2019	-	TR-0fb58ee6-bb7a TR-ecaa9d26-64f7 TR-20acf2a2-5cd2 TR-91a81398-5d15 TR-3f90ca38-41f4 TR-9ca3f47a-53f8 TR-66ea9415-3312 TR-a4d83b7e-3d4a	1858.79	TR-c1bc6420-c5e7	80.82

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		TR-0d98a38f-f475			
May 2019	-	TR-619dcba8-2fb8 TR-9a21dfee-5f43 TR-c71629a7-cda6 TR-987d2159-e4b1 TR-f38fa106-b412 TR-7df021de-862b TR-333cbf5a-6d24 TR-11fa45a4-50a8 TR-e15278a6-9760 TR-4fad2dcb-6035	2764.05	TR-5460ae40-0a4b TR-e2bcce25-c84d TR-59c27ebf-2570 TR-62a26d00-193c	635.49
June 2019	-	TR-41938eb6-d226	162.62	TR-12f22327-c19e TR-1173b912-790b TR-2f723e83-422c	679.54
July 2019	-	TR-bc77d7c6-7555 TR-f472eb40-cdc0 TR-330238de-a69b TR-7dc0cc66-95d6 TR-0dbd6326-9eb6 TR-204aefd2-c35b	1,451.89	TR-26d0b3a1-b3a1 TR-2169f6d4-fefe TR-7a2d6d46-1b6f	417.20
August 2019	-	TR-deed5908-12fc TR-c8f2c2a8-9014 TR-b67aea39-70ec TR-239c31b9-6fc5	2,622.78	TR-05bb0515-dedb	242.91

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		TR-aedf9287-5346 TR-0faf38c5-c2e7 TR-4fd6cb98-dced			
Total			18,942.16		4,295.59

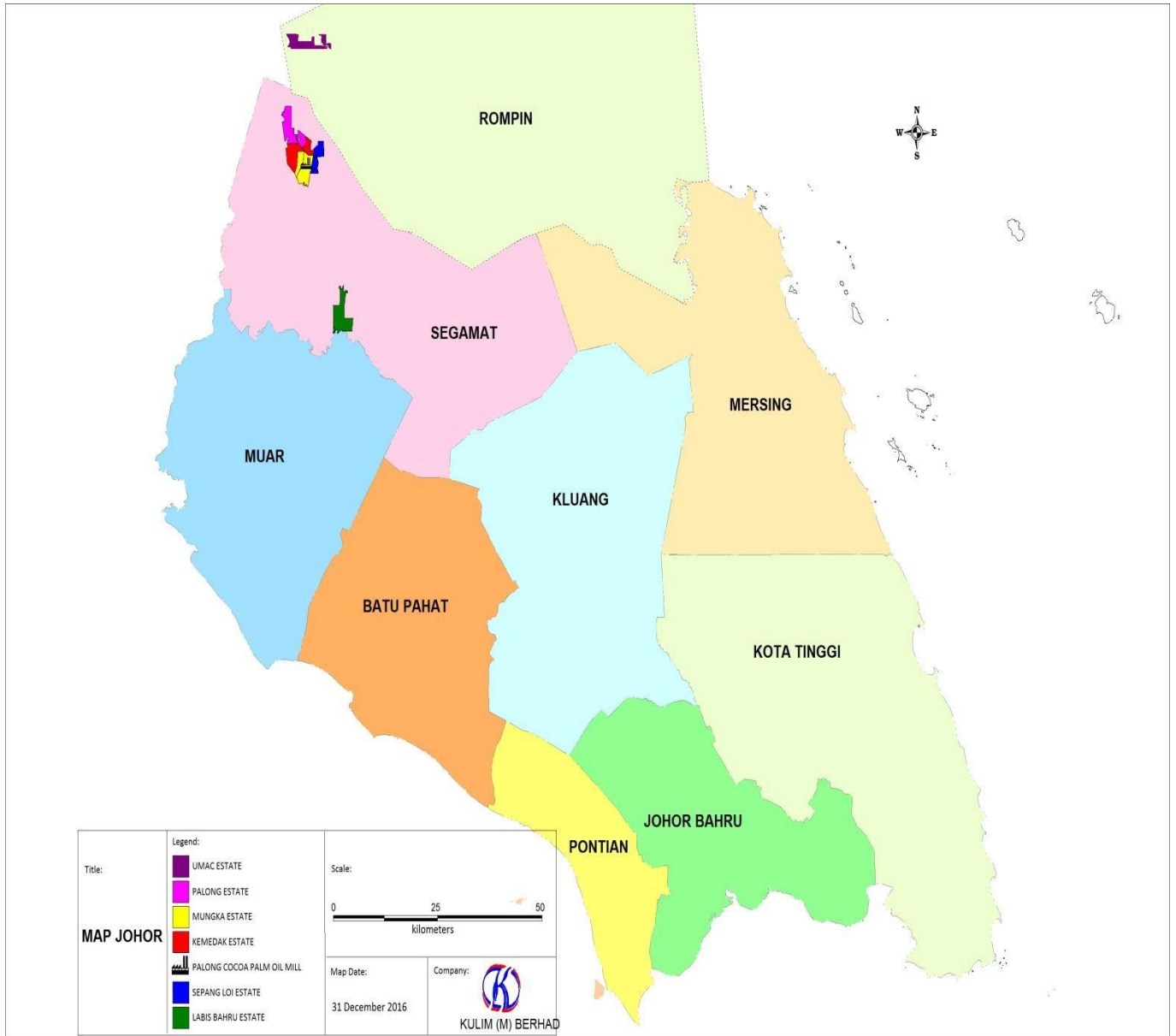
D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any) (October 2018 – August 2019)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
April 2019	-	ISCC	401.44	-
July 2019	-	ISCC	418.14	-
Total			819.58	-

E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any) (October 2018 – August 2019)				
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)	
1	October 2018	552.85	1,055.77	
2	November 2018	584.80	484.63	
3	December 2018	1,391.83	601.15	
4	January 2019	1,754.55	777.11	
5	February 2019	1,817.14	673.40	
6	March 2019	1,309.13	343.23	
7	April 2019	1,831.16	795.85	
8	May 2019	1,388.00	537.83	
9	June 2019	1,631.90	221.14	
10	July 2019	1,593.80	518.77	
11	August 2019	933.46	878.93	
Total		14,788.62	6,887.81	

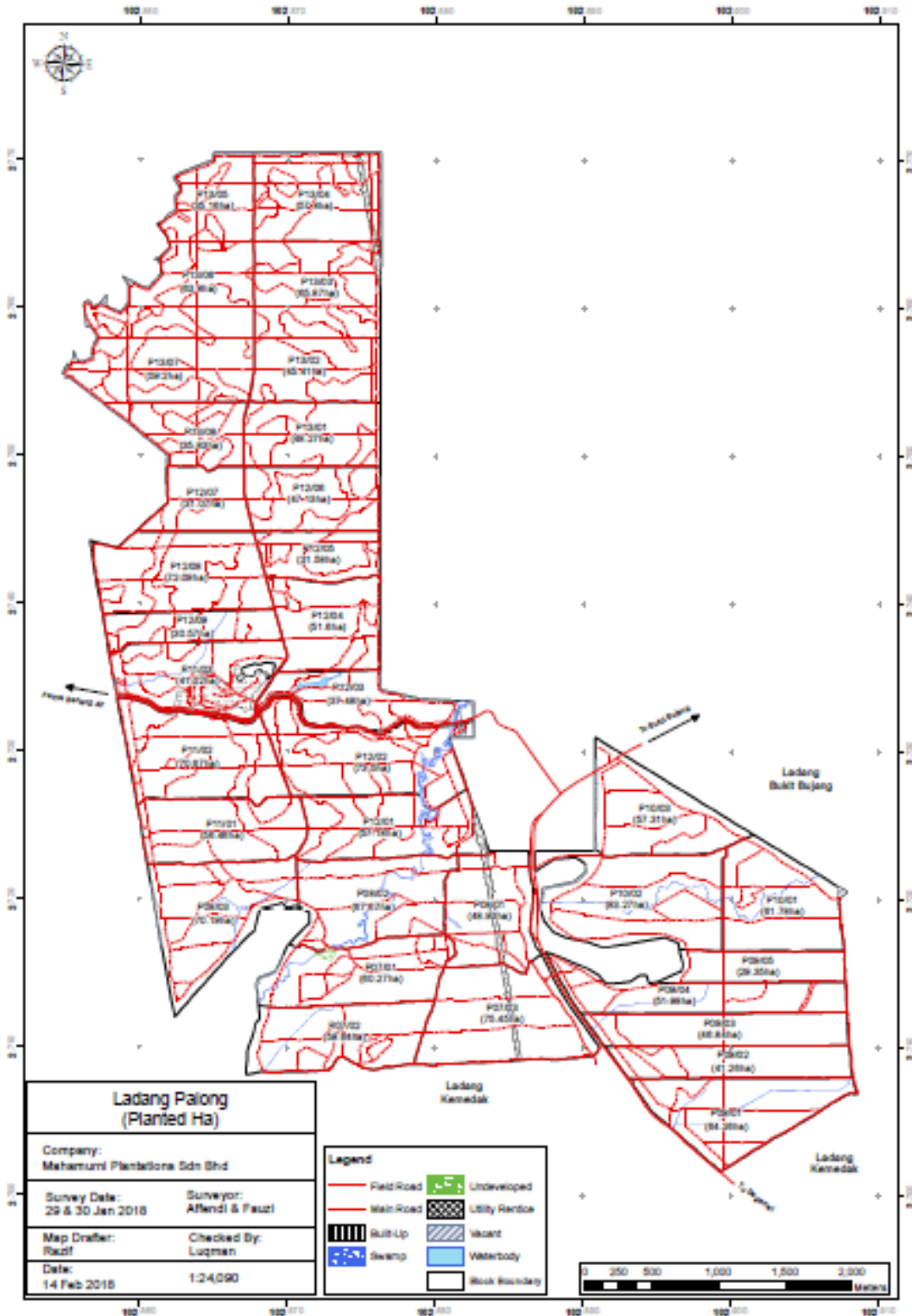
F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any) (October 2018 – August 2019)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
November 2018	-	-	6,000
December 2018	-	-	5,000

Total	11,000
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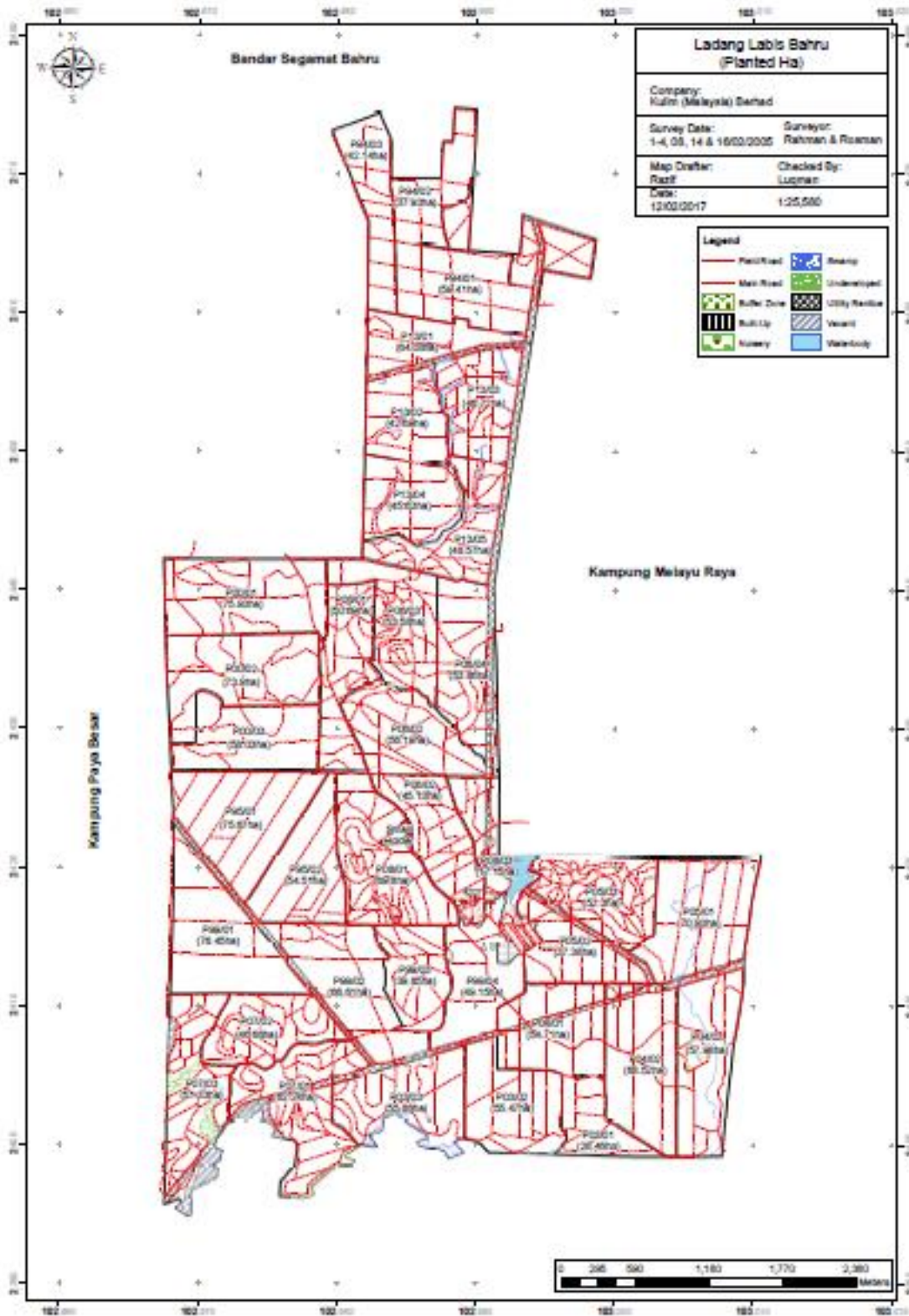
Appendix F: Location Map of Palong Cocoa Palm Oil Mill and Supply bases



Appendix G: Palong Estate Field Map



Appendix H: Labis Bahru Estate Field Map



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

Not applicable

Appendix J: 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