

**RSPO PRINCIPLE AND CRITERIA –  
 3<sup>rd</sup> ANNUAL SURVEILLANCE ASSESSMENT (ASA3)  
 Public Summary Report**

<b>Johor Corporation</b>
Client company Address: <b>Kulim (M) Berhad</b> K.B. 705 80990 Johor Bahru Johor, Malaysia
Certification Unit:  <b>Pasir Panjang Palm Oil Mill and supply base</b>  Location of Certification Unit: 81909 Kota Tinggi, Johor, Malaysia

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## Section 1: Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0080-09-000-00	<b>Membership Approval Date</b>	15/06/2009
<b>Parent Company Name</b>	Johor Corporation		
<b>Address</b>	KB 705 80990 Johor Bahru, Johor, Malaysia		
<b>Subsidiary (Certification Unit Name)</b>	Kulim (M) Berhad – Pasir Panjang Palm Oil Mill		
<b>Address</b>	81909 Kota Tinggi, Johor, Malaysia		
<b>Contact Name</b>	Mrs Salasah Elias		
<b>Website</b>	<a href="http://www.kulim.com.my">www.kulim.com.my</a>	<b>E-mail</b>	<a href="mailto:salasah@kulim.com.my">salasah@kulim.com.my</a>
<b>Telephone</b>	+607 8611611	<b>Facsimile</b>	+607 8631084

2. Certification Information			
<b>Certificate Number</b>	RSPO 657192	<b>Date of First Certification</b>	09/03/2017
		<b>Certificate Start Date</b>	09/03/2017
		<b>Certificate Expiry Date</b>	08/03/2022
<b>Scope of Certification</b>	Palm oil and Palm Kernel Production		
<b>Applicable Standards</b>	RSPO P&C MY-NI 2014; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module D – Identity Preserved)		

3. Other Certifications			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
EU-ISCC-Cert-DE119-60196096	ISCC EU	ASG CERT	18/3/2020
A108289	MS 1500 : 2009	JAKIM	31/1/2021
MSPO 696199	MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills	BSI Services Malaysia Sdn Bhd	07/3/2024
MSPO 696200	MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Palm Oil Plantations and Organized Smallholders		07/03/2024

<b>4. Location(s) of Mill &amp; Supply Bases</b>			
<b>Name (Mill / Supply Base)</b>	<b>Location [Map Reference #]</b>	<b>GPS Coordinates</b>	
		<b>Latitude</b>	<b>Longitude</b>
Pasir Panjang Palm Oil Mill	81909 Kota Tinggi, Johor, Malaysia	2° 1' 4.85" N	103° 56' 54.87" E
Pasir Panjang Estate	81909 Kota Tinggi, Johor, Malaysia	2° 0' 34.76" N	103° 57' 15.93" E
Tunjuk Laut Estate	81909 Kota Tinggi, Johor, Malaysia	1° 57' 41.69" N	103° 59' 9.52" E
Bukit Payung Estate	81909 Kota Tinggi, Johor, Malaysia	2° 0' 26.55" N	103° 55' 12.55" E
Siang Estate	81909 Kota Tinggi, Johor, Malaysia	1° 39' 10.15" N	104° 12' 40.23" E
Bukit Kelompok Estate	81909 Kota Tinggi, Johor, Malaysia	2° 0' 24.31" N	103° 59' 54.39" E
Pasir Logok Estate	81909 Kota Tinggi, Johor, Malaysia	2° 1' 53.38" N	104° 2' 20.35" E

<b>5. Description of Supply Base</b>					
<b>Estate</b>	<b>Total Planted (Mature + Immature) (ha)</b>	<b>HCV (ha)</b>	<b>Infrastructure &amp; Other (ha)</b>	<b>Total Area (ha)</b>	<b>% of Planted</b>
Pasir Panjang Estate	1,448.41	112.82	144.77	1,706.00	84.71
Tunjuk Laut Estate	2,648.79	29.23	189.78	2,867.80	92.36
Bukit Payung Estate	1,920.51	293.65	93.47	2,307.63	83.22
Siang Estate	3,204.69	71.11	167.30	3,443.10	93.08
Bukit Kelompok Estate	2,437.75	41.19	134.86	2,613.80	93.26
Pasir Logok Estate	1,993.51	17.40	86.82	2,097.73	95.03
Total	13,653.66	565.40	817.00	15,036.06	

<b>6. Plantings &amp; Cycle</b>							
<b>Estate</b>	<b>Age (Years)</b>					<b>Mature**</b>	<b>Immature</b>
	<b>0 - 3</b>	<b>4 - 10</b>	<b>11 - 20</b>	<b>21 - 25</b>	<b>26 - 30</b>		
Pasir Panjang Estate	509.65	695.28	0	0	243.48	938.76	509.65
Tunjuk Laut Estate	593.42	1,360.63	694.74	0	0	2,055.37	593.42
Bukit Payung Estate	605.34	1,064.04	0	0	251.13	1,315.17	605.34
Siang Estate	0	1,217.39	1,987.3	0	0	3,204.69	0
Bukit Kelompok Estate	0	1,449.42	988.33	0	0	2,437.75	0
Pasir Logok Estate	0	759.17	1,092.6	0	141.74	1,993.51	0
Total (ha)	1,708.41	6,545.93	4,762.97	0	636.35	11,945.25	1,708.41

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<b>7. Certified Tonnage of FFB (Own Certified Scope)</b>			
<b>Estate</b>	<b>Tonnage / year</b>		
	<b>Estimated (March 2019-Feb 2020)</b>	<b>Actual (Dec 2018- Oct 2019)</b>	<b>Forecast (March 2020-Feb 2021)</b>
Pasir Panjang Estate	18,473.00	14,186.11	19,656
Tunjuk Laut Estate	55,916.90	41,324.84	52,155
Bukit Payung Estate	22,878.70	18,131.32	21,168
Siang Estate	107,533.40	69,970.65	82,957
Bukit Kelompok Estate	70,726.50	46,516.95	56,504
Pasir Logok Estate	65,900.90	44,088.31	48,884
<b>Total</b>	<b>341,429.40</b>	<b>234,218.18</b>	<b>281,324</b>

<b>8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *</b>			
<b>Estate</b>	<b>Tonnage / year</b>		
	<b>Estimated (March 2019-Feb 2020)</b>	<b>Actual (Dec 2018- Oct 2019)</b>	<b>Forecast (March 2020-Feb 2021)</b>
REM Estate	<b>N/A</b>	284.56	<b>N/A</b>
Basir Ismail Estate		3,359.83	
Ulu Tiram Estate		757.99	
<b>Total</b>	<b>N/A</b>	<b>4,402.38</b>	<b>N/A</b>

<b>9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable</b>			
<b>Independent FFB Supplier</b>	<b>Tonnage / year</b>		
	<b>Estimated (March 2019-Feb 2020)</b>	<b>Actual (Dec 2018- Oct 2019)</b>	<b>Forecast (March 2020-Feb 2021)</b>
<b>Nil</b>			
<b>Total</b>			

<b>10. Certified Tonnage</b>			
<b>Mill Capacity: 60 MT/hr</b>	<b>Estimated (March 2019-Feb 2020)</b>	<b>Actual (Dec 2018- Oct 2019)</b>	<b>Forecast (March 2020-Feb 2021)</b>

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SCC Model: IP	FFB	FFB	FFB
	341,429.40 mt	238,620.66 mt	281,324 mt
	<b>CPO (OER: 21.90%)</b>	<b>CPO (OER: 22.86%)</b>	<b>CPO (OER: 22.89 %)</b>
	74,774 mt	54,556.53 mt	64,395.06 mt
	<b>PK (KER: 5.19%)</b>	<b>PK (KER: 5.42%)</b>	<b>PK (KER: 5.20 %)</b>
17,754 mt	12,922.57 mt	14,628.85 mt	

11. Actual Sold Volume (CPO)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
<b>CPO (MT)</b>	12,681.86	10,804.70	0	28,550.03	52,036.59

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

12. Actual Sold Volume (PK)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
<b>PK (MT)</b>	4,339.23	-	-	8,482.84	12,822.07

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 29.1, Level 29  
The Gardens North Tower, Mid Valley City  
Linkaran Syed Putra 59200 Kuala Lumpur  
Tel +603 9212 9638 Fax +603 9212 9639  
Scheme Manager: [Nicholas.Cheong@bsigroup.com](mailto:Nicholas.Cheong@bsigroup.com)  
[www.bsigroup.com](http://www.bsigroup.com)

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 11-14/11/2019. 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 major non conformance closure visit was conducted on 20/01/2020.

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



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the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.5.

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

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

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

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

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

<b>Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Initial Assessment)</b>	<b>Year 2 (ASA1)</b>	<b>Year 3 (ASA2)</b>	<b>Year 4 (ASA3)</b>	<b>Year 5 (ASA4)</b>
Pasir Panjang Palm Oil Mill	√	√	√	√	√
Pasir Panjang Estate		√		√	
Tunjuk Laut Estate	√			√	
Bukit Payung Estate	√				√
Siang Estate		√			√
Bukit Kelompok Estate			√		
Pasir Logok Estate			√		

**Tentative Date of Next Visit:** November 16, 2020 – November 19, 2020

**Total No. of Mandays:** 10.0 mandays including one day SC audit for mill

**2.2 BSI Assessment Team:**

<b>Team Member Name</b>	<b>Role</b> <i>(Team Leader or Team member)</i>	<b>Qualifications</b> <i>(Short description of the team members)</i>

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Mohamed Hidhir Zainal Abidin	Team Leader	He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.
Mahzan Munap	Team Member	He holds a MBA from Ohio University and B Sc. in Petroleum Engineering from University of Missouri, USA. Collected over 370 days of auditing experience in OHSAS 18001 and MS 1722 OHSMS (72 days for palm oil milling and 8 days for oil palm plantation). CIMAH competent person with Malaysia Department of Occupational Safety and Health (DOSH) since 1997. An Occupational Safety and Health Trainer at INSTEP PETRONAS. Successfully completed RSPO Lead Assessor Course in 2008 and IRCA accredited Lead Assessor training for ISO 9001 and RABQSA/IRCA EMS Lead Assessor Course for ISO 14001 in 2008.
Rahayu Zulkifli	Team Member	Holds a Degree in LLB (Hon), she was a practicing lawyer before joining WWF-Malaysia and RSPO as a Dispute Settlement Facility Manager. She is now working as a freelance RSPO auditor. In this assessment, the focus element includes social aspects, legal requirements, employees welfare and stakeholders consultations. She is able to communicate in Bahasa Malaysia and English.

**Accompanying Persons:**

No.	Name	Role
	Nil	

**2.3 Assessment Plan**

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

PRELIMINARY AGENDA					
Date	Time	Subjects	MH	RZ	MM
Sunday 10/11/2019	PM	Audit team travel to Johor Bahru. Check in at Mutiara Hotel	√	-	-

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PRELIMINARY AGENDA					
Date	Time	Subjects	MH	RZ	MM
Monday 11/11/2019	0730	Audit team travelling to Pasir Panjang POM	√	-	-
	0830	Opening meeting for RSPO P&C and SCCS Meeting: <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation).</li> <li>Verification on previous audit findings audit</li> </ul>			
	0900 - 1230	Supply chain audit for Pasir Panjang POM <ul style="list-style-type: none"> <li>General COC for supply chain</li> <li>RSPO rules communication and claim</li> </ul>			
	1230 - 1330	Lunch	√	-	-
	1330 - 1630	Module D: Identity Preserved	√	-	-
	1630 - 1700	Interim closing	√	-	-
	PM	Audit team travel to Johor Bahru. Check in at Mutiara Hotel	-	√	√
Tuesday 12/11/2019	0730	Audit Team travelling Pasir Panjang POM.	√	√	√
	0900 – 1300	<b>Pasir Panjang Palm Oil Mill</b> 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	√	√	√
	1300 – 1400	Lunch	√	√	√
	1400 – 1630	<b>Pasir Panjang Palm Oil Mill:</b> Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs. Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	1630 – 1700	Interim Closing briefing	√	√	√
Wednesday 13/11/2019	0830 – 1300	<b>Pasir Panjang Estate</b> 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 – 1200	<b>Meeting with stakeholders</b> (Government, village rep, smallholders, Union Leader, contractor etc.)	-	√	-

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PRELIMINARY AGENDA					
Date	Time	Subjects	MH	RZ	MM
	1300 – 1400	Lunch	√	√	√
	1400 – 1630	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 14/11/2019	0830 – 1300	<b>Tunjuk Laut Estate</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	10.00 – 13.00	<b>Meeting with stakeholders</b> (Government, village rep, smallholders, Union Leader, contractor etc.)	-	√	-
	13.00 – 14.00	Lunch	√	√	√
	14.00 – 16.00	<b>Continue with unfinished elements</b> Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16.00 – 17.00	Audit team discussion and closing meeting	√	√	√
Friday 15/11/19	AM	Audit team travel back to KL	√	√	√

PRELIMINARY AGENDA		
Time	Subjects	Mohd Hidhir
<b>Sunday</b> <b>19/1/2020</b> PM	Audit Team travelling to Johor Bahru. Check in at Mutiara Hotel, Johor Bahru	√

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PRELIMINARY AGENDA		
Time	Subjects	Mohd Hidhir
<b>Monday</b> <b>20/1/2020</b> 0730 AM	Travelling to Pasir Panjang POM	
08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> <li>• Opening Presentation by Audit team leader.</li> <li>• Briefing on site verification plan</li> </ul>	√
09.00 – 10.00	Pasir Panjang POM - Verification on previous Major NC. Site observation ,workers interview (individual and group session) if necessary Document review – implemented evidence	√
10.00 – 11.00	Pasir Panjang Estate - Verification on previous Major NC. Site observation workers interview (individual and group session) if necessary Document review – implemented evidence	
11.30 – 12.30	Tunjuk Laut Estate - Verification on previous Major NC. Site observation workers interview (individual and group session) if necessary Document review – implemented evidence Closing meeting	
13.00 – 14.00	Lunch break and travel back to KL	√

### 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
Have there been any isolated lapses in implementation of the plan? If yes a <b>Minor</b> non-compliance shall be raised	No chages in time bound plan as reported in ACOP for 2018.	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 <b>Major</b> non-compliance shall be raised	No isolated lapse in the implementation plan. The rehabilitation process has been carried out according to the program schedule.	Yes
Have there been any stakeholder comments?	No fundamental failure observed.	Yes
<b>Un-Certified Units or Holdings</b>		

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No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO P&amp;C criterion 7.3.</li> </ul>	So far no new planting that replaced primary forest.	Yes
Any new plantings since January 1 <sup>st</sup> 2010 shall comply with the RSPO New Plantings Procedure.	No new planting activities within 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 <a href="https://www.rspo.org/certification/remediation-and-compensation/racp-tracker">https://www.rspo.org/certification/remediation-and-compensation/racp-tracker</a> . The progress on the Liabilities shall be verified and reported.	No land conflict	Yes
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.	No labour dispute	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	Yes
Did the company conduct internal audit against the uncertified management units requirement? If yes, a positive assurance statement shall be available.	Yes. For uncertified management unit (SUMSEL) for PT RAJ and PT TPR, Indonesian team has agreed with the rehabilitation plan for PT RAJ with total of 7,470.23 ha and concluded that no replacement of primary forest, land conflict issue, labour disputes and legal non-compliance issues occurred. Time bound plan is until 2025 as report in ACOP 2018.	Yes

**3.3 Progress of scheme smallholders and/or outgrowers (if applicable to this assessment)**

<b>Progress of scheme smallholders or outgrowers towards compliance with relevant standards</b>		
<b>Requirement</b>	<b>Remarks</b>	<b>Compliance</b>
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.	

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**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 3<sup>rd</sup> annual surveillance assessment there were three (3) Major & one (1) Minor nonconformity raised. 2 previous Minor nonconformities were escalated to Major nonconformance due to recurrence of issue under the same indicator. The Pasir Panjang Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1849204-201911-M1	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 2.1.1 Major
<b>Date Issued</b>	14/11/2019	<b>Due Date</b>	11/02/2020
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	20/01/2020
<b>Statement of Nonconformity:</b>	Compliance with the Employees' Social Security Act 1969 was not effectively demonstrated.		
<b>Requirement Reference:</b>	Evidence of compliance with relevant legal requirements shall be available.		
<b>Objective Evidence:</b>	<p>The following five workers employed by Perniagaan Sri Mahtai who work at Fields P12 and P13 at Pasir Panjang Estate are not insured for SOCSO Employment Injury Scheme. The said workers are:</p> <ol style="list-style-type: none"> <li>1. Worker Passport No. C 2182448: PLKS No PE7333118 issued 20 March 2019 valid until 5 June 2020.</li> <li>2. Worker Passport No. B 4064820: PLKS No PE8016646 issued on 30 May 2019 valid until 13 July 2020.</li> <li>3. Worker Passport No. C 2182454: PLKS NO PE7333121 issued on 20 March 2019 to 5 June 2020.</li> <li>4. Worker Passport No. B 2111332: PLKS No PE6701620 issued on 11 Jan 2019 valid until 16 Jan 2020.</li> <li>5. Worker Passport No. B 9251517: PLKS No. PE 7434101 issued on 28 March 2019 until 18 June 2020.</li> </ol>		
<b>Corrections:</b>	<p>Estate' management had organized briefing session on 14 November 2019 to the contractor on the requirement of SOCSO EIS and had immediately assist Perniagaan Sri Mahtai in registering their workers for SOCSO Employment Injury Scheme. The said workers had been insured for SOCSO Employment Injury Scheme on 14.11.2019.</p> <p>Official reminder had been given to the contractor on the issue on 15.11.2019.</p>		
<b>Root Cause Analysis:</b>	<p>The Contractor had earlier advised verbally on the requirement for their workers to be registered under the SOCSO Employment injury Scheme (EIS). Perniagaan Seri Mahtai had earlier insured their workers with Tune Protect Malaysia Insurance coverage– expiry June 2020, with the understanding that SOCSO EIS mandatory requirement will only effected from 1 January 2020. OU acknowledged that there'</p>		



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	no proper monitoring and follow-through upon the understanding of this requirement on the said contractor.
<b>Corrective Actions:</b>	Monthly monitoring on SOCSO EIS contribution will be done through The contractor workers' pay-slip and the Monthly FW Checklist
<b>Assessment Conclusion:</b>	<p><u>Major NC onsite verification:</u> Based on worker's checklist for Sri Mahtai, only 5 registered workers. Reminder letter dated 14/11/19 was issued to the contractor, Sri Mahtai with regards to SOCSO registration issue. Verified SOCSO registration for 5 Sri Mahtai workers (ID: 9251517, B2111332, C2182454, C2182448 and B4064820) dated 13/11/19 and payment of SOCSO for November and December 2019 via Borang 8A @ Jadual Caruman. Briefing was given to the contractors (Sri Mahtai and SOKO Ent) for the SOCSO and EI scheme to workers.</p> <p>Based on the verification evidences, implemented action taken can be seen and found to be effective. Thus, the major NC was close on 21/1/20. Continuous implementation will be further verified in the next surveillance assessment.</p>

<b>Summary of Total Number of Nonconformity</b>																											
<b>Nonconformity</b>																											
<b>NCR Ref #</b>	1849204-201911-M2	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.1.2 Major																								
<b>Date Issued</b>	14/11/2019	<b>Due Date</b>	11/02/2020																								
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	20/01/2020																								
<b>Statement of Nonconformity:</b>	There is no mechanism to check consistent implementation of procedures put in place.																										
<b>Requirement Reference:</b>	A mechanism to check consistent implementation of procedures shall be in place.																										
<b>Objective Evidence:</b>	<p>1. The Pasir Panjang Mill Manager had issued a memorandum dated 27 Feb 2019 to all workers and staff informing, among other things, that workers must take at least a 30-minute break and a 1-hour lunch break which must be printed on the punch card. However, this procedure was not implemented as evidenced from punch cards for 1 -2 Aug 2019 for the following workers:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Worker No</th> <th>Time In 1 Aug</th> <th>Time Out 1 Aug</th> <th>Time In 2 Aug</th> <th>Time Out 2 Aug</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>640133</td> <td>16.32</td> <td>19.00</td> <td>20.35</td> <td>06.03</td> <td>No record of break between 20.35 to 06.03</td> </tr> <tr> <td>640132</td> <td>15.50</td> <td>20.52</td> <td>22.29</td> <td>07.32</td> <td>No record of break between 22.29 to 07.32</td> </tr> <tr> <td>640154</td> <td>16.18</td> <td>20.10</td> <td>21.36</td> <td>06.00</td> <td>No record of break</td> </tr> </tbody> </table>			Worker No	Time In 1 Aug	Time Out 1 Aug	Time In 2 Aug	Time Out 2 Aug	Remarks	640133	16.32	19.00	20.35	06.03	No record of break between 20.35 to 06.03	640132	15.50	20.52	22.29	07.32	No record of break between 22.29 to 07.32	640154	16.18	20.10	21.36	06.00	No record of break
Worker No	Time In 1 Aug	Time Out 1 Aug	Time In 2 Aug	Time Out 2 Aug	Remarks																						
640133	16.32	19.00	20.35	06.03	No record of break between 20.35 to 06.03																						
640132	15.50	20.52	22.29	07.32	No record of break between 22.29 to 07.32																						
640154	16.18	20.10	21.36	06.00	No record of break																						

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						between 21.36 to 06.00
	640150	16.18	19.04	20.40	08.02	No record of break between 20.40 to 08.02
	640043	07.46	17.45		-	No record of break between 07.46 to 17.45
	640114	16.42	21.27	22.57	06.00	No record of break between 22.57 to 06.00
<p>2. Morning muster briefing was given at Tunjuk Laut Estate on 7 June 2019 prohibiting workers from putting up plywood on house windows. There is no evidence that any action has been taken to ensure implementation of the procedure because House No. F8 at Tunjuk Laut Estate linesite had plywood affixed to all its back and side windows, as well as top of the front door.</p>						
<b>Corrections:</b>	<p>1) The mill has immediately briefed the respective HOD and workers involved about the need to sign-in the check-out and check-in form at any time they go out and back for break and meal time. 2) Affixed Plywood on windows and top of front door of house had been removed and proper repairs done on the said unit.</p>					
<b>Root Cause Analysis:</b>	<p>1) The allocation of rest time and meal break were actually provided to all night shift workers and there' dedicated room provided but not being recorded/documented properly. 2) OU reckoned that there' no proper monitoring on the implementation of the matter after the directive briefing, however the said unit repair' need been recorded in the linesite census record book.</p>					
<b>Corrective Actions:</b>	<p>1) Mill has implemented check-out and check-in form for worker to sign in/out whenever they go for break and meal break. 2) The linesite Inspection Checklist to be improvised providing the column for Estate' Acton Plan for the following linesite conditions: - Linesite Unit need repairs/replacement - Linesite Unit with modification/extension done.</p>					
<b>Assessment Conclusion:</b>	<p><u>Major NC onsite verification</u> 1) Verified the implementation of check-out and check-in form for worker to sign in/out whenever they go for break and meal break for November and December 2019. The mill supervisor (operation) and foreman (maintenance) in charge to monitor movement of their sub-ordinate to ensure effective implementation of the monitoring system. Briefing was given to all workers on 24/11/19 for the implementation.  2) Standardized line site inspection checklist introduced to the estate by SQD for consistent implementation. Verified the used new checklist for December and January inspection. Based on site visit carried out at estate's line site (block H, I</p>					

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	<p>and F) it was confirmed that no plywood affixed as reported during last surveillance audit.</p> <p>Based on the verification evidences, implemented action taken can been seen and found to be effective. Thus, the major NC was close on 21/1/20. Continuous implementation will be further verified in the next surveillance assessment.</p>
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<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1849204-201911-M3	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 6.5.3 Major
<b>Date Issued</b>	14/11/2019	<b>Due Date</b>	11/02/2020
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	20/01/2020
<b>Statement of Nonconformity:</b>	Houses at the Tunjuk Laut Estate linesite are kept in a poor state of repair, contrary to the requirements of Section 6(1)(c) of the Workers’ Minimum Standard of Housing Act 1990.		
<b>Requirement Reference:</b>	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers’ Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible		
<b>Objective Evidence:</b>	<p>Houses at the Tunjuk Laut Estate linesite are in poor state of repair as evidenced during audit, and supported by a census carried out by the Estate dated 1 June 2019.</p> <p>a. House No. I8: front door peeling off, flimsy and rotting due to wear and tear.            b. House No. I7: 7 missing window panes, 1 broken window pane.            c. House No. I3: 8 missing window panes.            d. House No. F8: 7 missing window panes.</p> <p>This is not in compliance with the requirements of Section 6(1)(c) of the Workers’ Minimum Standard of Housing Act 1990 which states “Where workers and their dependants are provided with housing at their place of employment it shall be the duty of the employer of such place of employment to ensure that the buildings are kept in a good state of repair ...”.</p>		
<b>Corrections:</b>	<p>The remaining 30% of labour houses including houses number I8, I7, I3 and F8 had been repaired and completed on 25.11.2019. Pictures is as per attached.</p> <p>I8: new front door was installed.            I7: 7 missing window panes and 1 broken window pane had been replaced with the new ones.            I3: 8 missing window panes had been replaced with the new ones.            F8: 7 missing window panes had been replaced with the new ones.</p>		
<b>Root Cause Analysis:</b>	The census on linesite condition was carried out between June – July 2019 and based on that survey, budget for the repairs been put up and it involves quite a big sum. Due to that the repair works been conducted in staggered period and the said unit is in the list that need major repairs. During the audit estate had completed mostly about 70% of the repairs work and having another 30 % to be completed.		
<b>Corrective Actions:</b>	The linesite Inspection Checklist to be improvised providing the column for Estate’ Acton Plan for the following linesite conditions: -Linesite Unit need repairs/replacement		

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	-Linesite Unit with modification/ extension done. HCMD to arrange briefing on the requirement of "Akta Standard-standard Minimum Perumahan Dan Kemudahan Pekerja" to respective OU to ensure standard understanding of the act.
<b>Assessment Conclusion:</b>	<p><u>Major NC onsite verification:</u>  Standardized line site inspection checklist introduced to the estate by SQD for consistent implementation. Verified the used new checklist for December and January inspection. Based on site visit carried out at estate's line site (block H, I and F) it was confirmed that the condition has been improved compared during last surveillance audit. Latest training by HCMD on the the requirement of "Akta Standard-standard Minimum Perumahan Dan Kemudahan Pekerja" was carried out on 25/11/19 for all Kulim Group complex.</p> <p>Based on the verification evidences, implemented action taken can been seen and found to be effective. Thus, the major NC was close on 21/1/20. Continuous implementation will be further verified in the next surveillance assessment.</p>

<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1849204-201911-N1	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.7.5 Minor
<b>Date Issued</b>	14/11/2019	<b>Due Date</b>	Next annual surveillance assessment
<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	"Open"
<b>Statement of Nonconformity:</b>	The accident procedures had not clearly identified nor updated and implemented accident investigations for LTI less than 5 days.		
<b>Requirement Reference:</b>	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.		
<b>Objective Evidence:</b>	No records of accident investigation for LTI less than 5 days being investigated and recorded.		
<b>Corrections:</b>	KSTS had conducted training on accident investigation & procedure according to OSH Act 1994, on 24/11/2019 to guide the estate management of the related matter. KSTS to guide Tunjuk Laut in improving the reporting of the cases for immediate coming report.		
<b>Root Cause Analysis:</b>	The estate' normal practice, accident report and investigation is done for cases with more than 4 days MC only and submitted to JKPP within 7 days.		
<b>Corrective Actions:</b>	KSTS had established the SOP "PROSEDUR KERJA SELAMAT – PROSEDUR SIASATAN KEMALANGAN" in accordance to OSH Act 1994. The SOP will be communicated to all Operating Unit and KSTS will ensure the standardization of understanding related to all accidents (major, minor, near miss, dangerous occurrence, occupational poisoning/disease) should be in accordance to requirement of OSH Act 1994.		

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<b>Assessment Conclusion:</b>	Corrective action is accepted. Effectiveness of corrective action taken will be further verified in the next audit
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<b>Opportunity for Improvements</b>	
<b>OFI #</b>	<b>Description</b>
<b>OFI 1</b>	Nil
<b>OFI 2</b>	

<b>Positive Findings</b>	
<b>PF #</b>	<b>Description</b>
<b>PF 1</b>	Good corporation given by SQD and operating unit's management team during audit. System maturity can be seen onsite with good system documentation and fast retrieval of documents and records.

**3.4.1 Status of Nonconformities Previously Identified and Observations**

<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-M1	<b>Clause &amp; Category (Major / Minor)</b>	RSPO Certification System Document 4.5.4 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	04/03/2019
<b>Statement of Nonconformity:</b>	There was no positive assurance statement was made, based upon self-assessment by the organization for uncertified units;		
<b>Requirement Reference:</b>	Requirements for uncertified management units: (f) A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by the organization. This would require evidence of the self-assessment against each requirement		
<b>Objective Evidence:</b>	No positive assurance statement was made as there was no internal audit conducted by the organization for the uncertified units, as below: 1. PT Tempirai Palm Resource 2. PT Rambang Agro Jaya		
<b>Corrective Actions:</b>	i) Time bound plan for 2019 will be submitted to management for approval based on the conclusion made after positive assurance by internal team and ASENTA ii) Management to appoint PIC to retrieve all related documents and advise SQD of all future development and/or acquisition planning to ensure a proper monitoring of the TBP in future.		
<b>Assessment Conclusion:</b>	ASA3 verification: Discussion on the JCORP's time bound plan was done on 7/1/19. Verified minute of meeting which has include positive assurance statement for the uncertified units in Indonesia. Sighted the appointment letter of PIC @ Deputy General Manager for Indonesia Operation dated 20/2/19. Positive assurance and decision on JCORP's time bound plan is consistent with ACOP reporting for 2018 and rehabilitation is still on going. No recurrence of issue observed thus the major NC is remain closed.		

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<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-M2	<b>Clause &amp; Category (Major / Minor)</b>	RSPO Certification System Document 4.5.3 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	04/03/2019
<b>Statement of Nonconformity:</b>	TBP was found to be insufficient		
<b>Requirement Reference:</b>	<p>Time-bound plan:            A time-bound plan for certifying all its management units and/or entities, including the units where the organization has management control and no or minor shareholding, is submitted to the CB during the initial certification audit. The time-bound plan should contain a current list of all estates and mills.            (a) As a minimum, all estates and mills shall be certified within five years after obtaining RSPO membership. Any new acquisitions shall be certified within a three year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.</p>		
<b>Objective Evidence:</b>	There was no evidence to show that Bukit Layang Estate was included in the Time Bound Plan		
<b>Corrective Actions:</b>	Management to appoint PIC to retrieve all related documents and advise SQD of all future development and/or acquisition planning to ensure a proper monitoring of the TBP in future.		
<b>Assessment Conclusion:</b>	<p>ASA3 verification:            Verified time bound plan for Bukit Layang Estate. RSPO certification is planned in October 2019. Official declaration is made through ACOP in April 2019. Certification audit was done in October 2019 and awaiting for certification decision by CB. Sighted the appointment letter of PIC/Estate manager for the certification programme dated 20/2/19. The PIC is responsible for the RSPO implementation at site and prepared for certification. No recurrence of issue observed thus the major NC is remain closed.</p>		

<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-M3	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.7.2 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	04/03/2019
<b>Statement of Nonconformity:</b>	The HIRARC was not adequately identified, updated and implemented the activities in the estate		
<b>Requirement Reference:</b>	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.		

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<b>Objective Evidence:</b>	<p>Pasir Logok Estate</p> <p>1. The HIRARC was only last reviewed on April 18 and it did not adequately identify and update the activities that were found recorded as accidents from the clinic treatment book, happened from Jan – Dec 2018, , as follow: Activity: Harvesting, Hazard: Thorn prick Activity: Harvesting, Hazard: Stab wound Activity: Harvesting, Hazard: Axe slash wound Bukit Kelompok Estate</p> <p>1. The HIRARC was last reviewed on 5 Jan 18 but the scoring was not adequately implemented as per HIRARC table based on activities found recorded as accidents from the clinic treatment book, happened from Jan 2017 – Dec 2018,;</p> <p>Activity: Harvesting, Hazard: Thorn prick, scoring: L(2) X S(3) Activity: Harvesting, Hazard: Sharp object, Scoring: L(2) X S(3) Activity: Transport FFB, Hazard: Stab wound, Scoring: L(2) X S(2)</p> <p>2. The activity at PCD area for workers from workshop moving down to PCD 2 for maintenance work was not identified in the HIRARC</p> <p>3. The PPE for working at height was not fully addressed</p>
<b>Corrective Actions:</b>	<p>Site specific risk which involve accident cases reported to EHA and other associated hazard will be thoroughly reviewed and incorporated in the register – this will be further discussed in OSH Meeting. Annual refresher training on HIRARC to be provided to all operating unit.</p> <p>i) Site specific risk which involve accident cases reported to EHA and other associated hazard will be thoroughly reviewed and incorporated in the register – this will be further discussed in OSH Meeting. Annual refresher training on HIRARC to be provided to all operating unit.</p> <p>ii) KSTS will provide a guideline to site specific on potential inclusion of certain risk into their HIRARC.</p> <p>iii) KSTS to conduct training for working at height and provide standard PPE utilization guideline for all operating unit.</p>
<b>Assessment Conclusion:</b>	<p>ASA3 verification: The HIRARC register has been sighted updated with respect to accidents cases and not limited to examples of activities highlighted. Scoring were reviewed accordingly to reflect the nature of severity and frequency of occurrence. Control measures taken were verified including construction of fencing and provision of training. No recurrence of issue observed thus the major NC is remain closed.</p>

<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-M4	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 6.5.2 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	04/03/2019
<b>Statement of Nonconformity:</b>	Information in the employment contracts does not clearly details the service of contract.		
<b>Requirement Reference:</b>	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,		



	<p>period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p>
<p><b>Objective Evidence:</b></p>	<p>1) Reviewed on the employment contract found that the following terms and conditions are not clearly stipulated in the contract:  i) Resignation Notice period for foreign workers  ii) Resignation clauses for foreign workers with evidence that foreign workers (e.g. Indonesia) told the assessment team that they are not allowed to resign before they have completed the first contract which is 2 years.  iii) Other conditions (e.g. Annual leave, overtime, medical leave) of MAPA/ NUPW was not stated/ referenced in the contract except condition on wages and public holiday entitlement.  iv) Normal working hours for harvesters  2) Besides, under Clause 9 where the contract stipulated that the workers allow the company for passport safe keeping and company will return temporary to workers when needed. There is no option provided to the workers if they would like to surrender or keep the passport by themselves. In additional, the conditions of the management will only return temporary to the workers when needed, shows that as if the company is the owner of the passport. The passport is the identity of the workers and it is their rights to have full access to the passport without restriction or conditions.  3) Interviewed with the Bangladeshi worker at Bukit Kelompok found that he could not understand the employment contract he signed with employer due to the contract is in Bahasa Malaysia. The contracts of all workers are only available in Bahasa Malaysia. The contract was not provided in the language understood by the workers.  4) The number of working days stipulated in the employment contract was 6 days per week (equal to 26 days per month). However, the calculation for "no work on raining day" is based on 24 working days which contradicts with the method of determining the working days in</p>
<p><b>Corrective Actions:</b></p>	<p>i) As part of annual monitoring of all workers employment contract, HCMD and respective departments to streamline the contract terms and condition accordingly throughout operation unit.  ii) HCMD to plan a Refresher Training to brief all Human Resources (HR) Matters for Non HR Managers and AM to raise their understanding on the matter. HCMD (Human Capital Management Department)</p>
<p><b>Assessment Conclusion:</b></p>	<p>ASA3 verification:  It was verified during the surveillance audit that the corrective action taken is being effectively and continuously implemented throughout the Tunjuk Laut Complex. Evidence available are as follows:  1. All sampled workers have signed the Employment Contracts V3 (28 Feb 2019). Those sampled workers are:  - Pasir Panjang Mill:  (Workers No. 640135, 640043,640118,640098,640172)  - Pasir Panjang Estate  (Workers No. 628002, 628055, 627958,627792, 627798)  - Tunjuk Laut Estate  (Workers No. 627251, 627260, 627249, 626870, 627213)  2. Interviews conducted with the workers confirmed their understanding of the employment contracts that they have signed.  No recurrence of issue observed thus the major NC is remain closed.</p>



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<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-M5	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.1.1 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	04/03/2019
<b>Statement of Nonconformity:</b>	Recruitment procedures was not carried out effectively.		
<b>Requirement Reference:</b>	Standard Operating Procedures (SOPs) for estates and mills are documented.		
<b>Objective Evidence:</b>	<p>Bukit Kelompok Estate</p> <p>1) Interviewed with the Estates Operations Department officer explained that the process of recruitment of foreign workers were through appointed agents in Indonesia. He informed that they have no rights to control over the agents.</p> <p>2) The assessment team had requested for the signed copy of the contracts signed in home country. However it was not retained by the company.</p> <p>3) The company did not know how much the agents have charged the workers. Interviewed with the Indonesian workers found that they were required to pay a fee at roughly RM 1,500 to the agent and signed an agreement with the agent prior departure to Malaysia.</p> <p>4) The Recruitment of New Foreign Workers procedure has not clearly explain the process of recruitment via agents.</p> <p>5) Contract agreements between local contractor and his workers were not available during the audit. This has lead to worker not receiving benefits such as adequate water supplies and PPE. This was verified by interviewing the workers and contractor.</p> <p>6) Two the workers (Passport No.: B 1573086 and B 1573060) have applied for work permit since 1/12/2017. However, the permits have yet to be obtained. According to the Terms and conditions of compliance by contractors, the contractor shall ensure that there is no illegal workers employed (EPA/LBK 1/2014, valid until 31/12/2018).</p> <p>7) There is no monitoring demonstrated by the company to ensure the agents and/or the contractors are fulfilling the contract agreement.</p>		
<b>Corrective Actions:</b>	<p>1). EOD will discuss further with foreign agent on recruitment process inclusive realign with company foreign workers contract.</p> <p>2). EOD will review the agreement between company and agents on term condition and to include the requisition of copy contract signed in the agreement</p> <p>3). PIC from Estate Operation Department will discuss further with foreign agent on recruitment process inclusive realign with company foreign workers contract.</p> <p>4). EOD will discuss further with foreign agent on recruitment process inclusive realign with company foreign workers contract.</p> <p>5. PCD (Procurement &amp; Contract Department) to have "Standard Standing Instruction and compliance commitment" with regards to Contractors' commitment and acknowledgements on statutory Compliance to all relevant laws and regulations to also include amongst other things are :</p> <p>a) Worker' employment contract</p> <p>b) Workers' Insurance Coverage</p> <p>c) Permit to Work conditions. The Commitment should be acknowledged by all contractors before approving any new contract or any extension of contract.</p> <p>6. Dedicated personnel from site specific to be assigned for control monitoring of all contractor workers passports and PLKS renewal process.</p>		

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	7. EOD to work out the contractor and/or agent assessment/evaluation.
<b>Assessment Conclusion:</b>	<p>ASA3 verification:          The new revision of SOP, dated 1/1/19 was sighted. Process flow for the recruitment process detailed out in the SOP. Meeting with the labor agencies were carried out on 9/1/19 to explain on the current recruitment process. Contract between Kulim and labor agency was sighted. Details of recruitment fees were explained in the contract and based on mutual agreement with both parties. Contractor evaluation and monitoring conducted on monthly basis. Checklist has been used to monitor contractor's workers permit validity. No recurrence of issue observed thus the major NC is remain closed.</p>

<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-M6	<b>Clause &amp; Category (Major / Minor)</b>	RSPO SCCS 5.3.1 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	04/03/2019
<b>Statement of Nonconformity:</b>	There is no documented procedure for handling on certified and uncertified materials.		
<b>Requirement Reference:</b>	<p>The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>• Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> </ul>		
<b>Objective Evidence:</b>	Pasir Panjang POM has developed RSPO Supply Chain Procedure and Traceability Procedure. However, the procedure did not clearly specific the process of handling on certified and non-certified materials.		
<b>Corrective Actions:</b>	Re-Training on Traceability SOP and the related RSPO SCC Standard Version June 2017 and RSPO Rules on Market Communications & Claims (version 2016) should be organize for all Palm Oil Mills, Marketing and Sustainability Department.		
<b>Assessment Conclusion:</b>	<p>ASA3 verification:          The new revised SOP dated 28/2/19 was sighted. Inclusion of FFB clause 5.7.2 (v) has detailed out the handling of FFB diversion (Non certified to IP mill and MB mill to IP mill). A few series of training was given to the relevant personnel. In-house RSPO SCCS training was carried out on 26/2/19 by external party. Training for the new SOP was done on 3/3/19. Interview with the relevant personnel found that they able to explain the FFB handling process if the process is required. No recurrence of issue observed thus the major NC is remain closed.</p>		

<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-M7	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.4.2 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	04/03/2019

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<b>Statement of Nonconformity:</b>	The protection of buffer zones according to the established procedure was not clearly demonstrated.
<b>Requirement Reference:</b>	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.
<b>Objective Evidence:</b>	1. At Pasir Logok Estate, field # P09/Block 4, the buffer zone for the river crossing the field has been clearly demarcated using PVC pegs painted with blue & white stripe. However, it was observed that some traces of herbicide spraying had been applied within the buffer zone. 2. At Bukit Kelompok Estate, some of the buffer zone marking pegs for Sungai Payung were found to be less than 5 meters from the river bank as required in the procedure. For the palms which are located very near to the river (within 8' radius) not to be circle sprayed, was also not clearly demonstrated.
<b>Corrective Actions:</b>	i) Sustainability Dept. will conduct refresher training on HCV/Buffer zone management. ii) Estate shall monitor closely and inspect every activities that involve the buffer zone area.
<b>Assessment Conclusion:</b>	ASA3 verification: Awareness training on A-17 Procedure Protection of Natural Water Courses was evident. Interview with the sprayer gang found that they area able to explain on the buffer zone demarcation and restriction of any activities in the buffer zone area. Observed during site visit, demarcation and erection of buffer zone signage was clear at both estate's buffer zone. Based on site verification, no evidence of chemical spraying at visited buffer zones. No recurrence of issue observed thus the major NC is remain closed.

<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-M8	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 5.3.2 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	04/03/2019
<b>Statement of Nonconformity:</b>	The handling of chemicals and their containers according to the established procedure was not adequately demonstrated.		
<b>Requirement Reference:</b>	All chemicals and their containers shall be disposed of responsibly.		
<b>Objective Evidence:</b>	1) During the site visit, two pieces of herbicide empty containers were found to be disposed at Pasir Logok's workers housing No. A1 & A2 backyard. 2) Based on the scheduled wastes inventory records, Pasir Logok Estate had given away 10 litres of spent lubricants (SW305) to a school for them to make lines on their grass field. This was also confirmed by the school representative during stakeholders meeting conducted by the assessment team.		
<b>Corrective Actions:</b>	1.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. 2. The program to equip the PIC with CEPWAM training has been planned. 3. Refresher training on Scheduled Waste Management to be conducted annually to OUs		

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<b>Assessment Conclusion:</b>	ASA3 verification: Verified appointment letter for complex PIC to monitor SW management dated 20/2/19 signed by Head of Plantation. Programme to train the PIC was sighted and approved by the top management. Training and briefing given to the relevant workers on the handling of SW at all visited estates. No recurrence of issue observed thus the major NC is remain closed.
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<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-M9	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 5.2.2 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	04/03/2019
<b>Statement of Nonconformity:</b>	The management plan for the HCV assessment was not adequate.		
<b>Requirement Reference:</b>	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.		
<b>Objective Evidence:</b>	In an HCV assessment report dated July 2009, A.J.F.M. Deeker Consultant has recommended the management to commission migratory bird survey at Bukit Kelompok Estate. The birds survey had been carried out by Wildlife Conservation Society in November 2011 and the survey report had been submitted to the management. However, there is no management plan establish to implement measures to maintain and/or enhance the findings in the survey report.		
<b>Corrective Actions:</b>	The HCV Management for the Bird survey will be incorporated into the Main HCV Management Plan and monitored.		
<b>Assessment Conclusion:</b>	ASA3 verification: Verified biodiversity management plan which has included bird survey monitoring programme. Interview with operating unit's personnel, the plan will be implemented as per plan to ensure continuous monitoring on the said plan. No recurrence of issue observed thus the major NC is remain closed.		

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<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-N1	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.7.3 Minor
<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	14/11/2019
<b>Statement of Nonconformity:</b>	1. All workers involved in the operation was found not adequately trained in safe working practices 2. Adequate and appropriate protective equipment were not available to all workers at the place of work		
<b>Requirement Reference:</b>	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.		
<b>Objective Evidence:</b>	Bukit Kelompok Estate: During site visit at field P08/3, it was found that the tractor driver (LYS Estate Work) were in violation of "Panduan Kerja Selamat, Semakan Pertama, Unit OSH 2009, 18 Mei 2009, 1. No evidence of training and tractor driving competency card as per "Clause 7.4.1". 2. Not wearing safety shoes and hand glove as per "Clause 7.1.3 and clause 7.13".		
<b>Corrective Actions:</b>	Annual plan for Contractor' workers/Drivers OSH training to be conducted.		
<b>Assessment Conclusion:</b>	ASA3 verification: Annual plan for Contractor' workers/Drivers OSH training has been established and incorporated in the OSH plan 2019. Training was carried out on 1/10/19 for the tractor driver. As observed during site audit, no recurrence of issue found The corrective action was found to be effective, thus the minor NC was closed on 14/11/19. Continuous implementation will be further verified in the next assessment.		

<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-N2	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 6.5.3 Minor
<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	Escalated to Major NC
<b>Statement of Nonconformity:</b>	The housing condition was not maintained and not carried out as recommended in the social improvement plan.		
<b>Requirement Reference:</b>	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.		
<b>Objective Evidence:</b>	Visit to the linesite found that the housing condition was not satisfactory as below: 1) Rubbish were not properly disposed where the rubbish was thrown on empty land behind the houses and rice residue was thrown into the monsoon drain. 2) Linesite inspection was not carried our effectively leading to defects such has missing window panel and door knobs at B 15 and B 16 was not fixed (Pasir Logok Estate). As according to the Assistant Manger, even if workers not reported to the		

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	office regarding any defects, the HA will recorded the defects during linesite inspection. 3) Linesite in POM found that the monsoon drains were full with dried leaves, fronds and grasses. 4) Door knob in House No. 203 (POM) was not fixed.
<b>Corrective Actions:</b>	HR to review and provide standard JD for HA to cover their core and required job specification.
<b>Assessment Conclusion:</b>	ASA3 verification: The previous minor was not effectively close due to recurrence of issue under the same indicator. Based on RSPO certification system June 2017, the previous minor has to be escalated to major NC.

<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1718450-201810-N3	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 6.12.2 Minor
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	14/11/2019
<b>Statement of Nonconformity:</b>	Contract substitution has occurred.		
<b>Requirement Reference:</b>	Where applicable, it shall be demonstrated that no contract substitution has occurred.		
<b>Objective Evidence:</b>	<p>Reviewed on the sample of Work Contract signed by workers in Indonesia found that some clauses contradicts or not stipulated in the contract they signed in Malaysia.</p> <p>1) Clause 3, Section b, for salary payment purposes, Employer shall open an account in the name of the Employee.</p> <p>2) Clause 5, Section b, Employer shall provide living accommodation for the Employee equipped with the minimum facilities of electricity, clean water, bathroom and toilet, ....., all of which shall be provided free of charge.</p> <p>3) Clause 8, Section a, Employee shall be entitled to annual leave after completing one year of service upon the following conditions:</p> <p>i) After 1 year of service - 8 days            ii) 2 to 5 years of service - 12 days            iii) After 5 years of service - 16 days</p>		
<b>Corrective Actions:</b>	The contract workers review will be communicated to all OUs, and briefing will be carried out to all workers (Indonesia and Malaysia) (if any) changes/revise		
<b>Assessment Conclusion:</b>	<p>ASA3 verification:</p> <p>It was verified during the surveillance audit that the revised Employment Contracts V3 (28 Feb 2019) has been communicated to all operating units via memorandum issued by the Head of Plantation Division to all operating units via Agency Circular 06/2019 dated 29 May 2019. Briefings were also done as follows:</p> <p>1. To workers : Carried out during morning muster at the Pasir Panjang Mill (29 Nov 2018), Pasir Panjang Estate (10 April 2019, 17 July 2019, 7 Nov 2019) and Tunjuk Laut Estate (6 June 2019, 10 May 2019, and 1 March 2019.)</p> <p>2. To non-HR Managers and Assistant Managers of the Tunjuk Laut Complex on 15 May 2019. Contents of the briefing include detailed provisions of the employment contract V3 (28 Feb 2019).</p>		

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	The corrective action was found to be effective, thus the minor NC was closed on 14/11/19. Continuous implementation will be further verified in the next assessment.
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Summary of Total Number of Nonconformity			
Nonconformity			
<b>NCR Ref #</b>	1718450-201810-N4	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.1.2 Minor
<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	Escalated to Major NC
<b>Statement of Nonconformity:</b>	The implementation of some procedures was not clearly demonstrated.		
<b>Requirement Reference:</b>	A mechanism to check consistent implementation of procedures shall be in place.		
<b>Objective Evidence:</b>	1) At Pasir Logok Estate, a significant amount of rubbish was seen at a contractor's (Cheng Huat) workshop and house No. A1 & A2 backyard. Amongst the rubbish, empty containers of lubricants were found. 2) The ball valves which are connected to the secondary containment of diesel skid tank of Cheng Huat Contractor and Bukit Kelompok Estate were found to be in "opened" position. 3) The oil trap (PCD 9) at Bukit Kelompok Estate was found to be having inadequate amount of water which could allow oil to escape should there be any spillage 4) Leakage of diesel and engine oil from tractor for LYS Estate Work was observed during site visit at field P08/3 (Bukit Kelompok Estate) 5) The operational control for handling of hydraulic oil at Biogas Plant was not effectively implemented. The trace of hydraulic oil was found at entrance of biogas plant. (PPPOM)		
<b>Corrective Actions:</b>	1). New form has been made as a checklist for HA regarding on any defects and linesite conditions during linesite inspection 2) Estate install the signage which is to remind the workers to close the valve every time cleaning process was done. 3). Estate was fix by extent the length of the overflow pipe 4). The driver should remark the leakage in daily tractor monitoring form. If the contractor were not do the immediate action, the driver must report to the estate personal. Estate will engage their own foreman for repair and the cost were borne by the contractor. 5). Refreshment training for handling hydraulic oil was conducted		
<b>Assessment Conclusion:</b>	ASA3 verification: The previous minor was not effectively close due to recurrence of issue under the same indicator. Based on RSPO certification system June 2017, the previous minor has to be escalated to major NC.		

Opportunity for Improvements	
OFI #	Description
OFI 1	<b><u>Indicator 4.7.1</u></b>  <b><u>Details :</u></b>



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	<p>1. The assessment for chemical exposure monitoring was done on 9/7/2018 by Kulim Safety Training and Services Sdn Bhd to those workers - at laboratory, workshop and store - who were exposed to n-hexane, mineral oil mist and manganese. Based on the report, there was a recommendation for the LEV system assessment to be done by Hygiene Tech at PPOM laboratory. However, there was no LEV system installed. Management to communicate with the assessors on reviewing this recommendation.</p> <p>2. The eye wash at Bukit Kelompok Estate need to be improved.</p> <p><b>ASA3 status:</b>          No LEV system installed thus no necessity to carry out LEV system assessment. New eye wash will be installed in FY19/20.</p>
<b>OFI 2</b>	<p><b><u>Indicator 5.3.3</u></b></p> <p><b>Details :</b>          The verification of the content of rubbish pit at Bukit Kelompok landfill could be further improved. The verification was not possible due to the last pit was closed a day before the assessment visit and the newly dug pit was still empty.</p> <p><b>ASA3 status:</b>          Based on site audit in other estates, no evident of mishandling of waste at visited rubbish pit.</p>
<b>OFI 3</b>	<p><b><u>Indicator 4.1.2</u></b></p> <p><b>Details :</b>          Although the mill is only allowed to discharge its effluent to land application and compost, the condition No. 3.16 which is stipulated in the mill's DOE's license is referring to effluent discharge to water ways. The clarification of whether or not this requirement is applicable could be further improved.</p> <p><b>ASA3 status:</b>          Mill is still continue to discharge its effluent to land application and compost and in accordance with mill's compliance schedule.</p>

Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

**3.4.2 Summary of the Nonconformities and Status**

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1397865M1	2.1.1	Major	25/10/2016	Closed out on 09/01/2017
1397865M2	6.9.2	Major	25/10/2016	Closed out on 09/01/2017
1397865M3	5.1.1	Major	25/10/2016	Closed out on 23/12/2016



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1397865N1	5.3.3	Minor	25/10/2016	Closed out on 16/11/2017
1555463-201709-M1	6.5.1	Major	3/12/2018	Closed out on 31/01/2018
1718450-201810-M1	RSPO Certification System Document (dated June 2017) 4.5.4	Major	06/12/2018	Closed out on 04/03/2019
1718450-201810-M2	RSPO Certification System Document (dated June 2017) 4.5.4	Major	06/12/2018	Closed out on 04/03/2019
1718450-201810-M3	4.7.2	Major	06/12/2018	Closed out on 04/03/2019
1718450-201810-M4	6.5.2	Major	06/12/2018	Closed out on 04/03/2019
1718450-201810-M5	4.1.1	Major	06/12/2018	Closed out on 04/03/2019
1718450-201810-M6	RSPO SCCS 5.3.1	Major	06/12/2018	Closed out on 04/03/2019
1718450-201810-M7	4.4.2	Major	06/12/2018	Closed out on 04/03/2019
1718450-201810-M8	5.3.2	Major	06/12/2018	Closed out on 04/03/2019
1718450-201810-M9	5.2.2	Major	06/12/2018	Closed out on 04/03/2019
1718450-201810-N1	4.7.3	Minor	06/12/2018	Closed out on 14/11/2019
1718450-201810-N2	6.5.3	Minor	06/12/2018	Escalated to major based RSPO Certification System requirement.
1718450-201810-N3	6.12.2	Minor	06/12/2018	Closed out on 14/11/2019
1718450-201810-N4	4.1.2	Minor	06/12/2018	Escalated to major based RSPO Certification System requirement.
1849204-201911-M1	2.1.1	Major	14/11/2019	Closed out on 21/1/20
1849204-201911-M2	4.1.2	Major	14/11/2019	Closed out on 21/1/20
1849204-201911-M3	6.5.3	Major	14/11/2019	Closed out on 21/1/20
1849204-201911-N1	4.7.5	Minor	14/11/2019	"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 Pasir Panjang 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

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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.



<b>List of Stakeholders Contacted</b>	
<b>Internal Stakeholders</b> Field workers Mill workers NUPW representative Gender committee (WoW) General workers	<b>Union/Contractors/Local Communities</b> Sri Mahtai Kedai Delima Indra Felda Tenggaroh 2 estate Ladang Kumpulan Melayu
<b>Government Departments</b> Village representative, Kg Baru Tunjuk Laut	<b>NGO</b> Nil

<b>IS #</b>	<b>Description</b>
<b>1</b>	<b>Feedbacks:</b> Perniagaan Sri Mahtai provides 6 harvesters from Indonesia for Pasir Panjang Estate. The workers live at the Pasir Panjang Estate linesite for free. Each worker has signed employment contracts with Sri Mahtai, and in it, have chosen to allow Sri Mahtai to keep their passports for safekeeping. However, the passports are kept at Sri Mahtai’s office in Kota Tinggi, which is 40kms away from the estate, where the passports are not within easy access of the workers.
	<b>Management Responses:</b> The Management of Pasir Panjang Estate will discuss with Perniagaan Sri Mahtai on the place where the workers’ passports are kept, to ensure that they have easy access to their passports.
	<b>Audit Team Findings:</b> The contractors’ workers have all signed employment contracts with Perniagaan Sri Mahtai. In it, they have given their written consent to have their passports kept by Perniagaan Sri Mahtai. However, because their passports are kept at the Perniagaan Sri Mahtai’s office in Kota Tinggi, the workers do not have immediate access to their passports due to the distance, and this may be worse during weekends when Sri Mahtai’s office is closed.
<b>2</b>	<b>Feedbacks:</b> Perniagaan Sri Mahtai is a contractor that provides 6 Indonesians to work as harvesters at Pasir Panjang Estate. Perniagaan Sri Mahtai has not registered these workers with the SOCSO (Social Security Organisation).
	<b>Management Responses:</b> Management of Pasir Panjang Estate will assist Perniagaan Sri Mahtai to register the affected workers with SOCSO.
	<b>Audit Team Findings:</b> Five workers employed by Perniagaan Sri Mahtai have not been registered with SOCSO despite the issuance of their temporary work permits after 1 Jan 2019. Instead, the workers remain issued with foreign workers compensation scheme despite the renewal of their temporary work permit (PLKS) after 1 Jan 2019.

<p><b>3</b></p>	<p><b>Feedbacks:</b> Contractors, namely CPO, FFB and EFP transporters, confirmed that payments are received within less than a month of issuance of invoice. They also confirmed that the contracts entered into with the Estate and Mill are fair and transparent, and contain clear payment mechanisms. Each of them understands their roles and responsibilities under the contract. They have been invited to attend stakeholder meetings. Generally, the relationship with Estates and Mill are good.</p> <p><b>Management Responses:</b> Will continue to maintain good relationship with all stakeholders including CPO, FFB and EFB transporters.</p> <p><b>Audit Team Findings:</b> Estates and Mill within the Pasir Panjang Complex maintain constant communications with its stakeholders via meetings and awareness briefings. Contracts entered between the parties are in writing and mechanism for payments are clearly stipulated and understood.</p>
<p><b>4</b></p>	<p><b>Feedbacks:</b> Kedai Delima Indra (sundry shop at Pasir Panjang Estate) informs that they have been selling at the Estate since 2005. Prices are listed, labelled and a list of prices are given to the Pasir Panjang Estate management for price monitoring, especially when there is an increase in the price of essential items. Invited to attend stakeholder meetings.</p> <p><b>Management Responses:</b> Prices of items in the shop will continue to be monitored.</p> <p><b>Audit Team Findings:</b> Interview with workers confirmed that the price of items sold at Kedai Delima Indra is reasonable, taking into account the distance of the estate from the nearest town, which is Kota Tinggi (approximately 40 kms)</p>
<p><b>5</b></p>	<p><b>Feedbacks:</b> A neighbouring plantation, Felda Tenggaroh 2, confirmed that there are no adverse issues between it and Tunjuk Laut Complex. There is close collaboration with Tunjuk Laut Complex especially on common issues such as presence of elephants.</p> <p><b>Management Responses:</b> Will continue to maintain good collaboration with stakeholders such as neighbouring plantations.</p> <p><b>Audit Team Findings:</b> Stakeholder meeting minutes do not reveal any issues between Tunjuk Laut Estate and Felda Tenggaroh 2.</p>
<p><b>6</b></p>	<p><b>Feedbacks:</b> Ladang Kumpulan Melayu is an oil palm plantation that shares the same border with Tunjuk Laut Estate. Representatives of Ladang Kumpulan Melayu confirmed that boundaries are clearly marked via trenches, boundary stones, and fences. There are no encroachments from either side. Relationship between the two estates are good, and they often participate in social gatherings e.g. Eid celebrations and football matches. Communications are also good in that both plantations share information on bagworm infestations, elephant presence, etc. Children of estate employees attend S.K. Pasir Panjang, which is located within the Pasir Panjang Complex. They also share the common access road.</p> <p><b>Management Responses:</b> Will continue to maintain good collaboration and communication with its stakeholders including Ladang Kumpulan Melayu.</p> <p><b>Audit Team Findings:</b> Stakeholder meeting minutes confirm that there are no adverse issues between Tunjuk Laut Complex and Ladang Kumpulan Melayu.</p>
<p><b>7</b></p>	<p><b>Feedbacks:</b> Representative of Kg Baru Tunjuk Laut informs that there are only 5 families living in the village. All of them were ex-employees of Tunjuk Laut Estate. They built their houses on government land and they have not been granted any land title. Electricity is via gen-sets and they buy bottled water for drinking and rely on rainwater for cleaning and washing. There is no encroachment into Tunjuk Laut Estate and vice-versa. Some of the villagers provide transportation to carry empty fruit bunches from Pasir Panjang Mill to Pasir Logok Estate (one of Kulim Estates).</p>

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	<p><b>Management Responses:</b> Will continue to maintain good collaboration and communication with its stakeholders including villagers of Kg Baru Tunjuk Laut.</p>
	<p><b>Audit Team Findings:</b> Stakeholder meeting minutes confirm that there are no adverse issues between Tunjuk Laut Complex and villagers of Kg Baru Tunjuk Laut.</p>

<b>Formal Signing-off of Assessment Conclusion and Recommendation</b>	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Pasir Panjang Palm Oil Mill has complied with the RSPO P&amp;C MY-NI 2014 &amp; 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 Pasir Panjang Palm Oil Mill is approved and continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
<p><b>Name:</b> Mohamed Hidhir Bin Zainal Abidin</p>	<p><b>Name:</b> Salasah Elias</p>
<p><b>Company Name:</b> BSI Services Malaysia Sdn Bhd</p>	<p><b>Company Name:</b> Kulim Malaysia Berhad</p>
<p><b>Title:</b> Lead Auditor</p>	<p><b>Title:</b> Deputy General Manager</p>
<p><b>Signature:</b> </p>	<p><b>Signature:</b> <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><b>Date:</b> 14<sup>th</sup> February 2020</p>	<p><b>Date:</b> 16<sup>th</sup> February 2020</p>

**Appendix A: Summary of Findings**

Criterion / Indicator	Assessment Findings	Compliance	
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1:</b> Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSP0 Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSP0 Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p>	<p>There is evidence that information on social issues was provided to relevant stakeholder for effective participation in decision making. This was evident when the Pasir Panjang Mill applied to the Labour Office, Johor Bahru on 15 Nov 2018 for overtime to exceed 104 hours per month. Among the relevant information provided were:</p> <ul style="list-style-type: none"> <li>- Existing number of manpower</li> <li>- Overtime details in the previous 6 months</li> <li>- Reasons for applying for overtime in excess of 104 hours per month (i.e. increasing mill capacity from 45mt/hour to 65mt/hour)</li> <li>- Total number of workers affected</li> <li>- Reasons why new recruits are not taken (i.e. FF supply fluctuates and is seasonal)</li> </ul> <p>These information were provided in Bahasa Malaysia using Form E as was requested by the Labour Office.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	<p>There is evidence that Pasir Panjang Complex keeps and maintains requests for information and responses. For example:</p> <ul style="list-style-type: none"> <li>- Application to the Labour Office dated 15 Nov 2018 for overtime to exceed 104 hours per month</li> <li>- Labour Office’s reply (Ref: BHG.PU/134 Jld 19 (19) dated 26 Feb 2019 informing that the application made under S60A(4)(a) Employment Act 1955 was rejected.</li> <li>- Letter from Pejabat KEMAS Daerah Kota Tinggi dated 29 Aug 2019 seeking sponsorship of Futsal Tabika Kemas. The Mill’s responded by contributing cash.</li> <li>- Letter from the Parents-Teachers’ Association dated 31 July 2019 seeking some donation for a school camping activity. Tunjuk Laut Estate responded by extending cash contribution.</li> </ul>	Complied
<p><b>Criterion 1.2:</b>            Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>			

Criterion / Indicator	Assessment Findings	Compliance
1.2.1 Publicly available documents shall include, but are not necessary limited to: <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> - Major compliance –	All the units within the Pasir Panjang Complex subscribe to the Sustainability Palm Oil (SPO) Transparency Program. The program ensures relevant documents are made publicly and readily available via the Company’s Corporate Department as long as they do not cause breach of confidentiality and cause detrimental sustainability or social outcomes. Among the documents that were made available for viewing are: <ul style="list-style-type: none"> <li>a) Land title (held as hard copy by the property department)</li> <li>b) Health and safety plan</li> <li>c) Plans and impact assessment- environmental &amp; social</li> <li>d) Pollution prevention plans</li> <li>e) Details of complaints and grievances</li> <li>f) Negotiation procedures</li> <li>g) Continuous improvement plan</li> <li>h) Biodiversity plans</li> <li>i) Policy documents (sustainability handbook)</li> </ul> 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.	Complied
<b>Criteria 1.3:</b> Growers and millers commit to ethical conduct in all business operations and transactions.		

Criterion / Indicator	Assessment Findings	Compliance
<p>1.3.1</p> <p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p>	<p>All Mill and Estates within the Pasir Panjang Complex subscribe to Kulim (Malaysia) Berhad Corporate Integrity Pledge signed by its Executive Director dated 15 November 2018. Additionally, there are also the following policies of Kulim (Malaysia) Berhad signed by its Executive Director on 1 May 2018:</p> <ul style="list-style-type: none"> <li>a. Ethics Policy;</li> <li>b. No Gift and Entertainment Policy; and</li> <li>c. Conflict of Interest Policy.</li> </ul> <p>These Policies were communicated to all levels of workforce as follows:</p> <p>At Pasir Panjang Palm Oil Mill, the Ethics Policy Training was carried out on 2 June 2019. It comprise the No Gifts and Entertainment Policy. Newly-recruited workers were briefed on 10 July 2019. Sighted were briefings given to 4 newly-recruited workers. In addition, there are also the Corporate Integrity Pledge held on 1 August 2018.</p> <p>At Pasir Panjang Estate, the Corporate Integrity Pledges were held on 31 March 2019, 26 June 2019 and 30 Oct 2019.</p> <p>At Tunjuk Laut Estate, briefings on Ethics Policy was done on 23 Jan 2019, Conflict of Interest Policy on 18 Jan 2019 and No Gifts and Entertainment Policy briefing done on 18 Jan 2019 during morning muster.</p>	<p>Complied</p>
<p><b>Principle 2: Compliance with applicable laws and regulations</b></p>		
<p><b>Criterion 2.1:</b>            There is compliance with all applicable local, national and ratified international laws and regulations.</p>		



<p>2.1.1</p>	<p>Evidence of compliance with relevant legal requirements shall be available.          - Major compliance -</p>	<p>Legal register covering the applicable local and international laws and regulations are available. Compliance to each applicable law and regulation is monitored by the operating units and head office sustainability team. Sample of licenses and permits checked at Pasir Panjang POM complex:</p> <p><u>Pasir Panjang POM</u></p> <p>i) DOE license, ref: AS(B)J31/152/000/007 Jld.10 (10), compliance schedule: 004949 validity period (1/7/19 – 30/6/20), processing capacity 45 mt/hr, method of discharge: land application and composting, BOD3: 100 mg/l.</p> <p>ii) MPOB license no. 592302004000 validity period 30/1/19 – 31/12/19) with processing capacity of 270,000 mt.</p> <p>iii) Diesel Permit ref:KPDNKK.J.KTG/PERMIT 0028 (PD)(R), serial no. J033238, quantity: 20,000 liter valid until 29/12/19</p> <p>iv) BAKAJ River water extraction license (07/A/KT/117 validity until 31/12/2019). Maximum extraction per day: 300 m3/day</p> <p>v) SPAN Water Services Industry (Licencing) Reg 2007 Class Licence No: SPAN/EKS/(PT)/800-4(1)/11/15 valid 15/1/2019 – 14/1/22</p> <p>vi) Deduction permit under Labour Department obtained;          -Ref. TK(NJ)U-21 dated 31/3/19 (Pembayaran Skim Khairat Keluarga Perbadanan Johor)          -Ref. TK(NJ)U-21 dated 2/5/19 (Bayaran kos perubatan melebihi had subsidi)          -Ref. TK(NJ)U-21 dated 31/3/19 (Pembayaran Kelab Sukan dan Rekreasi)</p> <p>vii) Electrical Installation License, serial no. 33421, license no. 2018/03612 for 3260 kW valid until 22/12/19.</p> <p>viii) Certificate of Fitness of UPV and SB checked:          - Steam Boiler (JH PMD 1712 valid until 19/11/20          - Vertical Sterilizer (JH PMT 25364) valid until 19/11/20          - Vertical Sterilizer (JH PMT 25365) valid until 19/11/20          - Vertical Sterilizer (JH PMT 25366) valid until 19/11/20</p>	<p>Major nonconformance</p>
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		<p>- Back Pressure Receiver (PMT 78982) valid until 19/11/20 ix) Fire Certificate, serial no. 310249, ref. no. JBPM:JH/7/216/2019 valid until 8/4/20</p> <p>Total of 11 UPV and 1 SB registered and still undergo annual inspection for renewal.</p> <p>Competent Person</p> <table border="1"> <thead> <tr> <th>Competency</th> <th>Validity/effective date</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Steam engineer, 2<sup>nd</sup> grade</td> <td>020/2014, issued on 24/2/14</td> <td>FMA, Person in Charge Regulations 2014</td> </tr> <tr> <td>Steam engineer, 2<sup>nd</sup> grade</td> <td>160/2015, issued on 2/10/15</td> <td>FMA, Person in Charge Regulations 2014</td> </tr> <tr> <td>Scheduled Waste Competent Person, CePSWaM</td> <td>Serial no. CePSWaM/01920 dated 31/5/18</td> <td>EQA 1974, mill's compliance schedule</td> </tr> <tr> <td>CePPOME Competent Person (Palm Oil Mill Effluent)</td> <td>Serial no. CePSWaM/00041 dated 7/10/16</td> <td>EQA 1974, mill's compliance schedule</td> </tr> <tr> <td>Authorized Gas Tester and Entry Supervisor for confined space (AGTES)</td> <td>Serial no. NW-NJHR-AGT-0466-Q</td> <td>ICOP Confined Space 2010</td> </tr> <tr> <td>Electrical Charge man (A4)</td> <td>ref: PJ-T-4-B-0467-2016, renewal was done on 12/11/19 and valid until 11/11/20.</td> <td>Electric Supply Act 1990</td> </tr> </tbody> </table>	Competency	Validity/effective date	Remarks	Steam engineer, 2 <sup>nd</sup> grade	020/2014, issued on 24/2/14	FMA, Person in Charge Regulations 2014	Steam engineer, 2 <sup>nd</sup> grade	160/2015, issued on 2/10/15	FMA, Person in Charge Regulations 2014	Scheduled Waste Competent Person, CePSWaM	Serial no. CePSWaM/01920 dated 31/5/18	EQA 1974, mill's compliance schedule	CePPOME Competent Person (Palm Oil Mill Effluent)	Serial no. CePSWaM/00041 dated 7/10/16	EQA 1974, mill's compliance schedule	Authorized Gas Tester and Entry Supervisor for confined space (AGTES)	Serial no. NW-NJHR-AGT-0466-Q	ICOP Confined Space 2010	Electrical Charge man (A4)	ref: PJ-T-4-B-0467-2016, renewal was done on 12/11/19 and valid until 11/11/20.	Electric Supply Act 1990	
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		Engine Driver, grade 1 Ref:J13/98	FMA, Person in Charge Regulation 2014		
		Engine Driver, grade 1 Ref:J1/03	FMA, Person in Charge Regulation 2014		
		First aider + CPR Cert. no. BB0160489 valid until 23/8/20	PPPOM competent first aider		
		First aider + CPR Cert. no. BB0169118 Valid until 1/8/21			
		First aider + CPR Cert. no. BB0169112 Valid until 1/8/21			
		<p><u>Pasir Panjang Estate</u></p> <p>i) MPOB license no. 578736002000, valid until 30/11/2019.</p> <p>ii) SPAN Water Services Industry (Licensing) Reg 2007 Class Licence No: SPAN/EKS/(PT)/800-4(1)/14/17 valid 5/10/2017 – 4/10/2020</p> <p>iii) Diesel Permit ref: KPDNKK.J.KTG/PERMIT 0033 (PD), serial no.P: J000619, quantity: 24,000 liter valid until 2/10/20</p> <p>iv) Air Compressor certificate of fitness (CF), JH PMT 30095 valid until 11/9/20</p> <p>v) BAKAJ River water extraction license (07/A/KT/012 validity until 31/12/2019). Maximum extraction per day: 800 m<sup>3</sup>/day</p> <p>vi) Electrical Installation License, serial no. 000286/2019, license no. ST(SJB)P/S/JHR/03934 for 276.25 kW valid until 8/1/20.</p> <p>vii) Petrol Permit ref:JH/MSG/01/17 SK (KHAS), serial no.: PK(J/MSG 000125) quantity: 200 liter valid until 29/1/20.</p> <p>viii) <i>Permit Kebenaran Menggunakan Bekalan Air Persendirian</i>, serial no. TK(NJ)JB/43, valid until 6/6/21.</p> <p><u>Tunjuk Laut Estate</u></p>			

		<p>i) MPOB license no. 501477102000, (<i>menjual dan mengalih</i>) valid until 31/3/20.</p> <p>ii) SPAN Water Services Industry (Licensing) Reg 2007 Class License No: SPAN/EKS/(PT)/800-4(1)/5/10 valid 16/8/2017 – 15/8/2020</p> <p>iii) Diesel Permit ref: KPDNKK.J.KTG/PERMIT 0046 (PD), serial no. P: J000620, quantity: 24,000 liter, valid until 10/10/20</p> <p>iv) Air Compressor certificate of fitness (CF), JH PMT 44413 valid until 11/9/20</p> <p>vi) Electrical Installation License, serial no. 39721, license no. 2019/02844 for 168 kW valid until 18/10/20</p> <p>vii) Permit to buy Highly Toxic Pesticides, ref: JHR/2019/MONO/19(GL) dated 25/2/19. Total quantity: 100 liter of MONOCROTOPHOS. Permit is valid until 17/3/19.</p> <p>There is evidence that the Pasir Panjang Complex has not demonstrated compliance with the Employees’ Social Security Act 1969. It was observed during surveillance audit five contract workers (harvesters) employed by Perniagaan Sri Mahtai who work at Fields P12 and P13, Pasir Panjang Estate, were not covered under the SOCSO Employment Injury Scheme as required under the Employees’ Social Security Act 1969. Details are as follows:</p> <ol style="list-style-type: none"> <li>1. Worker Passport No. C 2182448: PLKS No PE7333118 issued 20 March 2019 valid until 5 June 2020.</li> <li>2. Worker Passport No. B 4064820: PLKS No PE8016646 issued on 30 May 2019 valid until 13 July 2020.</li> <li>3. Worker Passport No. C 2182454: PLKS NO PE7333121 issued on 20 March 2019 to 5 June 2020.</li> <li>4. Worker Passport No. B 2111332: PLKS No PE6701620 issued on 11 Jan 2019 valid until 16 Jan 2020.</li> </ol>	
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Criterion / Indicator		Assessment Findings	Compliance
		<p>5. Worker Passport No. B 9251517:            PLKS No. PE 7434101 issued on 28 March 2019 until 18 June 2020</p> <p>Therefore, a non-compliance was raised as a result of these lapses.</p>	
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained.</p> <p>- Minor compliance -</p>	<p>All operating units maintain documented system for identifying, evaluating, reviewing and updating applicable regulations and other requirements Kulim Group Compliance Framework dated 30/6/19 for Pasir Panjang/Tunjuk Laut Complex was made available for review. The new legal, SOCSO act and Noise Exposure Regulation 2018 have been incorporated in the list.</p>	Complied
2.1.3	<p>A mechanism for ensuring compliance shall be implemented.</p> <p>- Minor compliance -</p>	<p>Evaluation of legal requirements and compliance status with legal requirement is monitored by operating units, Sustainability Team, OHS Department and head office audit Department. Evaluation of compliance is part of the audit checklist as the sustainability team was assigned to cover RSPO P&amp;C requirements. Bi-monthly legal evaluation was done each operating units and compiled by RC executive.</p>	Complied
2.1.4	<p>A system for tracking any changes in the law shall be implemented.</p> <p>- Minor compliance -</p>	<p>Tracking system available to identify changes in the relevant regulations through head office under. Risk Management and Compliance Department and site representative. Tracking system on any changes in the law been well implemented. For Pasir Panjang/Tunjuk Laut Complex, the person in charge is Regional Controller executive. Refer to appointment letter, ref: (13)RMC/COM/GM/18/08 dated 27/6/18.</p>	Complied
<p><b>Criterion 2.2:</b>            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>			

<p>2.2.1</p>	<p>Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -</p>	<p>Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land was made available during audit.</p> <p><u>Pasir Panjang Estate</u></p> <p>Total of 1 lease hold land titles available. Sample of land title checked:</p> <table border="1" data-bbox="981 555 1870 863"> <thead> <tr> <th>Land title</th> <th>Legal ownership</th> <th>Land tenure</th> <th>Land use type</th> </tr> </thead> <tbody> <tr> <td>No.HSD 8578, District: Kota Tinggi, Mukim: Kambau PT no. PTD 558</td> <td>Kulim (M) Berhad</td> <td>Leasehold (99 years, ended on 16/9/2112)</td> <td>Agriculture</td> </tr> </tbody> </table> <p><u>Tunjuk Laut Estate</u></p> <p>Total of 2 lease hold land titles available. Sample of land title checked:</p> <table border="1" data-bbox="981 991 1870 1248"> <thead> <tr> <th>Land title</th> <th>Legal ownership</th> <th>Land tenure</th> <th>Land use type</th> </tr> </thead> <tbody> <tr> <td>No.HSD 7747, District: Kota Tinggi, Mukim: Kambau Lot no. PTD 36</td> <td>Perbadanan Johor @ Johor Corporation</td> <td>Leasehold (99 years, ended on 9/1/2087)</td> <td>Agriculture</td> </tr> </tbody> </table>	Land title	Legal ownership	Land tenure	Land use type	No.HSD 8578, District: Kota Tinggi, Mukim: Kambau PT no. PTD 558	Kulim (M) Berhad	Leasehold (99 years, ended on 16/9/2112)	Agriculture	Land title	Legal ownership	Land tenure	Land use type	No.HSD 7747, District: Kota Tinggi, Mukim: Kambau Lot no. PTD 36	Perbadanan Johor @ Johor Corporation	Leasehold (99 years, ended on 9/1/2087)	Agriculture	<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance
		No.HSD 13894, District: Kota Tinggi, Mukim: Kambau  Lot no. PTD 252	Perbadanan Johor @ Johor Corporation	Leasehold (99 years, ended on 9/6/2092	Oil Palm Cultivation	
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	<p>The legal boundaries were clearly demarcated at all visited estate. During site visit, it was found at Pasir Panjang Estate, the boundary was marked accordingly with colour peg (red and white) at P11/01, GPS coordinate (2.042515, 103.955696) boundary with Felda Tenggaraoh 6 Estate.</p> <p>Tunjuk Laut Estate – Boundary pegs painted with (red and white) and numbered at boundary area (P11/02), peg no. 195 (1.975494, 103.990239) adjacent with smallholder.</p>				Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	<p>As observed during the audit, there are no records of any dispute involving units within the Pasir Panjang Complex and any third parties. This was further confirmed during consultations with the local community from Kg Baru Tunjuk Laut, neighbouring plantation such as Ladang Kumpulan Melayu, and when reviewing minutes of the stakeholder meetings.</p> <p>As such, there is no requirement for payment of any compensation to any third parties.</p>				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	<p>As observed during the audit, there are no records of any dispute involving units within the Pasir Panjang Complex and any third parties. This was further confirmed during consultations with the local community from Kg Baru Tunjuk Laut, neighbouring plantation such as Ladang Kumpulan Melayu, and when reviewing minutes of the stakeholder meetings.</p>				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	As observed during the audit, there are no records of any dispute involving units within the Pasir Panjang Complex and any third parties. This was further confirmed during consultations with the local community from Kg Baru Tunjuk Laut, neighbouring plantation such as Ladang Kumpulan Melayu, and when reviewing minutes of the stakeholder meetings.	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	As observed during the audit, there are no records of any dispute involving units within the Pasir Panjang Complex and any third parties. This was further confirmed during consultations with the local community from Kg Baru Tunjuk Laut, neighbouring plantation such as Ladang Kumpulan Melayu, and when reviewing minutes of the stakeholder meetings.	Complied
<b>Criterion 2.3:</b>			
Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	As observed during the audit, there are no records of any dispute involving units within the Pasir Panjang Complex and any third parties. This was further confirmed during consultations with the local community from Kg Baru Tunjuk Laut, neighbouring plantation such as Ladang Kumpulan Melayu, and when reviewing minutes of the stakeholder meetings.	Complied



Criterion / Indicator	Assessment Findings	Compliance
2.3.2	Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	Complied
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	Complied
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	Complied

Criterion / Indicator		Assessment Findings	Compliance						
<b>Principle 3: Commitment to long-term economic and financial viability</b>									
<b>Criterion 3.1:</b>									
There is an implemented management plan that aims to achieve long-term economic and financial viability.									
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	Pasir Panjang Palm Oil Mill (PPPOM) and supply bases have established and implemented its commitment to long term sustainability and improvements through a capital expenditure programme. Budget and 5 years management plan (projections 2019- 2024) was verified during the audit. Pasir Panjang Palm Oil Mill and supply bases have made progress towards achieving their performance production targets for the current financial year. Sample of CAPEX for 2019/2020: i) PPPOM – hardstanding area at EFB press, 80mt pit less weighbridge, overhead cable to line site and 40,000 gallon FRP Overhead Water Tank. ii) Wooden trailer – FFB evacuation iii) New 200 kVA generator – electricity generation	Complied						
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -	Long range replanting programme from 2019-2044 dated 13th May 2019 is refer to and subject to annual review by General Manager, Estate Operation Department. Summary of replanting programme as per below: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 50%;">Estate</th> <th style="width: 50%;">Year of replanting</th> </tr> </thead> <tbody> <tr> <td>Pasir Panjang Estate</td> <td>No replanting programme until 2035.</td> </tr> <tr> <td>Tunjuk Laut Estate</td> <td>No replanting programme until 2030.</td> </tr> </tbody> </table>	Estate	Year of replanting	Pasir Panjang Estate	No replanting programme until 2035.	Tunjuk Laut Estate	No replanting programme until 2030.	Complied
Estate	Year of replanting								
Pasir Panjang Estate	No replanting programme until 2035.								
Tunjuk Laut Estate	No replanting programme until 2030.								
<b>Principle 4: Use of appropriate best practices by growers and millers</b>									
<b>Criterion 4.1:</b>									
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 with the following documents</p> <ul style="list-style-type: none"> <li>a) Quality Manual (PPM/QM/4.0), rev:0 dated 1/6/16</li> <li>b) Quality Procedure (PPM/SOP) dated 1/6/16 covering the following stations/operations among others;             <ul style="list-style-type: none"> <li>- loading ramp /sterilization station</li> <li>- threshing / press station</li> <li>- clarification station</li> <li>- kernel station/ depericarper station</li> <li>- effluent and water treatment plant,</li> <li>- boiler house / power house</li> <li>- laboratory</li> </ul> </li> </ul> <p>SOP – biogas and compost plant</p> <ul style="list-style-type: none"> <li>- Composting process, issue:1 dated 1/6/16</li> <li>- ETP, Biogas and Biogas Engine, PPM/SOP/5.13, rev:1, issue:0 dated 1/10/19</li> </ul> <p>Similarly, the estates adopted the guidelines provided in the following documents</p> <ul style="list-style-type: none"> <li>a) Kulim (M) Berhad Agricultural Manual (released in 1988 revised in 1992 &amp; 2002) covering activities relating to;             <ul style="list-style-type: none"> <li>- Replanting / roads drains</li> <li>- Bridges culverts and fences</li> <li>- construction of estate building</li> <li>- manuring including POME and Bio compost where applicable</li> <li>- harvesting, pruning /ablation</li> <li>- soil conservation</li> <li>- justification of chemical use</li> <li>- weed management,</li> <li>- integrated pest management and plant diseases.</li> </ul> </li> <li>b) Total of 19 SOPs and 18 WI's covering all</li> </ul>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	aspects of oil palm management including composting site operation. Among others SOP of; <ul style="list-style-type: none"> <li>- Harvesting /Spraying/Manuring</li> <li>- Workshop/Welding/Mechanical Buffalo</li> <li>- Chemical handlings etc.</li> </ul>	

<p>4.1.2</p>	<p>A mechanism to check consistent implementation of procedures shall be in place.          - Minor compliance -</p>	<p>Pasir Panjang Palm Oil Mill and Tunjuk Laut Estate were not able to demonstrate consistent implementation of procedures which have been put in place. Objective evidence are as follows:</p> <p>1. The Pasir Panjang Mill Manager had issued a memorandum dated 27 Feb 2019 to all workers and staff informing, among other things, that workers must take at least a 30-minute break and a 1-hour lunch break which must be printed on the punch card. However, this procedure was not implemented as evidenced from punch cards for 1 -2 Aug 2019 for the following workers:</p> <table border="1" data-bbox="981 683 1852 1332"> <thead> <tr> <th><b>Worker No</b></th> <th><b>Time In 1 Aug</b></th> <th><b>Time Out 1 Aug</b></th> <th><b>Time In 1 Aug</b></th> <th><b>Time Out 2 Aug</b></th> <th><b>Remarks</b></th> </tr> </thead> <tbody> <tr> <td>640133</td> <td>16.32</td> <td>19.00</td> <td>20.35</td> <td>06.03</td> <td>No record of break between 20.35 to 06.03</td> </tr> <tr> <td>640132</td> <td>15.50</td> <td>20.52</td> <td>22.29</td> <td>07.32</td> <td>No record of break between 22.29 to 07.32</td> </tr> <tr> <td>640154</td> <td>16.18</td> <td>20.10</td> <td>21.36</td> <td>06.00</td> <td>No record of break between 21.36 to 06.00</td> </tr> <tr> <td>640150</td> <td>16.18</td> <td>19.04</td> <td>20.40</td> <td>08.02</td> <td>No record of break between 20.40 to 08.02</td> </tr> <tr> <td>640043</td> <td>07.46</td> <td>17.45</td> <td>-</td> <td>-</td> <td>No record of break between 07.46 to 17.45</td> </tr> </tbody> </table>	<b>Worker No</b>	<b>Time In 1 Aug</b>	<b>Time Out 1 Aug</b>	<b>Time In 1 Aug</b>	<b>Time Out 2 Aug</b>	<b>Remarks</b>	640133	16.32	19.00	20.35	06.03	No record of break between 20.35 to 06.03	640132	15.50	20.52	22.29	07.32	No record of break between 22.29 to 07.32	640154	16.18	20.10	21.36	06.00	No record of break between 21.36 to 06.00	640150	16.18	19.04	20.40	08.02	No record of break between 20.40 to 08.02	640043	07.46	17.45	-	-	No record of break between 07.46 to 17.45	<p>Major nonconformance (Minor escalated to Major NC due to recurrence of issue under the same indicator)</p>
<b>Worker No</b>	<b>Time In 1 Aug</b>	<b>Time Out 1 Aug</b>	<b>Time In 1 Aug</b>	<b>Time Out 2 Aug</b>	<b>Remarks</b>																																		
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		640114	16.42	21.27	22.57	06.00	No record of break between 22.57 to 06.00	
		<p>2. Morning muster briefing was given at Tunjuk Laut Estate on 7 June 2019 prohibiting workers from putting up plywood on house windows. There is no evidence that any action has been taken to ensure implementation of the procedure because House No. F8 at Tunjuk Laut Estate linesite had plywood affixed to all its back and side windows, as well as top of the front door.</p> <p>Therefore, a non-compliance was raised as a result of these lapses.</p> <p>The following mechanism is available and adopted as standard practices and procedures in the mill and estates operations.</p> <p><i>Pasir Panjang Palm Oil Mill</i></p> <ul style="list-style-type: none"> <li>a) Mill inspectorate Visit program 6x /year (based on critically of issues)</li> <li>b) Internal audit by Sustainability Unit 2x /year</li> <li>c) Task Force visits</li> <li>d) Monthly and weekly ad hoc meeting</li> <li>e) Daily /monthly production &amp; financial report</li> <li>f) Daily and monthly lab analysis report.</li> <li>g) Daily supervision by the mill Supervisors/Executives</li> </ul> <p><i>Pasir Panjang and Tunjuk Laut Estates</i></p> <ul style="list-style-type: none"> <li>a) Plantation Inspectorate Visit program 2x /year</li> <li>b) Internal audit by Sustainability Unit 2x /year</li> <li>c) Task Force visits</li> <li>d) Monthly and weekly ad hoc meeting</li> <li>e) Daily /monthly production &amp; financial report</li> <li>f) Daily supervision by the field staff/Executives.</li> </ul>						

<p>4.1.3</p>	<p>Records of monitoring and any actions taken shall be maintained and available, as appropriate.          - Minor compliance -</p>	<p>Mechanism to check consistent implementation of procedure is through Internal Audit, Mill Inspector and Estate Inspector Visit. Internal Audit is planned twice a year by Sustainability Department, refer to internal audit carried out at specific operating units;</p> <p>Mill Inspectorate Visit for Pasir Panjang Palm Oil Mill (PPPOM) was conducted on 26<sup>th</sup> August 2019 by Mill Inspectorate Office under Kulim Group of company. Refer to report, MJAB/PPPOM/4/2019. Based on performance qualitative reporting dated 26<sup>th</sup> August 2019, 79% rating given by the mill inspector.</p> <p>3rd party bi-annual compliance audit was carried by DOE registered consultant in 2018 and 2019.</p> <table border="1" data-bbox="981 783 1870 1209"> <thead> <tr> <th>Date of assessment</th> <th>Report reference</th> <th>Compliance Status</th> </tr> </thead> <tbody> <tr> <td>2nd half 2018, (30/9/18)</td> <td>Consultant: EHS Alliance Sdn Bhd (EA0067, CESSWI3299)</td> <td>0 NC and 7 observations issued.</td> </tr> <tr> <td>1<sup>st</sup> half of 2019 (14/7/19)</td> <td>Environmental Compliance Audit by competent person, EA0103/CESSW14063</td> <td>No non-conformity/ observation raised</td> </tr> </tbody> </table> <p>Based on the latest compliance audit results, Pasir Panjang POM has continuously complied with the requirements under "Jadual Pematuhan". Observation raised in the previous compliance audit has been rectified resulting improvement of OBS raised in the recent audit.</p>	Date of assessment	Report reference	Compliance Status	2nd half 2018, (30/9/18)	Consultant: EHS Alliance Sdn Bhd (EA0067, CESSWI3299)	0 NC and 7 observations issued.	1 <sup>st</sup> half of 2019 (14/7/19)	Environmental Compliance Audit by competent person, EA0103/CESSW14063	No non-conformity/ observation raised	<p>Complied</p>
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**RSPO Public Summary Report**  
**Revision 8 (Mar /2019)**

Criterion / Indicator		Assessment Findings	Compliance									
		<p>Plantation Inspectorate visit carried out for the latest financial year of 2019. Summary of PI visit rating:</p> <table border="1"> <thead> <tr> <th>Estates</th> <th>Visit Date</th> <th>Overall rating</th> </tr> </thead> <tbody> <tr> <td>Pasir Panjang</td> <td>4/11/19, report ref:SS/LPP/3/2019</td> <td>86%</td> </tr> <tr> <td>Tunjuk Laut</td> <td>24-25/7/19, report ref:SS/LTL/2/2019</td> <td>79%</td> </tr> </tbody> </table>	Estates	Visit Date	Overall rating	Pasir Panjang	4/11/19, report ref:SS/LPP/3/2019	86%	Tunjuk Laut	24-25/7/19, report ref:SS/LTL/2/2019	79%	
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Tunjuk Laut	24-25/7/19, report ref:SS/LTL/2/2019	79%										
4.1.4	<p>The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB).                      - Major compliance -</p>	<p>Pasir Panjang Palm Oil Mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&amp;C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.</p>	Complied									
<p><b>Criterion 4.2:</b>                      Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>												
4.2.1	<p>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 -</p>	<p>Kulim (M) Berhad Agriculture Manual has established covers Replanting, roads drains Bridges culverts and fences, construction of estate building, manuring, harvesting, pruning and ablation, soil conservation, justification of chemical use, weed management, integrated pest management and plant diseases. There are 19 SOPs and 18 WI's covering all aspects of oil palm management. The related SOP, namely Leaf and Soil Sampling Notes procedure was sighted. New revised Agriculture Manual dated 31/10/17 was sighted under A07-02-Planting Terrace and A20 – Standard Operating Guidelines For Conversion of Oil Crop Other Than Oil Palm To Oil.</p> <p>All estates operate in accordance with the Agriculture Manual and standard operating procedures. The practices consistently monitored by estate operation management and estate inspectorate. The recommendations for improvements are given to maintain the sustainable practices</p>	Complied									



Criterion / Indicator	Assessment Findings	Compliance
<p>4.2.2</p> <p>Records of fertiliser inputs shall be maintained. - Minor compliance -</p>	<p>Fertilizers are applied as per agronomist recommendation.</p> <p>Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators.</p> <p><u>Pasir Panjang Estate</u> Fertilizer recommendation included in the agronomist report by R&amp;D department dated 2/1/2019, The latest application (4<sup>th</sup> programme) was carried out in the month of September 2019 at P11/01 for MIX 2B (2 kg/palm) (293 bag x 50 kg/bag = 14.65 mt)</p> <p><u>Tunjuk Laut Estate</u> Fertilizer recommendation included in the agronomist report by R&amp;D department dated 2/1/2019, The latest application (4<sup>th</sup> programme) was carried out on October 2019 at P06/01 for MOP (1.5 kg/palm) (145 bag x 50 kg/bag).</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance									
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	<p>Foliar and soil sampling was carried out by Internal Agronomist from Agronomy Advisory and Services Department prior to the fertilizer recommendation for the next financial year. Leaf and soil nutrient analysis are commonly used in the diagnosis of fertilizer requirements in oil palms. The frequency for leaf sampling must be conduct for every year while for soil analysis, the frequency for soil sampling is conducted at 5 years intervals (Leaf and Soil Sampling Notes Procedure-Kulim (M) Bhd). Analysis reports were summarized as per below:</p> <table border="1"> <thead> <tr> <th>Estates</th> <th>Foliar analysis (yearly)</th> <th>Soil Sampling (5 yearly)</th> </tr> </thead> <tbody> <tr> <td>Pasir Panjang Estate</td> <td>Report ref:L1/1902/PP/0055-0064 dated 13/2/19</td> <td>Report ref: SI/1703/0021-0024 dated 23/3/17</td> </tr> <tr> <td>Tunjuk Laut Estate</td> <td>Report ref: i)L1/1811/1491-1500 dated 23/11/18</td> <td>Report ref: SI/1910/0341-0344 dated 30/9/19</td> </tr> </tbody> </table>	Estates	Foliar analysis (yearly)	Soil Sampling (5 yearly)	Pasir Panjang Estate	Report ref:L1/1902/PP/0055-0064 dated 13/2/19	Report ref: SI/1703/0021-0024 dated 23/3/17	Tunjuk Laut Estate	Report ref: i)L1/1811/1491-1500 dated 23/11/18	Report ref: SI/1910/0341-0344 dated 30/9/19	Complied
Estates	Foliar analysis (yearly)	Soil Sampling (5 yearly)										
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Criterion / Indicator		Assessment Findings				Compliance
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 -	POME and composting were applied as per agricultural manual: 1. D05: EFB Utilization at rate 50mt/ha. 2. D08: Bio-compost application at the rate of 7mt/ha or 50kg/palm on selected area.				Complied
		Estate	Amount	Type	Remark	
		Pasir Panjang estate	3,184.62 mt	Manual application (bio-compost)	Field P11-P14 (523.86 ha)	
		Tunjuk Laut estate	3,365.82 mt	Manual application (bio-compost)	Field P07, P08, P09, P13 and P14 (806.85 ha)	
<b>Criterion 4.3:</b> Practices minimise and control erosion and degradation of soils.						

<p>4.3.1</p>	<p>Maps of any fragile soils shall be available. - Major compliance -</p>	<p>Soil series map available for all sample estates visited. No other soil categorised as problematic or fragile soil at site. Soil series at Pasir Panjang as per below:</p> <table border="1" data-bbox="981 475 1854 922"> <thead> <tr> <th>No.</th> <th>Type of Soil</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr><td>1</td><td>Kompleks alluvium setempat</td><td>2.77</td></tr> <tr><td>2</td><td>Siri Batang Merbau</td><td>13.37</td></tr> <tr><td>3</td><td>Siri Batu Lapan</td><td>6.64</td></tr> <tr><td>4</td><td>Siri Pohoi</td><td>7.49</td></tr> <tr><td>5</td><td>Siri Rengam</td><td>4.51</td></tr> <tr><td>6</td><td>Siri Tai Tak</td><td>12.33</td></tr> <tr><td>7</td><td>Siri Tawar</td><td>9.03</td></tr> <tr><td>8</td><td>Siri Terap</td><td>12.08</td></tr> <tr><td>9</td><td>Tanah Curam</td><td>7.59</td></tr> <tr><td>10</td><td>Siri Serdang</td><td>3.18</td></tr> <tr><td>15</td><td>Siri Tepus</td><td>3.48</td></tr> <tr><td>16</td><td>Tanah Curam</td><td>4.84</td></tr> </tbody> </table> <p>Reference, Semi Detailed Soil Map (DOA) dated 2/9/18</p> <p>Tunjuk Laut Estate</p> <table border="1" data-bbox="981 1002 1854 1374"> <thead> <tr> <th>No.</th> <th>Type of Soil</th> <th>Percentage (%)</th> </tr> </thead> <tbody> <tr><td>1</td><td>Kompleks alluvium setempat</td><td>4.46</td></tr> <tr><td>2</td><td>Siri Batang Merbau</td><td>7.67</td></tr> <tr><td>3</td><td>Siri Binjai</td><td>3.82</td></tr> <tr><td>4</td><td>Siri Bungor</td><td>18.41.</td></tr> <tr><td>5</td><td>Siri Chat</td><td>2.71</td></tr> <tr><td>6</td><td>Siri Jabil</td><td>1.04</td></tr> <tr><td>7</td><td>Siri Kemuning</td><td>0.99</td></tr> <tr><td>8</td><td>Siri Lintang</td><td>7.59</td></tr> <tr><td>9</td><td>Siri Masai</td><td>0.67</td></tr> <tr><td>10</td><td>Siri Rengam</td><td>26.81</td></tr> </tbody> </table>	No.	Type of Soil	Percentage (%)	1	Kompleks alluvium setempat	2.77	2	Siri Batang Merbau	13.37	3	Siri Batu Lapan	6.64	4	Siri Pohoi	7.49	5	Siri Rengam	4.51	6	Siri Tai Tak	12.33	7	Siri Tawar	9.03	8	Siri Terap	12.08	9	Tanah Curam	7.59	10	Siri Serdang	3.18	15	Siri Tepus	3.48	16	Tanah Curam	4.84	No.	Type of Soil	Percentage (%)	1	Kompleks alluvium setempat	4.46	2	Siri Batang Merbau	7.67	3	Siri Binjai	3.82	4	Siri Bungor	18.41.	5	Siri Chat	2.71	6	Siri Jabil	1.04	7	Siri Kemuning	0.99	8	Siri Lintang	7.59	9	Siri Masai	0.67	10	Siri Rengam	26.81	<p>Complied</p>
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Criterion / Indicator		Assessment Findings			Compliance
		11	Siri Sabrang	2.74	
		12	Siri Tai Tak	19.58	
		13	Siri Tawar	1.73	
		14	Siri Tebok	1.25	
		Based on the above soil categories, no fragile or problematic soil within both visited estates			
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Sighted slope map (Slope Classification Map). 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 and others.			Complied
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	Estates has implemented annual road and bridges programme. Example of programme checked at Pasir Panjang and Tunjuk Laut estates shows the file road programme indicating road repairs and maintenance for the whole estate roads includes grading, compacting and to strengthen the road surface with crusher run.			Complied
4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates. Thus, this indicator is not applicable.			Complied
4.3.5	Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates. Thus, this indicator is not applicable.			Complied
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates. Thus, this indicator is not applicable.			Complied
<b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.					

Criterion / Indicator	Assessment Findings	Compliance
<p>4.4.1</p> <p>An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>Pasir Panjang Certification Unit has established and implement water management plan monitor water quality of outgoing waters to identify any adverse effect from the mill and estate activities. Refer plan dated 1 August 2019. The plan takes into account the efficient use of resources, ensure amongst other that the use of water did not impact on other users, avoid contamination of ground and surface water, and appropriate treatment of mill effluent. The sampling analysis has been conducted for both outgoing water and drinking water. Among implemented management plan for 2019 :</p> <p>i)To monitor water pollution  Upstream and downstream river water analysis – once in every license period as per mill’s compliance schedule requirement, clause 3.17 (license no. 004649). Monitoring of <i>Anak Sungai Pasir Panjang</i> was done on 7/10/19, refer to report no. WI/1910/1335-1337 dated 16/10/19. All parameters tested are within the standard as per Compliance Schedule.</p> <p>ii) Drinking water analysis  Domestic water analysis was carried out on 6-monthly basis as per SPAN requirement. Latest water analysis result, ref: LW/449/19 dated 10/6/19 was sighted. Based on the result, parameter for drinking water comply with National Drinking Water Quality Standard (DWQS).</p> <p>The mill has maintained monitoring records of water usage which recorded every day and summarised on monthly basis including the monitoring of rainfall water, which has been an alternative source of water as mitigation plan during draught season.</p>	<p>Complied</p>

<p>4.4.2</p>	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -</p>	<p>Based on the company's Agricultural Manual (Section A: Replanting, A17- Protection of Natural Water Courses, Updated on 1/7/2013), established river buffer zones as per MPOB's guideline: i) River width &gt; 40m; river buffer = 50m ii) River width 20 - 40m; river buffer = 40m iii) River width 10 -20m; river buffer = 20m iv) River width 5 - 10m; river buffer = 10m v) River width &lt; 5m; river buffer = 5m</p> <p>Buffer zones had been maintained on both sides of rivers/streams in the estates as verified during on-site field inspection. There was no evidence of spraying around palms marked as boundary for the buffer zones. There was also no construction of bunds/ weirs/dams across the main rivers or waterways passing through the estates.</p> <p>All the estates assessed has prepared map showing riparian buffer zones and demarcated the areas prior to replanting for all the estates. Field inspection confirmed that the buffer zone beside the stream has been demarcated clearly and maintained. River water analysis was carried out to check ensure protection of water course within estates.</p> <p><u>Pasir Panjang Estate</u> Water analysis was carried out at incoming point (P15, WI-1294) and outgoing point (P18, WI-1293) on monthly basis. 2 parameters tested were Phosphate and Nitrate Nitrogen. All parameter tested were in compliance with National Water Quality Standard, Class III. Refer to latest test report, dated 2/10/19; WI/1910/1293-1294, sampling date 22/9/19.</p> <p><u>Tunjuk Laut Estate</u> Water analysis was carried out at incoming point (P15, WI-1294) and outgoing point (P18, WI-1293) on monthly basis. 2 parameters tested were Phosphate and Nitrate Nitrogen. All parameter tested were in compliance</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance								
		with National Water Quality Standard, Class III. Refer to latest test report, dated 26/9/19; WI/1909/1267-1270, sampling date 9/9/19									
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	<p>Treatment of mill effluent carried out as per DOE license requirements with regular monitoring of discharge quality on Biochemical Oxygen Demand (BOD) is monitored. Results of BOD monitoring as per stipulated frequency was in compliance as follows:</p> <p>i)Monthly analysis by UTCL laboratory</p> <table border="1"> <thead> <tr> <th>Date of analysis</th> <th>7/7/19</th> <th>5/8/19</th> <th>10/9/19</th> </tr> </thead> <tbody> <tr> <td>BOD<sub>3</sub> (mg/L)</td> <td>318</td> <td>225</td> <td>373</td> </tr> </tbody> </table> <p>Quarterly return via Online Environmental Reporting (OER) and monthly effluent analysis. Latest quarter, July – September 2019, submitted on 10/10/2019. 1<sup>st</sup> (7/7/2019), 5<sup>th</sup> (5/9/2019) and 9<sup>th</sup> (10/9/2019) week analysis results were submitted no off-limit parameter recorded except for BOD<sub>3</sub> limit.</p> <p>The new BOD<sub>3</sub> limit is 100 mg/l and PPPOM is currently on contravene of license approved by DOE, ref: AS (B) J31/152/000/007 Jilid (17) dated 24/9/19. Extension is allowed from 1<sup>st</sup> July 2019 to 31<sup>st</sup> December 2019 and BOD<sub>3</sub> limit is 1000 mg/l.</p>	Date of analysis	7/7/19	5/8/19	10/9/19	BOD <sub>3</sub> (mg/L)	318	225	373	Complied
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Criterion / Indicator		Assessment Findings	Compliance						
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	<p>Pasir Panjang POM monitored its water consumption on monthly basis for the source of water supply for its mill process usage. Summary of water consumption as per below:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water consumption ratio</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>1.57 m3/mt</td> </tr> <tr> <td>2019 (to date October)</td> <td>1.19 m3/mt</td> </tr> </tbody> </table>	Year	Water consumption ratio	2018	1.57 m3/mt	2019 (to date October)	1.19 m3/mt	Complied
Year	Water consumption ratio								
2018	1.57 m3/mt								
2019 (to date October)	1.19 m3/mt								
<p><b>Criterion 4.5:</b> 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 -	<p>IPM Plan includes the planting of beneficial plants and control of damage by rodents and leaf eating pest. Beneficial plants such as Turnera subulata and Cassia cobanensis are grown in the estates and their records of planting in new areas and maintenance of existing areas of beneficial plants and location maps are available. Rat damage and leaf-eating pest census was regularly carried out to obtain information about threshold level and action to be taken there after. The records of census and rat baiting were available for verification.</p> <p>Barn owl census conducted showed that it is inhabited. Additional owl boxes had been added, ratio ranging from 1:50 ha from one block to another. Inspection at one random barn owl box showed that it is inhabited with bones and bird droppings sighted on the ground at the foot of the barn owl box pole. For example, occupancy rate recorded at 46.15% based on BOB census at Pasir Panjang Estate on 20/8/19.</p> <p>Work programme for rat baiting available for 2019. Summary of rat baiting programme and census results as per the following:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>No. of round/programme</th> <th>Acceptance limit</th> </tr> </thead> <tbody> <tr> <td>Pasir Panjang</td> <td>3</td> <td>&lt;30% (average: 28.87%)</td> </tr> </tbody> </table>	Estate	No. of round/programme	Acceptance limit	Pasir Panjang	3	<30% (average: 28.87%)	Complied
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Pasir Panjang	3	<30% (average: 28.87%)							

Criterion / Indicator		Assessment Findings	Compliance									
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	<p>Training for those involved with IPM implementation was conducted accordingly. It included the use of beneficial plant and barn owl. The trainings were conducted by Asst. Manager for sprayers, mandores and field supervisors. Training records for staff and workers on IPM implementation were available and verified to be satisfactory during on-site assessment. Summary of IPM training as per below:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Training/ date of training</th> <th>Trainer</th> </tr> </thead> <tbody> <tr> <td>Pasir Panjang Estate</td> <td>IPM (beneficial plant) Training date: 29/4/19</td> <td>Estate assistant</td> </tr> <tr> <td>Tunjuk Laut Estate</td> <td>Bagworm census Training date: 22/1/19</td> <td>Estate assistant</td> </tr> </tbody> </table>	Estate	Training/ date of training	Trainer	Pasir Panjang Estate	IPM (beneficial plant) Training date: 29/4/19	Estate assistant	Tunjuk Laut Estate	Bagworm census Training date: 22/1/19	Estate assistant	Complied
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<b>Criterion 4.6:</b>												
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, H01: Justification of Chemical Use effective 03/10/2019. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.	Complied									

<p>4.6.2</p>	<p>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 -</p>	<p>Pesticides used (including active ingredients used and area treated, amount of active ingredients applied per ha and number of applications) was monitored and recorded. It was last updated on October 2019. Based on the records, the major pesticides used was glyphosate.</p> <p><b>Pasir Panjang Estate</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Active ingredients</th> <th colspan="4">a.i/ha (kg/ha)</th> </tr> <tr> <th colspan="2">2018</th> <th colspan="2">2019</th> </tr> </thead> <tbody> <tr> <td><b>Mature Area, ha</b></td> <td>695.28</td> <td></td> <td>907</td> <td></td> </tr> <tr> <td><b>Immature Area, ha</b></td> <td></td> <td>753.13</td> <td></td> <td>541.41</td> </tr> <tr> <td><b>Supersafe 41</b> - Glyphosate Isopropylammonium salt (Glyphosate acid 30.5%) (LD<sub>50</sub> rat 5000 mg/kg)</td> <td>2.33 2rnd/yr</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td><b>Ranger</b> Triclopyr butoxy ethylester 32.1% (2-butoxyethyl 3,5,6-trichloro-2-pyridyloxyacetate (LD<sub>50</sub> rat 5000 mg/kg)</td> <td>0.48 2rnd/yr</td> <td>-</td> <td>0.23 2rnd/yr</td> <td>-</td> </tr> <tr> <td><b>Blocus Beta</b> Beta-Cyfluthrin 2.91%, /solvent Naphtha &gt;25%, Dodecyl benzene sulphonate, calcium salt &gt;1-&lt;5%, (LD<sub>50</sub> rat 2000 mg/kg)</td> <td>-</td> <td>-</td> <td>-</td> <td>0.61 2rnd/yr</td> </tr> <tr> <td><b>Storm</b> Flocumafen 0.005% w/w (LD<sub>50</sub> rat 5000 mg/kg)</td> <td>-</td> <td>-</td> <td>1.55 2rnd/yr</td> <td>-</td> </tr> <tr> <td><b>Garlon Mix</b> - Triclopyr butoxyethyl ester 29.8%, Aminopyralid Potassium 1.6%,</td> <td>-</td> <td>0.09 6rnd/yr</td> <td>0.06 6rnd/yr</td> <td>-</td> </tr> </tbody> </table>	Active ingredients	a.i/ha (kg/ha)				2018		2019		<b>Mature Area, ha</b>	695.28		907		<b>Immature Area, ha</b>		753.13		541.41	<b>Supersafe 41</b> - Glyphosate Isopropylammonium salt (Glyphosate acid 30.5%) (LD <sub>50</sub> rat 5000 mg/kg)	2.33 2rnd/yr	-	-	-	<b>Ranger</b> Triclopyr butoxy ethylester 32.1% (2-butoxyethyl 3,5,6-trichloro-2-pyridyloxyacetate (LD <sub>50</sub> rat 5000 mg/kg)	0.48 2rnd/yr	-	0.23 2rnd/yr	-	<b>Blocus Beta</b> Beta-Cyfluthrin 2.91%, /solvent Naphtha >25%, Dodecyl benzene sulphonate, calcium salt >1-<5%, (LD <sub>50</sub> rat 2000 mg/kg)	-	-	-	0.61 2rnd/yr	<b>Storm</b> Flocumafen 0.005% w/w (LD <sub>50</sub> rat 5000 mg/kg)	-	-	1.55 2rnd/yr	-	<b>Garlon Mix</b> - Triclopyr butoxyethyl ester 29.8%, Aminopyralid Potassium 1.6%,	-	0.09 6rnd/yr	0.06 6rnd/yr	-	<p>Complied</p>
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	Propylene glycol 4.4.% (LD <sub>50</sub> rat 2500 mg/kg)				
	<b>Kenlly 20</b> WG, Metsulfuron methyl 20% 2-(2-methyl-6-metil-1,3,5-triazin-2-yl carbomyl sulfamyl) benzoic acid, (LD <sub>50</sub> rat 2000 mg/kg)				0.92 weekly
	<b>TOTAL</b>	<b>2.81</b>	<b>0.09</b>	<b>1.84</b>	<b>1.53</b>
	<b>Tunjuk Laut Estate</b>				
	<b>Active ingredients</b>	a.i/ha (kg/ha)			
		<b>2018</b>		<b>2019</b>	
	<b>Mature Area, ha</b>	1944.94		1944.94	
	<b>Immature Area, ha</b>		703.85		703.85
	<b>Ken Glyphosate1</b> - Glyphosate Isopropylamine 41%) (LD <sub>50</sub> rat 5000 mg/kg)	1.42	142	0.20	0.20
	<b>Foxil/Ranger</b> Triclopyr butaxy ethylester 32.1% (2- butoxyethyl 3,5,6-trichloro-2-pyridyloxyacetate (LD <sub>50</sub> rat 5000 mg/kg)	0.41	0.41	0.49	0.49
	<b>Ancom 2,4 D Amine</b> Dimethylamine salt 60%	0.00	00.00	0.02	0.02-
	<b>Miracle S240</b> , Polyether trisiloxane 75%	0.05	0.05	0.01	0.01
	<b>Krotopos</b> , Monocrotophos 55%	0.05	0.05	0.03	0.03

Criterion / Indicator		Assessment Findings				Compliance	
		<b>Blocus Beta</b> , Beta-Cyfluthrin 2.91%, /solvent Naphtha >25%, Dodecyl benzene sulphona, calcium salt >1- <5%, (LD <sub>50</sub> rat 2000 mg/kg)	0.00	0.00	0.00	0.00	
		<b>Storm</b> , Flocumafen 0.005% w/w (LD <sub>50</sub> rat 5000 mg/kg)	0.00	0.00	0.00	0.00	
		<b>Altacor</b> , 3-Bromo-N-[4-chloro-2-methyl-6-[(methylamino)carbonyl]phenyl]-1-(3-chloro-2-pyridinyl)-1H-pyrazole-5-carboxamide, 35%	0.00	0.00	0.00	0.00	
		<b>TOTAL</b>	<b>1.99</b>	<b>1.99</b>	<b>0.82</b>	<b>0.82</b>	
4.6.3	<p>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.</p> <p>- Major compliance -</p>	<p>The quantity of pesticides required for various field conditions are documented and justified in Kulim’s Agriculture Manual, and are applied in accordance with Section J01: Integrated Pest Management. The implementation in the field is consistent with the manual. There is no prophylactic use of pesticides.</p> <p>Detailed procedures in implementing an IPM are explained under each pest and strategies. Where use of chemicals are involved as control measures the Agricultural Manual recommends precise targeting, that is:</p> <ul style="list-style-type: none"> <li>• Use target specific method, e.g. Trunk injection – Bagworm, targeted spray onto spear and bowl – Oryctes.</li> <li>• Use of most cost-effective chemical to ensure minimum round of application.</li> <li>• Chemical control recommended for oil palm and diseases as in Table H01-6.</li> </ul>					Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</p> <p>- Minor compliance -</p>	<p>Kulim (M) Bhd has eliminated the use paraquat since February 2015. Alternatives such as Glyphosate were used instead. Chemicals stores visit found no Paraquat agrochemical nor used paraquat container was present.</p> <p>Sighting of the current Pesticides Master List showed that only class II, III &amp; IV chemicals were used at the estates. Chemicals categorized as World Health Organization (WHO) type 1A or 1B or listed by the Stockholm or Rotterdam Conventions was not used. This is made evidence through the store issues, interviews of staff, sprayers and the procedures provided in the SOP.</p> <p>The implementation in the field is consistent with the SOP.</p>	<p>Complied</p>
<p>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).</p> <p>- Major compliance -</p>	<p>Pesticides were handled, used or applied by trained workers in accordance with the product label. In addition to the product label, Chemical Safety Data Sheets were used and explained to the participants. All precautions attached to the products and application equipment used were again reminded during muster call. Please refer to Indicator 4.8.2 for training dates.</p> <p>Agrochemical Sprayers, Pre-Mixer and Mandore’s understanding on precautions attached to the products and the wearing of required PPE were checked in the field by the auditor. They were found understood during the interview and further confirmed by observing when they work.</p>	<p>Complied</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>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 -</p>	<p>At visited estates the storage of pesticides was in accordance with recognized best practices. They were stored in accordance to the Occupational Safety and Health Act 1994 (Act 514), OHS CLASS 2013 Regulations and Pesticides Act 1974 (Act 149) and Regulations.</p> <p>Their chemical stores were inspected and it was noted that they all comply with the relevant act as well as best practice.</p> <ul style="list-style-type: none"> <li>• All stores were secured under lock and key with restricted access.</li> <li>• Provision of ventilation fan.</li> <li>• Display of Safety Pictorial poster, namely the required PPE and chemical Safety hazards pictogram.</li> <li>• Pesticides were separated by class.</li> <li>• Daily balance of remaining solution after completing pre-mixing were kept in the store under lock and key.</li> <li>• Concrete cemented floor, bund wall and provision of sump pond.</li> <li>• Store keeper was trained in the handling of all pesticides.</li> <li>• SDS leaflets were available at all pesticide stores.</li> </ul> <p>Some 20-liter HDPE agrochemical containers were recycled for premix use by Sprayers to carry the solution to field.</p> <p>On the other hand, unused empty chemical containers were triple rinsed, pierced 3 holes at the bottom and stored for disposal in accordance with legal requirements and Ministry of Agriculture Guidelines.</p>	<p>Complied</p>
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts.                      - Minor compliance -</p>	<p>The quantity of agrochemicals required for various field conditions were documented and justified in the Agriculture Manual, Section I: Weeds Management. The implementation in the field is consistent with the Agriculture Manual. For weeding activities, knapsack spray pump and low volume CDA spray were used for selective and circle spraying</p>	<p>Complied</p>



Criterion / Indicator		Assessment Findings	Compliance
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	There was no aerial spraying sighted at both Pasir Panjang and Tunjuk Laut 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 was no purchase of FFB from smallholders and therefore there was no pesticide handling training for them. Employees demonstrate knowledge and skills on pesticide handling. SDS was seen displayed in local Bahasa Malaysia and English language at the agrochemical store for each chemical stored. The SDS including appropriate PPE to be worn and occurrence of chemicals spill, if any, was used during training in addition to the Work Instruction on safe handling for easy understanding by the agrochemical handlers, that is, storekeeper, chemical mixer and sprayers.	Complied

Criterion / Indicator	Assessment Findings	Compliance
4.6.10	<p>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 -</p> <p>Proper disposal of waste material were carried out as per the company Work Instruction from SPO team (CF 4.1 – SW and non-SW), dated 15 May 2007. The Work Instruction were fully understood by workers and managers as found during interview.</p> <p>Those workers interviewed also revealed that they were aware of the zero burning policy including domestic waste are not allowed to be burned. Management dispose waste material as per regulation for schedule waste and domestic waste.</p> <p>The Assistant Mill Manager (Process) and assigned Executive from office of Regional Controller are responsible to oversee and guide the Mill and Estate (Store) PIC on Waste handling to follow established procedures, namely:</p> <ul style="list-style-type: none"> <li>a) Scheduled Waste Management Guidelines, dated January 2016.</li> <li>b) Non- Scheduled Waste Management Guidelines, dated 15 May 2017.</li> <li>c) Desilting of Pond Management Guidelines, January 2016.</li> </ul> <p>Empty pesticides container were triple-rinsed by estates prior to disposal via G-Planter Sdn Bhd while all Scheduled Wastes were dispose through DOE Approved contractor, Kualiti Alam Sdn Bhd.</p>	Complied

4.6.11	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.                  - Major compliance -</p>	<p>Sampled annual medical surveillance had been conducted for 16 workers on 14.7.2019 by DOSH Registered Occupational Health Doctor, Reg. No. OHD : HQ/11/DOC/00/235 via KSTS at the CU as follows:</p> <table border="1" data-bbox="978 491 1861 754"> <thead> <tr> <th>Estates</th> <th>Date</th> <th>Workers examined</th> <th>Results</th> </tr> </thead> <tbody> <tr> <td>Pasir Panjang POM</td> <td>14.7.2019</td> <td>4 Fireman 2 WTP Operator 3 Workshop 2 Storekeeper 5 Laboratory</td> <td>All fit to work</td> </tr> <tr> <td colspan="2"><b>TOTAL</b></td> <td><b>16</b></td> <td></td> </tr> </tbody> </table> <table border="1" data-bbox="978 804 1861 1067"> <tbody> <tr> <td>Pasir Panjang Estate</td> <td>14.7.2019</td> <td>22 Sprayer 1 Fertilizer Applicator 1 Fogger</td> <td>23 FIT 1 Sprayer Unfit Given job replacement as Assistant Bunch Counter. Sent to Klinik Moiz, Kota Tinggi for retest on 7.11.2019. Awaiting result.</td> </tr> </tbody> </table> <table border="1" data-bbox="978 1069 1861 1332"> <tbody> <tr> <td>Tunjuk Laut Estate</td> <td>28.7.2019</td> <td>14 Sprayers 6 Fertilizer Applicator 1 Fogger 1 Workshop Apprentice 1 Tractor Driver 1 Gardener</td> <td>All fit to work</td> </tr> <tr> <td colspan="2"><b>TOTAL</b></td> <td><b>24</b></td> <td></td> </tr> </tbody> </table>	Estates	Date	Workers examined	Results	Pasir Panjang POM	14.7.2019	4 Fireman 2 WTP Operator 3 Workshop 2 Storekeeper 5 Laboratory	All fit to work	<b>TOTAL</b>		<b>16</b>		Pasir Panjang Estate	14.7.2019	22 Sprayer 1 Fertilizer Applicator 1 Fogger	23 FIT 1 Sprayer Unfit Given job replacement as Assistant Bunch Counter. Sent to Klinik Moiz, Kota Tinggi for retest on 7.11.2019. Awaiting result.	Tunjuk Laut Estate	28.7.2019	14 Sprayers 6 Fertilizer Applicator 1 Fogger 1 Workshop Apprentice 1 Tractor Driver 1 Gardener	All fit to work	<b>TOTAL</b>		<b>24</b>		Complied
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Criterion / Indicator	Assessment Findings	Compliance
	<p>The result of the Medical Examinations showed all workers were fit to work except for one at Pasir Panjang Estate as mentioned above. All test results were communicated accordingly to them.</p>	

Criterion / Indicator		Assessment Findings	Compliance
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	Pregnant and breast-feeding women are strictly not allowed to work with pesticides.  Noted, there was one female sprayer, age 54 years old at Pasir Panjang and there was none at Tunjuk Laut Estate. Verified that the female worker was checked for health screening test by the on-site Medical Advisor. All results showed negative findings.	Complied
<b>Criterion 4.7:</b> An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			

<p>4.7.1</p>	<p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored. - Major compliance -</p>	<p>An Occupational Safety, Health and Hygiene Policy dated 01/05/2018 has been established and signed by Executive Director of Kulim (M) Berhad, Tn. Hj. Zulkifly B Zakariah. It is available in Bahasa Malaysia and English language. The policy has been communicated to all employees through briefings and hardcopy of policies were seen displayed at the estates notice boards.</p> <p>Among the commitments contain in the policy are:</p> <ul style="list-style-type: none"> <li>i) Comply to all national laws and regulations.</li> <li>ii) Assess all health and safety risks to work activities.</li> <li>iii) Conduct regular inspection at workers houses.</li> <li>iv) Investigate and find causes of accidents and take appropriate measures to prevent recurrence.</li> <li>v) Prepare emergency procedures for foreseeable major accidents/incidents.</li> </ul> <p>At the mill, the OSH Management Plan was prepared by:</p> <p>a) Mill Assistant Manager, dated 22.10.2019 Among others, it included:</p> <ul style="list-style-type: none"> <li>o Medical Surveillance</li> <li>o Chemical Exposure Monitoring</li> <li>o Biological Test</li> <li>o Safety training</li> <li>o CHRA</li> <li>o HIRARC</li> <li>o OSH Meeting</li> <li>o Osh Campaign</li> </ul> <p>b) Kulim Safety Training Services, dated 17.1.2019 Among others, it included:</p> <ul style="list-style-type: none"> <li>o OSH Mini conference</li> <li>o Medical Surveillance</li> </ul>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance								
		<ul style="list-style-type: none"> <li>○ Annual Audiometric test</li> <li>○ Chemical Exposure Monitoring</li> <li>○ First Aid and CPR Training</li> <li>○ Awareness on Scaffolding and Erection</li> <li>○ ERP for Confine Space</li> </ul>									
4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>Kulim (Malaysia) Berhad had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRADC) records, as well as CHRA reports were verified during the assessment.</p> <p>At Pasir Panjang POM HIRARC was last reviewed on 24.7.2019. It included all mill activities and those of Compost Plant. Likewise, at Pasir Panjang and Tunjuk Laut estates the coverage of HIRARC covers all plantation activities from nursery to replanting. HIRARC Register at Pasir Panjang and Tunjuk Laut were reviewed on 19.7.2019 and 7.8.2019 respectively.</p> <p>All precautions attached to products were properly observed by conducting CHRA at all work station/area involving workers at mill and estates. The CHRA were conducted by Competent assessor, DOSH Registration no. JKPP HQ/03/ASS/00/154-2018/045 from QMSPRO as follows:</p> <table border="1"> <thead> <tr> <th>Operating Unit</th> <th>Date assessed</th> </tr> </thead> <tbody> <tr> <td>Pasir Panjang POM</td> <td>23.4.2019 -18.8.2019</td> </tr> <tr> <td>Pasir Panjang Estate</td> <td>23.4.2019 -18.8.2019</td> </tr> <tr> <td>Tunjuk Laut Estate</td> <td>23.4.2019 -18.8.2019</td> </tr> </tbody> </table>	Operating Unit	Date assessed	Pasir Panjang POM	23.4.2019 -18.8.2019	Pasir Panjang Estate	23.4.2019 -18.8.2019	Tunjuk Laut Estate	23.4.2019 -18.8.2019	Complied
Operating Unit	Date assessed										
Pasir Panjang POM	23.4.2019 -18.8.2019										
Pasir Panjang Estate	23.4.2019 -18.8.2019										
Tunjuk Laut Estate	23.4.2019 -18.8.2019										

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.3</p>	<p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p> <p>During field assessment, Sprayers and Harvesters were able to inform the auditor about the fundamental of safety, the reason to work safely, the need to follow safe work practices and the consequence of deviation from procedures. For example, sprayers understood not to spray upwind as the spray drift could be blown to their body, face and work clothings and if these parts of the body were exposed to the drift mist they could be harmful to them. On long-term they informed they could get sick. It is, they said, not only to spray follow downwind but also the need to wear the PPE properly.</p> <p>Likewise, the Storekeeper, Foreman, Fireman, Boilerman and Engine Driver at the mill was asked the danger of his work or workers under his supervision:</p> <ul style="list-style-type: none"> <li>• Storekeeper when transferring lubricant oil from incoming 200-liter drum to stationary dispensed drum</li> <li>• Foreman – the use of circular grinder and when to change the disc.</li> <li>• Fireman – hazard present during operation of boiler</li> <li>• Boilerman – the need to use appropriate PPE</li> <li>• Genset Engine Driver – fire. The surrounding area is a No Smoking and No naked flame area, and he has to ensure no people smoke or hot work is conducted nearby. This is due to the combustible nature of diesel.</li> <li>• Proper PPE are required for the operation that is, dress code - uniform (long sleeve shirt and long pants), cotton gloves, goggles, face mask, hard hat and safety shoes.</li> </ul> <p>All workers at the mill and estates have been found trained to read safety signs and safe working practices including SOP for donning PPE related to their job function. See Criteria 4.8 for sample of training given.</p>	<p>Complied</p>



<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>The respective Mill and Estate Manager appoint their Assistant Manager, as the person in charge of safety. The PIC role covers areas of responsibilities on safety, health and welfare of the staff/workers. The Mill and Estates Managers in turn are appointed as the Chairman for the S&amp;H committee. His duties among others is to preside the S&amp;H meetings, discharge the General Duties of Employers and make decision arising out of issues discussed for improvement to Safety, Health, Welfare and the Environment. Members of the committee comprised of equal representatives from Management and Workers covering key work station or areas.</p> <p>The committee met quarterly as tabulated below. Viewing the minutes of meeting, issues discussed include employees' safety, health and welfare, accident statistic, workplace inspection and action taken from previous workplace inspection report, legal compliance, safety and health training, etc.</p> <p>The minutes of meeting were sighted and verified. The dates of meetings held are recorded below.</p> <table border="1" data-bbox="981 975 1688 1356"> <thead> <tr> <th colspan="4">Pasir Panjang Palm Oil Mill</th> </tr> </thead> <tbody> <tr> <td>Meeting No. 1</td> <td>25.12.2019</td> <td>Meeting No 3</td> <td>30.6.2019</td> </tr> <tr> <td>Meeting No 2</td> <td>21.3.2019</td> <td>Meeting No 4</td> <td>29.9.2019</td> </tr> <tr> <th colspan="4">Pasir Panjang Estate</th> </tr> <tr> <td>Meeting No. 1</td> <td>21.12.2018</td> <td>Meeting No 3</td> <td>10.06.2019</td> </tr> <tr> <td>Meeting No 2</td> <td>10.03.2019</td> <td>Meeting No 4</td> <td>22.09.2019</td> </tr> <tr> <th colspan="4">Tunjuk Laut Estate</th> </tr> </tbody> </table>	Pasir Panjang Palm Oil Mill				Meeting No. 1	25.12.2019	Meeting No 3	30.6.2019	Meeting No 2	21.3.2019	Meeting No 4	29.9.2019	Pasir Panjang Estate				Meeting No. 1	21.12.2018	Meeting No 3	10.06.2019	Meeting No 2	10.03.2019	Meeting No 4	22.09.2019	Tunjuk Laut Estate				<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance
		Meeting No. 1	27.12.2018	Meeting No 3	10.07.2019	
		Meeting No 2	18.04.2019	Meeting No 4	18.09.2019	

<p>4.7.5</p>	<p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -</p>	<p>The certification unit continued to use the established Accident and Emergency Preparedness and Response Procedure, dated 1/02/2019. The procedure including accident reporting (notification) has been communicated to employees, contractors and visitors. Interviews with employees showed that they know who to contact during emergency. Emergency contact number were seen available at notice board of offices visited and also verified during interviews made known to employees at the POM and those working in the field.</p> <p>List of credible emergency scenarios foreseeable to occur at the mill and estates documented are as follows:</p> <ul style="list-style-type: none"> <li>i) Fire</li> <li>ii) Flood</li> <li>iii) Gas leak at Biogas plant</li> <li>iv) ETP leak</li> <li>v) Diesel, chemical, Scheduled Waste and CPO Spillage</li> <li>vi) Accident/Incident involving human</li> </ul> <table border="1" data-bbox="981 944 1836 1177"> <thead> <tr> <th>Site</th> <th>Drill date</th> <th>Evacuation time, mins</th> <th>Type of drill</th> </tr> </thead> <tbody> <tr> <td>PPPOM</td> <td>1.4.2019</td> <td>2.5</td> <td rowspan="3">Building evacuation, Fire drill and use of Fire Extinguisher</td> </tr> <tr> <td>Pasir Panjang Estate</td> <td>23.6.2019</td> <td>3</td> </tr> <tr> <td>Tunjuk Laut Estate</td> <td>12.9.2019</td> <td>5</td> </tr> </tbody> </table> <p>First aid box was sighted present at various places in the mill and with each mandore in the field. Assigned operatives were trained in First Aid.</p> <p>Please refer to 4indicator 4.8.2 for First Aid training conducted. Records (forms JKPP 6, JKPP 7 and JKPP 8) of all accidents are kept and periodically</p>	Site	Drill date	Evacuation time, mins	Type of drill	PPPOM	1.4.2019	2.5	Building evacuation, Fire drill and use of Fire Extinguisher	Pasir Panjang Estate	23.6.2019	3	Tunjuk Laut Estate	12.9.2019	5	<p>Minor nonconformance</p>
Site	Drill date	Evacuation time, mins	Type of drill														
PPPOM	1.4.2019	2.5	Building evacuation, Fire drill and use of Fire Extinguisher														
Pasir Panjang Estate	23.6.2019	3															
Tunjuk Laut Estate	12.9.2019	5															

Criterion / Indicator	Assessment Findings	Compliance
	<p>reviewed. For annual accident statistic, JKPP 8 form for preceding year was submitted to DOSH timely.</p> <p>Although the Accident and Emergency Procedure is available the accident procedures had not clearly identified nor updated and implemented accident investigations for LTI less than 5 days. Hence, a <b>minor non-conformance</b> was raised.</p>	

Criterion / Indicator		Assessment Findings				Compliance																									
4.7.6	All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	<p>All workers, local and foreign, were provided with medical care, and covered by SOCSO and accident insurance respectively. For local, Social Security contribution paid on month basis via form 8A, payment schedule. Verified payment for all workers as follows:</p> <table border="1"> <thead> <tr> <th>Operating unit</th> <th>No. workers covered</th> <th>Month contributed</th> <th>SOCSO receipt no. / MSIG Policy No.</th> </tr> </thead> <tbody> <tr> <td rowspan="2">PPPOM</td> <td>102</td> <td>October 2019</td> <td>201911050056603875</td> </tr> <tr> <td>3*</td> <td>23.11.2018 - 22.11.2019</td> <td><i>MSIG Policy No. JB-101033868-FWC</i></td> </tr> <tr> <td rowspan="2">Pasir Panjang Estate</td> <td>98</td> <td>October 2019</td> <td>201911050056602119</td> </tr> <tr> <td>5*</td> <td>08.12.2018 – 07.06.2020</td> <td><i>MSIG Policy No. JB-10134525-FIG</i></td> </tr> <tr> <td rowspan="2">Tunjuk Laut Estate</td> <td>186 38 (SIP)</td> <td>October</td> <td>201911050056623947 201911040056535005</td> </tr> <tr> <td>17</td> <td>4.11.2018 - 3.5.2020</td> <td><i>MSIG Policy No. JB-10105594-FWC</i></td> </tr> </tbody> </table> <p>*For foreign workers insurance they were covered under MSIG Insurance and will switched to SOCSO upon expiry of insurance coverage.</p>				Operating unit	No. workers covered	Month contributed	SOCSO receipt no. / MSIG Policy No.	PPPOM	102	October 2019	201911050056603875	3*	23.11.2018 - 22.11.2019	<i>MSIG Policy No. JB-101033868-FWC</i>	Pasir Panjang Estate	98	October 2019	201911050056602119	5*	08.12.2018 – 07.06.2020	<i>MSIG Policy No. JB-10134525-FIG</i>	Tunjuk Laut Estate	186 38 (SIP)	October	201911050056623947 201911040056535005	17	4.11.2018 - 3.5.2020	<i>MSIG Policy No. JB-10105594-FWC</i>	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 -	<p>All the injuries were recorded using the Total Accident/Incidents with and without lost days report. The statistics for 2019 year-to date is as follows:</p> <table border="1"> <thead> <tr> <th>Operating sites</th> <th>2018</th> <th>YTD 2019</th> </tr> </thead> <tbody> <tr> <td>Pasir Panjang POM</td> <td>0 case</td> <td>0 case</td> </tr> <tr> <td>Pasir Panjang Estate</td> <td>33 case, 145 LTI</td> <td>7 case, 11 LTI</td> </tr> <tr> <td>Tunjuk Laut Estate</td> <td>2 case, 19 LTI</td> <td>9 case 12 LTI</td> </tr> </tbody> </table> <p>*LTA/LTI is equivalent to lost mandays</p>	Operating sites	2018	YTD 2019	Pasir Panjang POM	0 case	0 case	Pasir Panjang Estate	33 case, 145 LTI	7 case, 11 LTI	Tunjuk Laut Estate	2 case, 19 LTI	9 case 12 LTI	Complied
Operating sites	2018	YTD 2019													
Pasir Panjang POM	0 case	0 case													
Pasir Panjang Estate	33 case, 145 LTI	7 case, 11 LTI													
Tunjuk Laut Estate	2 case, 19 LTI	9 case 12 LTI													
<p><b>Criterion 4.8:</b>            All staff, workers, smallholders and contract workers are appropriately trained.</p>															
4.8.1	A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	<p>Pasir Panjang CU maintained a list of staff and workers whom training must be provided to. A formal training programme is in place that covers all aspects of the RSPO P &amp; C and RSPO Supply Chain. The formal training program address:</p> <ul style="list-style-type: none"> <li>• Documentation of all the training assessment needs,</li> <li>• formal training conducted, and</li> <li>• the list of participants attending these formal training, and</li> <li>• continual improvement plan to comply with the needs of RSPO.</li> </ul> <p>Interview of staff and workers confirmed evidence of adequate and appropriate training on safe working practices provided to:</p> <ul style="list-style-type: none"> <li>- workers exposed to machinery and high noise levels,</li> <li>- workers working in confined space,</li> <li>- harvesters</li> <li>- pesticides operators</li> <li>- fertilizer applicators</li> </ul> <p>Records of evaluation to check the understanding of participants was also sighted maintained.</p>	Complied												

4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	<b>Pasir Panjang POM</b>				Complied	
		<b>No</b>	<b>Subject</b>	<b>Date</b>	<b>No. of Attendees</b>		
		1	MPOB - FFB Grading	19-21.3.2019	1		
		2	LOTO, PPE and Permit to Work	1.8.2019	All staff and workers		
		3	Hazard Identification, Risk Assessment and Risk Control	30.10.2019	1		
		4	POM Laboratory Control (MPOB)	15-24.10.2019	1		
		5	ERP Confine Space - BOMBA	29-31/10	4		
		6	RSPO & MSPO and Supply Chain Certification Standard	18.8.2019	2		
		7	Schedule Waste & Chemical Handling	31.10.2019	1		
		8	OSH 2019 Program – Awareness of Scaffolding Dismantle & Erection	15.9.2019	4		
		9	First Aid and CPR – by Estate HA by Kulim Safety Training Services	5.5.2019	17		
				4-6.11.2019	2		
		<b>Estates</b>					
		<b>No</b>	<b>Subject</b>	<b>Pasir Panjang Date (attendees)</b>	<b>Tunjuk Laut, Date (attendees)</b>		
1	Manuring – manual application and manure at buffer zone	16.4.2019 (7)	12.3.2019 (6)				
2	Harvesting	23.1.2019 (24)	18.3.2019 (16)				
3	Spraying – HCV / Buffer Zone area	21.4.2019 (4)	19.3.2019 (6) 4.11.2019 (6)				

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Criterion / Indicator		Assessment Findings				Compliance			
		4	Schedule Waste	21.6.2019 (18)	8.1.2019 (5)				
		5	Fertilizer Handling	16.4.2019 (4)	12.4.2019 (3) 12.9.2019 (4)				
		6	Chemical Handling	14.7.2019 (6)	8.1.2019 (10)				
		7	First Aid	5.5.2019 (17)	1.10.2019 (8)				
		8	Tractor / Lorry & MB Safe Driving	15.4.2019 (10)	25.4.2019 (10)				
		9	Safety Workshop at Works and Management	11.7.2019 (5)	12.4.2019 (5)				
		10	Safety work at chemical store	14.7.2019 (2)	18.7.2019 (2)				
		11	Safety work at Engine Room	14.7.2019 (2)	18.7.2019 (2)				
		12	Triple rising	18.4.2019 (6)	8.1.2019 (7)				
		13	PPE	1.3.2019 (8)	11.4.2019 (All)				
		14	Fogging	24.4.2019 (2)	8.10.2019 (2)				
		15	Rat Baiting	27.6.2019 (9)	3.2.2019 (6)				
		16	Briefing on RSPO, MSPO, OSH & ISO	1.3.2019 (71)	17.10.2019 (18)				
		17	Integrated Pest Management		15.2.2019 (6)				
		Records of training were kept in the training file. Records including date, subject and no of attendees for each unit are shown therein.							
		<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b>							
		<b>Criterion 5.1:</b>							
Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.									



Criterion / Indicator	Assessment Findings	Compliance
5.1.1	<p>An environmental impact assessment (EIA) shall be documented.            - Major compliance -</p> <p>The EIA for all of the activities in the mill is documented in Environmental Risk Assessment Form (Form No: EPA-PPPOM-2019). There are 22 activities listed in the Risk Assessment Register (Activity code # ER 001 to ER 022); Rev. 1 Sept 2019. The risk assessment was last reviewed on 10/9/2019. Among the activities assessed were Generating Power, Chemical Mixing Storage, Lab Operation, POME Treatment, Empty Bunch Press, Storage of Scheduled Wastes, Water Treatment, Bio-gas plant and Bio-compost plant. There were 3 new special projects identified in the environmental risk register for POME polishing plant, scrubber plant and biogas engine and sludge dewatering plant. Refer to register dated 10/9/19.</p> <p><u>Pasir Panjang Estate</u>            Environmental impact and risk assessment was last review on 30/9/19. No major changes recorded in the register. Total 14 activity code from (ER01-ER014) covering all operational and non-operational activities in the estate.</p> <p><u>Tunjuk Laut Estate</u>            Environmental impact and risk assessment was last review on 30/8/19. No major changes recorded in the register. Total 14 activity code from (ER01-ER014) covering all operational and non-operational activities in the estate</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
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>Environmental Improvement Plan (EMP) dated 31/1/19 was established in line with company’s continual improvement plan. For environment, 2 specific objectives set as per the following:</p> <p>i) Reduce diesel usage by 50% using gas engine            Gantt chart for the installation of the biogas engine starting with installation of bio-scrubber was verified. Bio-scrubber and gas engine installation completed in October 2019. The biogas engine is targeted to be fully operational in December 2019.</p> <p>ii) Reduce current BOD ranging from 200-400 mg/l to 100 mg/l as per mill’ compliance schedule.            Installation tertiary treatment plant using polishing plant to further reduce the BOD of final discharge.            In commissioning phase – bacteria/enzyme seeding and fully operational by January 2020</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>Reporting for POME results and in line with mil's compliance schedule requirements. New Guided Self-Regulation was introduced by DOE to ensure all operator self-assessed the compliance status on environmental related issues. The approach is based on 7 Environmental Monitoring Tools (EMT) and implemented since June 2016. New establishment of EPMC @ Environmental Performance Monitoring Committee (operation level – mill) and ERCMC @ Environmental Regulatory Compliance Monitoring Committee (HQ level) shows the commitment towards continuous compliance. EPMC meeting minutes (08/2019) dated 11/9/19 was sighted. No environmental non-compliance reported in the last review period.</p> <p>Other monitoring protocol is based on mill's compliance schedule for all environmental receptors associated with mill operation.</p> <p>i) Nuisance – Noise boundary monitoring Q1 (29/4/2019): 8 boundary points selected for monitoring. All monitored point in within the allowable limit of 65 dBA (day) and 55 dBA (night)</p> <p>ii) Ambient air and air emission Ambient Air (quarterly) Total Suspended Particulate, TSP (limit 24hr: 120 ug/m3 as per Malaysian Recommended Air Quality Guidelines). 2 monitoring points were selected Date of monitoring 12-14<sup>th</sup> June 2019</p> <table border="1" data-bbox="981 1074 1868 1177"> <thead> <tr> <th>Monitoring points</th> <th>Result (ug/m3)</th> <th>Standard (ug/m3)</th> </tr> </thead> <tbody> <tr> <td>A1</td> <td>38</td> <td>120</td> </tr> <tr> <td>A2</td> <td>41</td> <td>120</td> </tr> </tbody> </table> <p>Date of monitoring 22<sup>nd</sup> - 24<sup>th</sup> September 2019</p> <table border="1" data-bbox="981 1241 1868 1342"> <thead> <tr> <th>Monitoring points</th> <th>Result (ug/m3)</th> <th>Standard (ug/m3)</th> </tr> </thead> <tbody> <tr> <td>A1</td> <td>49</td> <td>120</td> </tr> <tr> <td>A2</td> <td>42</td> <td>120</td> </tr> </tbody> </table>	Monitoring points	Result (ug/m3)	Standard (ug/m3)	A1	38	120	A2	41	120	Monitoring points	Result (ug/m3)	Standard (ug/m3)	A1	49	120	A2	42	120	<p>Complied</p>
Monitoring points	Result (ug/m3)	Standard (ug/m3)																			
A1	38	120																			
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A2	42	120																			

Criterion / Indicator		Assessment Findings	Compliance
		In conclusion, ambient air monitoring complied with the limits of interim target 2 (2018) of the New Ambient Air Quality Standard	
<b>Criterion 5.2:</b> The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.			
5.2.1	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 -	The biodiversity assessment was conducted by A.J.F.M Dekker. 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; <ul style="list-style-type: none"> <li>h) General biodiversity issues</li> <li>i) Watercourses and drainage</li> <li>j) Habitats natural and man-made</li> <li>k) Wildlife</li> <li>l) Ponds and reservoirs</li> <li>m) Wetlands /watercourses</li> <li>n) Legal aspects</li> <li>o) Immediate and long term effect.</li> </ul> Based A.J.F.M Dekker assessment report, there was no HCV area identified with 2 sample estates.	Complied

<p>5.2.2</p>	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan. - Major compliance -</p>	<p>For Pasir Panjang estate, Rapid Biodiversity Assessment Fact Sheet dated 5<sup>th</sup> July 2008 is referred to. Mammals under schedule II (protected wild animals); long tailed macaque, pig tailed Macaque and Malayan Porcupine were identified. Under schedule I (totally protected) Asian Elephant and Tiger were also possibility identified outside estate adjacent with secondary forest. The logging has likely resulted in the displacement of Tiger and Elephant from that area. Nonetheless, the management plan was developed based on recommendation of HCV assessment report</p> <p>HCV management plan developed for Pasir Panjang and Tunjuk Laut Estate summarized as per the following:</p> <table border="1" data-bbox="978 715 1861 1378"> <thead> <tr> <th>HCV plan</th> <th>Progress</th> <th>Person In Charge</th> </tr> </thead> <tbody> <tr> <td>Animal sighting</td> <td>Monthly sighting records to be submitted</td> <td>Estate team</td> </tr> <tr> <td>Bird survey</td> <td>SOP to minimise threat from estate activities – spraying, manuring  To record threats, fire, flood, and disturbance for monitoring system</td> <td>Sustainability and estate team</td> </tr> <tr> <td>Encroachment control (hill top)</td> <td>Regular patrolling to monitor and report sign of encroachment  Awareness on HCV to workers</td> <td>Sustainability and estate team</td> </tr> <tr> <td>Erosion control</td> <td>Road maintenance, guatamala and vertivar planting</td> <td>Sustainability and estate team</td> </tr> </tbody> </table>	HCV plan	Progress	Person In Charge	Animal sighting	Monthly sighting records to be submitted	Estate team	Bird survey	SOP to minimise threat from estate activities – spraying, manuring  To record threats, fire, flood, and disturbance for monitoring system	Sustainability and estate team	Encroachment control (hill top)	Regular patrolling to monitor and report sign of encroachment  Awareness on HCV to workers	Sustainability and estate team	Erosion control	Road maintenance, guatamala and vertivar planting	Sustainability and estate team	<p>Complied</p>
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Criterion / Indicator		Assessment Findings		Compliance				
		Restore natural vegetation	LCC, guatamala and vertivar planting	Sustainability and estate team				
		Buffer zone establishment	Mapped out area Buffer zone peg Twice a year maintenance programme	Sustainability and estate team				
5.2.3	There shall b 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. - Minor compliance -	Regular awareness programme 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. Verified internal training carried out :		Complied				
		<table border="1"> <thead> <tr> <th>Training</th> <th>Date of Training</th> </tr> </thead> <tbody> <tr> <td>High Conservation Value (HCV) training</td> <td>31/10/19</td> </tr> </tbody> </table>		Training	Date of Training	High Conservation Value (HCV) training	31/10/19	
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Training	Date of Training							
Buffer Zone and HCV awareness	19/3/19							

<p>5.2.4</p>	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> <p>- Minor compliance -</p>	<p>Management plan is incorporated with ongoing monitoring of the status of HCV and RTE species that are affected by plantation or mill operations and reported by the Kulim SQD Team from Head Office.</p> <p>Outcomes of monitoring are communicated with plantation management and with management plan. HCV monitoring of monthly record available and animal such as eagle, wild boar and cobra were sighted. From the records, no sightings of RTE recorded.</p> <p><u>Pasir Panjang Estate</u></p> <p>Sample of latest sighting of animal and patrolling records as per below:</p> <table border="1" data-bbox="981 751 1778 1043"> <thead> <tr> <th>Date of monitoring</th> <th>Visited area (hotspots/HCV)</th> </tr> </thead> <tbody> <tr> <td rowspan="5">31/10/19, frequency weekly</td> <td>Water catchment area (P04/1) #1</td> </tr> <tr> <td>Water catchment area (P98/1) #2</td> </tr> <tr> <td>Water catchment area (P07/1) #3</td> </tr> <tr> <td>Secondary forest (P97/2) #4</td> </tr> <tr> <td>Re-growth forest (P97/4) #5</td> </tr> </tbody> </table> <p><u>Tunjuk Laut Estate</u></p> <p>Sample of latest sighting of animal and patrolling records as per below:</p> <table border="1" data-bbox="981 1190 1778 1339"> <thead> <tr> <th>Date of monitoring</th> <th>Visited area (hotspots/HCV)</th> </tr> </thead> <tbody> <tr> <td rowspan="2">29/10/19</td> <td>Swampy (P12/2) #1</td> </tr> <tr> <td>Flood prone area (P06/8) #12</td> </tr> </tbody> </table>	Date of monitoring	Visited area (hotspots/HCV)	31/10/19, frequency weekly	Water catchment area (P04/1) #1	Water catchment area (P98/1) #2	Water catchment area (P07/1) #3	Secondary forest (P97/2) #4	Re-growth forest (P97/4) #5	Date of monitoring	Visited area (hotspots/HCV)	29/10/19	Swampy (P12/2) #1	Flood prone area (P06/8) #12	<p>Complied</p>
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	Flood prone area (P06/8) #12															

Criterion / Indicator		Assessment Findings	Compliance
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	There was no HCV set-aside that needs any negotiation process with the local communities at Pasir Panjang Complex Estates.	Complied
<b>Criterion 5.3:</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			



<p>5.3.1</p>	<p>All waste products and sources of pollution shall be identified and documented.          - Major compliance -</p>	<p><u>Pasir Panjang POM</u>          The mill has identified the waste products and source pollution and documented in Waste and Pollution and Management Plan dated 1/8/19. The waste identified as follows:</p> <ul style="list-style-type: none"> <li>i. Domestic waste – Recyclable material, garden and kitchen waste</li> <li>ii. Scheduled waste – empty chemical container (SW409), empty hydrocarbon container (SW409), batteries (SW102), Spent/used oil (SW305), worn PPE (SW410), contaminated soil (SW408), waste water from PCD (SW307), expired/discarded chemical (SW429)</li> <li>iii. Scrap – used welding tools/rod, used/scrap metal parts</li> <li>iv. Process waste/by product – POME, EFB, shredded fibre, shell, boiler ash</li> </ul> <p>Based on second schedule dated 31/7/18, there are 2 new waste code notified to Department of Environment via e-SWISS namely SW307 (spent mineral oil water emulsion) and SW429 (discarded chemical). Refer to notification no. RM1194068136.7465A dated 31/7/18.</p> <p><u>Pasir Panjang Estate</u>          The estate has identified the waste products and source pollution and documented in Waste and Pollution and Management Plan dated 1/8/19. The waste identified as follows:</p> <ul style="list-style-type: none"> <li>i. Domestic waste – Recyclable material, garden and kitchen waste</li> <li>ii. Scheduled waste – empty chemical container (SW409), empty hydrocarbon container (SW409), batteries (SW102), Spent/used oil (SW305), worn PPE (SW410), contaminated soil (SW408), waste water from PCD (SW307)</li> <li>iii. Scrap – used welding tools/rod, used/scrap metal parts</li> <li>iv. Palm by product – pruned frond, biomass (replanting)</li> </ul>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	v. Empty bags – nursery polybags, empty fertilizer bags	
5.3.2	<p>All chemicals and their containers shall be disposed of responsibly.                      - Major compliance -</p> <p>For estates, there are 2 options available for disposal. The empty chemical containers are categorized as non-scheduled wastes after the process of triple rinsing is undergone. The practice was based on the triple rinse procedure and in-line with national programme on recycling of used HDPE pesticide containers. Refer to approval letter issued by DOA, refer to JP KRP 207/12/471 JLD VI dated 7/12/15. Approved DOA contractor, G-planter appointed to participate in the programme. The containers were mainly disposed through recycling companies (e.g. G-planters).</p> <p>For Pasir Panjang Estate, the current option used is by disposing as schedule waste under SW409 for empty chemical container. Total of 0.2260 mt of waste disposed to Kualiti Alam Sdn Bhd. Refer to latest consignment note @ 6<sup>th</sup> schedule 2019110716V6ELOU dated 7/11/19.</p> <p><u>Tunjuk Laut Estate</u>                      Latest disposal for SW409 (empty chemical container) was carried out on 19/9/19 by Kualiti Alam Sdn Bhd. Refer to consignment note @ 6<sup>th</sup> schedule 909941-006 dated 19/9/19</p>	Complied

5.3.3	<p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p>	<p>Management and disposal plan is documented under Waste and Pollution and Management Plan dated 1/8/19 for Pasir Panjang POM.</p> <p>The disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned. Stores for scheduled waste were inspected at audited sites i.e. Mill and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. The mill and estates also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Latest disposal records checked:</p> <table border="1" data-bbox="981 699 1863 1380"> <thead> <tr> <th data-bbox="981 699 1249 746">Operating Unit</th> <th data-bbox="1249 699 1550 746">Contractor</th> <th data-bbox="1550 699 1863 746">Disposal records</th> </tr> </thead> <tbody> <tr> <td data-bbox="981 746 1249 1380">Pasir Panjang POM</td> <td data-bbox="1249 746 1550 1380">Kualiti Alam Sdn Bhd</td> <td data-bbox="1550 746 1863 1380">                     i) Consignment no. 20190710197RBLV4 dated 10/7/19 for SW410 (oil filter), quantity: 0.01 mt                       ii) Consignment no. 2019071019MXEK02 dated 10/7/19 for SW410 (cotton rags), quantity: 0.01 mt                       iii) Consignment no. 2019071019SYP7X8 dated 10/7/19 for SW110 (electrical and electronic waste), quantity: 0.01 mt                       iv) Consignment no. 201907109HYXD48                 </td> </tr> </tbody> </table>	Operating Unit	Contractor	Disposal records	Pasir Panjang POM	Kualiti Alam Sdn Bhd	i) Consignment no. 20190710197RBLV4 dated 10/7/19 for SW410 (oil filter), quantity: 0.01 mt  ii) Consignment no. 2019071019MXEK02 dated 10/7/19 for SW410 (cotton rags), quantity: 0.01 mt  iii) Consignment no. 2019071019SYP7X8 dated 10/7/19 for SW110 (electrical and electronic waste), quantity: 0.01 mt  iv) Consignment no. 201907109HYXD48	Complied
Operating Unit	Contractor	Disposal records							
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Criterion / Indicator		Assessment Findings		Compliance
			<p>dated 10/7/19 for SW429 (discarded chemical), quantity: 0.072 mt</p> <p>v) Consignment no. 2019071019OWA04 dated 10/7/19 for SW305 (spent lubricant), quantity: 0.568 mt</p>	
		Pasir Panjang Estate	<p>Kualiti Alam Sdn Bhd</p> <p>Consignment no. 2019110716YL3CPJ dated 7/11/19 for SW305 (spent lubricant), quantity: 0.200 mt</p>	
		Tunjuk Laut Estate	<p>Kualiti Alam Sdn Bhd</p> <p>i) Consignment no. 090941-001 dated 19/9/19 for SW408 (contaminated soil), quantity: 0.072 mt</p> <p>ii) Consignment no. 090941-002 dated 19/9/19 for SW306 (used hydraulic), quantity: 0.020 mt</p>	

Criterion / Indicator		Assessment Findings	Compliance									
<b>Criterion 5.4:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.												
5.4.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -	<p>Plan for improving efficiency of the use of fossil fuels (diesel) and to optimise renewable energy (RE) is in place and monitored. Summary of renewable energy and fossil fuel usage recorded as below:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>RE</th> <th>Diesel</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>20.58 kWh/mt</td> <td>1.15 litre/mt</td> </tr> <tr> <td>2019 to date</td> <td>30.06 kWh/mt (6,530,949 kWh)</td> <td>0.83 litre/mt</td> </tr> </tbody> </table> <p>Moving forward alternative source for fossil fuel will be replaced by biogas (CH<sub>4</sub>). The use of fossil fuel will gradually reduced from time to time. Operation of biogas engine expected to be fully operational by January 2020.</p>	Year	RE	Diesel	2018	20.58 kWh/mt	1.15 litre/mt	2019 to date	30.06 kWh/mt (6,530,949 kWh)	0.83 litre/mt	Complied
Year	RE	Diesel										
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2019 to date	30.06 kWh/mt (6,530,949 kWh)	0.83 litre/mt										
<b>Criterion 5.5:</b> 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 Pasir Panjang Complex Management Unit. Sustainability handbook was described on Environmental policy including Zero open burning policy dated January 2008. Management complying with the Malaysian environmental law – EQA and Regulations 1974.	Complied									
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 -	Not applicable as no fire was used to prepare land for replanting.	Not applicable									

Criterion / Indicator	Assessment Findings	Compliance
<b>Criterion 5.6:</b> Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		

<p>5.6.1</p>	<p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -</p>	<p>For Pasir Panjang Palm Oil Mill, Ambient Air quality monitoring and Air emission monitoring has been carried out as per required frequency stipulated in mill's compliance schedule. In addition, smoke density meters were calibrated consistently every 6 monthly. Results of monitoring as follows:</p> <p>i) Stack monitoring, twice per year Stack#2: 13<sup>th</sup> June 2019, refer to report,</p> <table border="1" data-bbox="981 587 1615 687"> <thead> <tr> <th>Parameter</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td>Dust concentration (mg/Nm3)</td> <td>131 vs 150</td> </tr> </tbody> </table> <p>ii) Ambient Air (quarterly) Total Suspended Particulate, TSP (limit 24hr: 120 ug/m3 as per Malaysian Recommended Air Quality Guidelines). 2 monitoring points were selected Date of monitoring 12-14<sup>th</sup> June 2019</p> <table border="1" data-bbox="981 850 1870 951"> <thead> <tr> <th>Monitoring points</th> <th>Result (ug/m3)</th> <th>Standard (ug/m3)</th> </tr> </thead> <tbody> <tr> <td>A1</td> <td>38</td> <td>120</td> </tr> <tr> <td>A2</td> <td>41</td> <td>120</td> </tr> </tbody> </table> <p>Date of monitoring 22<sup>nd</sup> - 24<sup>th</sup> September 2019</p> <table border="1" data-bbox="981 1018 1870 1118"> <thead> <tr> <th>Monitoring points</th> <th>Result (ug/m3)</th> <th>Standard (ug/m3)</th> </tr> </thead> <tbody> <tr> <td>A1</td> <td>49</td> <td>120</td> </tr> <tr> <td>A2</td> <td>42</td> <td>120</td> </tr> </tbody> </table> <p>In conclusion, ambient air monitoring complied with the limits of interim target 2 (2018) of the New Ambient Air Quality Standard.</p> <p>iv) Noise boundary (6 monthly frequency) done by internal team (engineering department) Q1 (29/4/2019): 8 boundary points selected for monitoring. All monitored point in within the allowable limit of 65 dBA (day) and 55 dBA (night)</p>	Parameter	Result	Dust concentration (mg/Nm3)	131 vs 150	Monitoring points	Result (ug/m3)	Standard (ug/m3)	A1	38	120	A2	41	120	Monitoring points	Result (ug/m3)	Standard (ug/m3)	A1	49	120	A2	42	120	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
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 (CH4) emission through POME treatment. Other less significant GHG emissions identified including COx, SOx and NOx from various sources including fossil fuel, chemical and fertilizer consumptions.	Complied
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	Monitoring of the GHG quantity was done through RSPO approved calculator Palm GHG. Annual quantification of all GHG sources was input into the calculator. These calculations were done in HQ level where GHG calculations were done as per certification unit basics. Latest GHG report covered from January 2018 until December 2018.	Complied
<p><b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.</b></p> <p><b>Criterion 6.1:</b>            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.</p>			
6.1.1	A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	An SIA was carried out from 17 until 21 July 2016 by Malaysian Environmental Consultants Sdn Bhd. The assessment was carried out via data collections from internal and external stakeholders, field observations, in-depth interviews and field group interviews. Among the assesses impacts included were access and user rights, economic livelihoods, subsistence activities, cultural and religious value, health and education facilities. Those consulted included workers, suppliers, contractors, etc. Additionally, the Sustainability Team also carried out social interviews during Internal audits to obtain inputs from stakeholders. Records of meetings are all documented and tabulated.	Complied
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	There is evidence, based on the SIA Report, that the assessment was done with participation from affected parties who were stakeholders. They included workers, staffs and executives, contractors and suppliers, local authorities, NGOs and adjacent plantations.	Complied



Criterion / Indicator	Assessment Findings	Compliance
<p>6.1.3</p>	<p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>- Major compliance -</p> <p>Plans for avoidance or mitigation of negative impacts and promotion of positive ones are available in the form of Social Impact Register (Daftar Impak Sosial) dated 15 Sept 2019 for the Pasir Panjang Complex. Each unit would also have its own Social Impact Register, listing down those which are relevant to the unit. For example, Pasir Panjang Estate’s Social Impact Register dated 29 October 2019 have identified positive and negative impacts, and among them include:</p> <p>Positive:</p> <ul style="list-style-type: none"> <li>- School uniform for 23 pupils (workers’ children)</li> <li>- Positive responses to school’s requests</li> <li>- Introduction of cash card for safe money withdrawals by workers</li> <li>- Opportunity for women’s group (WoW) members to earn extra income</li> </ul> <p>Negative:</p> <ul style="list-style-type: none"> <li>- Hiccups in using the cash card e.g. card retained at the teller machine, no cash given but recorded as withdrawn, etc.</li> </ul> <p>The Social Impact Registers are documented, timetabled, identified the persons-in-charge for each issue.</p> <p>The Social Impact Register for the Pasir Panjang Mill was also sighted and verified, and was based on social interviews held on 23 Oct 2019 with women workers’ representative, foreman, security guard, biogas operator, lab operator and supervisor, storekeeper, boilerman, etc.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
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 Social Impact Register for each unit is updated on an annual basis. For Pasir Panjang Estate, it was updated on 29 October 2019.	Complied
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No smallholders scheme is involved with the Pasir Panjang Complex.	Not applicable
<b>Criterion 6.2:</b> 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 -	All units within the Pasir Panjang Complex subscribe to Kulim (Malaysia) Berhad's documented Consultation and Communications Procedures and Guidelines (Communication Procedure V 2.0) dated November 2009. The aim of this plan is to ensure an open and transparent communication methods with local communities and other stakeholders. The guideline is specific to communicate and consult in respect of social aspects, impacts and performance.	Complied

Criterion / Indicator		Assessment Findings	Compliance												
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	<p>Each unit within the Pasir Panjang Complex has its own management official responsible for social issues are as follows:</p> <table border="1"> <thead> <tr> <th>Name of unit</th> <th>Management official responsible</th> <th>Letter of appointment</th> </tr> </thead> <tbody> <tr> <td>Pasir Panjang Mill</td> <td>Assistant Manager</td> <td>1 March 2019</td> </tr> <tr> <td>Pasir Panjang Estate</td> <td>Assistant Manager WoW Chairperson</td> <td>2 June 2019 8 Jan 2019</td> </tr> <tr> <td>Tunjuk Laut Estate</td> <td>Assistant Manager WoW Chairperson</td> <td>1 Jan 2018</td> </tr> </tbody> </table> <p>Interviews with the management officials responsible at Pasir Panjang Mill and WoW Chairperson Pasir Panjang Estate confirmed their understanding of their respective roles and responsibilities as officials responsible for social issues.</p>	Name of unit	Management official responsible	Letter of appointment	Pasir Panjang Mill	Assistant Manager	1 March 2019	Pasir Panjang Estate	Assistant Manager WoW Chairperson	2 June 2019 8 Jan 2019	Tunjuk Laut Estate	Assistant Manager WoW Chairperson	1 Jan 2018	Complied
Name of unit	Management official responsible	Letter of appointment													
Pasir Panjang Mill	Assistant Manager	1 March 2019													
Pasir Panjang Estate	Assistant Manager WoW Chairperson	2 June 2019 8 Jan 2019													
Tunjuk Laut Estate	Assistant Manager WoW Chairperson	1 Jan 2018													

Criterion / Indicator	Assessment Findings	Compliance
<p>6.2.3</p> <p>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>- Minor compliance -</p>	<p>Each unit within the Pasir Panjang Complex has its own list of stakeholders. The stakeholders comprise FFB transporters, contractors, government agencies such as Dept of Safety and Health, Dept of Environment, Labour Department, Department of Immigration, nearby plantations such as Felda Tenggaroh, Ladang Kambau, and Ladang Kumpulan Melayu.</p> <p>Records of communications with stakeholders are also maintained as evidenced from correspondences to the Labour Office dated 15 Nov 2018 applying for permission to exceed overtime of 104 hours per month. Sighted also was the reply by the Labour Office reply (Ref: BHG.PU/134 Jld 19 (19) dated 26 Feb 2019 informing that the application made under S60A(4)(a) Employment Act 1955 was rejected.</p> <p>Records are also available to show efforts were taken to ensure stakeholders' understanding of RSPO, MSPO, and ISCC certifications, legal compliances, housing for contractor's workers, payment of minimum wages, workers' insurance, disposal of scheduled waste, etc. These were recorded and available on minutes of the Stakeholder Meeting meeting for Pasir Panjang Complex held on 17 Oct 2019. A total of 56 persons attended which included canteen operators, contractors, suppliers, managers of surrounding estates, KEMAS kindergarten, etc.</p>	<p>Complied</p>
<p><b>Criterion 6.3:</b> 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>A system is available for dealing with complaints and grievances known as Grievance Procedure Plans and Grievance Policy (Polisi Kilanan) dated 1 May 2018. The Mill and Estates within the Pasir Panjang Complex have a grievance box which is placed outside the office to allow anyone to anonymously lodge a complaint. Additionally, Communication Procedure V2.0 Communication and Consultation Management Guidelines aims to effectively communicate with internal and external stakeholders on matters pertaining to social and environmental aspects and impacts and social and environmental performance of KULIM mill and estates.</p> <p>Awareness on the procedure and guidelines were held at Pasir Panjang Palm Oil Mill on 1 June 2019, at Pasir Panjang Estate on 1 April 2019 and Tunjuk Laut Estate on 1 February 2019. The Company's Whistleblowing Policy was briefed during morning muster on 12 Nov 2019, and the Grievance Policy briefing was given on 1 April 2019.</p>	<p>Complied</p>
<p>6.3.2</p> <p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance –</p>	<p>Based on interviews conducted and records sighted, there is no evidence of any dispute. However, other forms of grievance commonly seen were complaints about housing defects. The process was recorded which began with receipt of the complaint, instructions by the management to carry out repair, a remark on repair work done and an acknowledgement by the complainant were available. Grievances related to defects in the houses received from workers show that these were resolved in an effective, timely and appropriate manner. For example, at the Pasir Panjang Mill, a complaint was received on 15 October 2019 (broken back door and damaged bathroom door). The defects were rectified on 21 Oct 2019 as confirmed by the carpenter. Similarly, complaints received on 15 October 2019 was recorded as rectified on 7 September 2019. Complaints received at Pasir Panjang Estate for broken window on 14 was recorded as rectified on 16 and 21 October 2019.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.4:</b> Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	Procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation is in place and is contained in the SPO Negotiations Concerning Compensation Program dated 4 September 2007. This procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly.	Complied
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 -	An SOP known as Negotiations Concerning Compensation Program dated 4 September 2007 was established by Kulim (Malaysia) Berhad to identify legal and customary rights as well as people entitled to compensation as per procedure in place and is contained in the SPO Negotiations Concerning Compensation Program dated 4 September 2007. The procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly.	Complied
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 has been no evidence of any dispute, negotiated agreements and compensation claims involving units within the Pasir Panjang Complex.	Complied
<b>Criterion 6.5:</b> 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	Documentation of pay and conditions shall be available. - Major compliance -	<p>Documentation of pay are available in the form of pay slips, and conditions of pay are written in the employment contracts (for foreign workers) and letters of appointment (for Malaysian workers). A pay slip, which is given to every employee, contains details such as payment of basic wages, piece rate wages, special allowances, wage top-ups, overtime, paid public holidays, paid medical leave, work on rest day, vacation leave pay, etc. The pay slip also details out all deductions made (statutory deductions such as SOCSO, EPF, Employers Insurance Scheme) and other deductions (electricity and water, Tabung Khairat, NUPW, etc). Sighted during the audits were employment contracts and payslips for the months of May, June, August 2019 for the following workers:</p> <table border="1"> <thead> <tr> <th>Mill / Estates</th> <th>Workers' numbers</th> </tr> </thead> <tbody> <tr> <td>Pasir Panjang Mill</td> <td>640135, 640043,640118,640098,640172</td> </tr> <tr> <td>Pasir Panjang Estate</td> <td>628002, 628055, 627958,627792, 627798</td> </tr> <tr> <td>Tunjuk Laut Estate</td> <td>627251, 627260, 627249, 626870, 627213</td> </tr> </tbody> </table> <p>It was duly verified during the audit that workers are paid in accordance with the Minimum Wages (Amendment) Order 2018 which is a minimum of RM1,100 per month, or RM42.31 per day, or above.</p>	Mill / Estates	Workers' numbers	Pasir Panjang Mill	640135, 640043,640118,640098,640172	Pasir Panjang Estate	628002, 628055, 627958,627792, 627798	Tunjuk Laut Estate	627251, 627260, 627249, 626870, 627213	Complied
Mill / Estates	Workers' numbers										
Pasir Panjang Mill	640135, 640043,640118,640098,640172										
Pasir Panjang Estate	628002, 628055, 627958,627792, 627798										
Tunjuk Laut Estate	627251, 627260, 627249, 626870, 627213										

<p>6.5.2</p>	<p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -</p>	<p>All workers have signed the Employment Contracts V3 (28 Feb 2019). Each document contains provisions related to job scope, wages, allowances as per MAPA/NUPW, working hours, contract duration, mutual termination notice, holidays, paid annual leave, medical leave, other benefits, deductions, etc.</p> <p>These documents were prepared in Bahasa Malaysia for Malaysian and Indonesian workers. For Bangladeshi workers, they signed an employment contract in Bahasa Malaysia, as well as an employment contract in English with a Bengali translation. A management official also explained to them the contents of the same. It was verified during interviews with the workers that they understand the contents of the employment contracts.</p> <p>Briefings on the contents of the employment contracts were also given to the workers. At Tunjuk Laut Estate, morning muster on 6 June 2019 where workers were briefed on employment contracts. Morning muster on 10 May 2019 workers were briefed on leave application, paid leave, and on 21 April 2019, on minimum wages, overtime. At Pasir Panjang Estate, briefing on employment contract was given on 7 November 2019, and on 10 April 2019 on working hours and rest period.</p> <p>Among the sampled employment contracts were as follows:</p> <table border="1" data-bbox="981 1038 1796 1394"> <thead> <tr> <th>Estate/Mill</th> <th>Worker No</th> <th>Date of signing</th> <th>Contract duration</th> </tr> </thead> <tbody> <tr> <td>Pasir Panjang Mill</td> <td>640114 (Indonesian)</td> <td>10.10.2019</td> <td>2 years</td> </tr> <tr> <td></td> <td>640133 (Indonesian)</td> <td>10.10.2019</td> <td>2 years</td> </tr> <tr> <td></td> <td>640132 (Malaysian)</td> <td>10.10.2019</td> <td>Until given 1 month notice by either party</td> </tr> </tbody> </table>	Estate/Mill	Worker No	Date of signing	Contract duration	Pasir Panjang Mill	640114 (Indonesian)	10.10.2019	2 years		640133 (Indonesian)	10.10.2019	2 years		640132 (Malaysian)	10.10.2019	Until given 1 month notice by either party	<p>Complied</p>
Estate/Mill	Worker No	Date of signing	Contract duration																
Pasir Panjang Mill	640114 (Indonesian)	10.10.2019	2 years																
	640133 (Indonesian)	10.10.2019	2 years																
	640132 (Malaysian)	10.10.2019	Until given 1 month notice by either party																



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			640080 (Malaysian)	10.10.2019	Until given 1 month notice by either party		
			640154 (Indonesian)	10.10.2019	2 years		
		Pasir Panjang Estate	627798 (Bangladsh)	10 June 2019	3 years		
			627792 (Bangladesh)	10 June 2019	3 years		
			627958 (Bnagladesh)	10 June 2019	3 years		
			628055 (Indonesia)	10 June 2019	2 years		
			6280002 (Indoensao)	10 June 2019	2 years		
		Tunjuk Laut Estate	627213 (Bangladesh)	28 Feb 2019	3 years		
			626870 (Bangladeshi)	1 March 2019	3 years		
			627249 (Malaysian)	1 July 2019	Until terminated or resigns		
			627260 (Indoensian)	1 March 2019	2 years		

			627251 (Indonesian)	1 March 2019	2 years	
		<p>General working hours is eight. But for harvesters, the employment contract states that it is based on the task according to common practice of plantation industry which is based on completion and performance of provided task by the employer.</p> <p>Some workers at the Mill work overtime and are paid in accordance with the Employment Act 1955. Pasir Panjang Palm Oil Mill applied to the Labour Office to have the maximum overtime be extended beyond 104 hours per month for each worker. However, this was application was rejected by the Labour Office via letter Ref: BHG.PU/134 Jld 19 (19) dated 26 Feb 2019. Sampled punch cards indicate that workers do not exceed the 104 hours per month prescribed under Section 60A(4)(a) Employment Act 1955.</p> <p>It was observed that salary deductions were recorded on the workers' payslips. Statutory deductions such as SOCSO, EPF, EIS can be made without workers' request and the Labour Office's written consent. However, other forms of deductions would require the request from the worker (Section 24 Employment Act 1955). All the workers sampled above, have signed their approval to have their monthly salaries deducted for sports and recreational fee, <i>Skim Khairat Keluarga Perbadanan Johor</i>, medical costs exceeding subsidised amount offered to employees.</p> <p>Permit for salary deductions were obtained from the Labour Office as follows:</p> <ul style="list-style-type: none"> <li>- Dated 31 March 2019 (Ref TK (NJ) U-21 approval to deduct an amount not exceeding RM10 per month for Sports and Recreation Fee.</li> </ul>				

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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> <li>- Dated 31 March (TK(NJ)U-21 approval to deduct an amount of RM5 per month for <i>Skim Khairat Keluarga Perbadanan Johor</i>) not exceeding RM37.50 per month</li> <li>- Dated 2 May 2019 (Ref TK (NJ) U-21 approval to deduct medical costs exceeding subsidised amount offered to employees.</li> </ul>	

<p>6.5.3</p>	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.          - Minor compliance –</p>	<p>Based on interviews, observations and visit made to the linesites, there is evidence that all workers of the Pasir Panjang Complex are being provided with adequate housing, water supplies, medical and welfare amenities in accordance with the requirements of the Workers’ Minimum Standard of Housing Act 1990.</p> <p>Each house has 3 rooms with a maximum capacity of 6 occupants per house. The linesites are generally well-kept in terms of rubbish disposal, grass height and cleanliness of peripheral drains. Workers are also provided with facilities such as football fields, volleyball/takraw/netball court, children’s playground, sundry shops, a mosque, community hall, clinics and kindergarten.</p> <p>The Company also engages Employee Relation Executives for each of the mosque within the Pasir Panjang Complex. This person is also a fulltime <i>Imam</i> who leads prayers and religious activities at the mosque and provides religious counselling services to workers too.</p> <p>All houses receive treated water. Supply is constant, and so is electricity which is self-generated. Workers are satisfied with the consistency in electricity and water supply. Results of the water quality samplings (Ref LW/447/19 dated 10 June 2019 and Ref LW867/18 dated 12 Dec 2018) confirmed that Total Coliform and E.coli was Nil.</p> <p>Linesite inspections are also being carried out by the Hospital Assistants on a weekly basis as recorded in the 2019 linesite inspection reports:          Pasir Panjang Palm Oil Mill: 16 Oct 2019, 20 Oct 2019, 24 Oct 2019, 31 Oct 2019, 7 Nov 2019.</p> <p>Pasir Panjang Estate: 30 Oct, 20 Oct, 22 Sept 2019, 25 Aug, 2 July, 16 June, 28 May.          Tunjuk Laut Estate: 7 Nov 2019, 31 oct 2019, 24 Oct 2019, 15 Oct, 10 Oct.</p>	<p>Major non-conformance          (Minor escalated to Major due to recurrence of issue under the same indicator</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>Until September 2019, the clinics were visited by the Visiting Medical Officer (VMO) on a monthly basis. The Workers’ Minimum Standard of Housing and Amenities Act 1990 requires the VMO to visit the clinics once a fortnight. However, this lapse was identified during internal audit on 23 Oct 2019. Corrective action has been taken and in October, the VMO has started to visit the clinics on a fortnightly basis.</p> <p>However, it was observed that houses at the Tunjuk Laut Estate linesite are kept in a poor state of repair, contrary to the requirements of Section 6(1)(c) of the Workers’ Minimum Standard of Housing Act 1990. This was also supported by a census carried out by the Estate dated 1 June 2019. Details are:</p> <ul style="list-style-type: none"> <li>a. House No. I8: front door peeling off, flimsy and rotting due to wear and tear.</li> <li>b. House No. I7: 7 missing window panes, 1 broken window pane.</li> <li>c. House No. I3: 8 missing window panes.</li> <li>d. House No. F8: 7 missing window panes.</li> </ul> <p>Therefore, a non-compliance was raised.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.                      - Minor compliance –</p>	<p>There is evidence of efforts made to monitor and improve workers' access to adequate, sufficient and affordable food within the Pasir Panjang Complex.</p> <p>Visit was made to Kedai Yoke Lan where it was noted that the prices are adequately displayed, and that the items sold are within its validity period. The shop also has a BSN post machine which allows workers to deposit and withdraw their money online. A credit card machine is also available for cashless transactions. Interview with workers from all Estates and Mill also confirmed that the prices sold at the sundry shops and eateries are reasonable.</p> <p>Management of each unit requires the respective canteen and sundry shops to submit a list of prices to the office for monitoring.</p>	<p>Complied</p>
<p><b>Criterion 6.6:</b>                      The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		

Criterion / Indicator	Assessment Findings	Compliance
6.6.1	<p>A published statement in local languages recognising freedom of association shall be available.</p> <p>- Major compliance -</p>	<p>A published statement on freedom of association is available and displayed at the main notice boards within the Pasir Panjang Complex. Also sighted were:</p> <ul style="list-style-type: none"> <li>- Paragraph 2 of the Employees' Guide Book which confirms and respects workers' rights to join a union recognized by the Kulim (Malaysia) Berhad.</li> <li>- Kulim (Malaysia) Berhad's Core Labour Standards on Rights of Employees states that Kulim recognises and respects the rights of employees to form and/or join trade unions of their choice which are given due recognition by KULIM.</li> </ul> <p>Trainings were also held during morning muster where it was reiterated to the workers that they are free to join any union recognized by Kulim (Malaysia) Berhad. The trainings were held at Pasir Panjang Mill (1 Aug 2019), Pasir Panjang Estate (28 Aug 2019) and at Tunjuk Laut Estate (21 April 2019).</p>

Criterion / Indicator	Assessment Findings	Compliance
<p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented.                      - Minor compliance -</p>	<p>Kulim (Malaysia) Berhad is a member of the Malaysian Agricultural Producers Association (MAPA) and is therefore subjected to the agreement between MAPA and the National Union of Plantation Workers (NUPW). Minutes of meetings held between management and NUPW representatives are documented.</p> <p>At Pasir Panjang Palm Oil Mill, a meeting was held on 8 Oct 2019 which was attended by 4 employer representatives, 2 AMESU representatives, 4 NUPW representatives. Among the issues discussed involved maintenance of street lights, grass cutting, empty sacks for rubbish collection, presence of stray dogs, low understanding of cash card, transport for those without vehicles to withdraw their wages in town.</p> <p>At Pasir Panjang Estate, a meeting was held on 15 Oct 2019 which was attended by local and foreign workers’ representatives (Malaysian, Bangladeshi and Indonesian), women’s group (WoW) representatives, sundry shop operators, and NUPW representatives. Among the issues discussed included explanation on RSPO, MSPO, and ISCC certifications, street lights not functioning, sundry shop owners must display prices of items sold, request for management to explain the option of keeping of passports as workers prefer for the company to keep for safety reasons, etc. A briefing on NUPW membership was also given during morning muster on 15 April 2019 where workers are encouraged to join the NUPW, where to get the application forms, and the fees involved.</p>	<p>Complied</p>
<p><b>Criterion 6.7:</b>                      Children are not employed or exploited.</p>		



Criterion / Indicator		Assessment Findings	Compliance
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	<p>Documentary evidence is available that minimum age requirements are met. This is based on workers' check roll list and copies of their passport/NRIC details. Based on these documents, all workers were 18 years old and above as of the date they were employed by the Mill and Estates within the Pasir Panjang Complex. Briefings were also carried out to explain about the No Child Labour Policy of the Company. At the Pasir Panjang Mill, the briefing was given on 1 Nov 2019. Check roll records show that the youngest worker was born on 27 June 2001 and started work at the Mill on 11 July 2019.</p> <p>At Pasir Panjang Estate, the No Child Labour Policy briefing was done on 3 June 2019. The youngest worker at Pasir Panjang Estate was born on 13 August 2000 and commenced work on 29 Sept 2019.</p> <p>At Tunjuk Laut Estate, the No Child Labour Policy briefing was given during morning muster on 21 April 2019.</p> <p>Observations made during the audit and interviews conducted show that this Policy is being implemented.</p>	Complied
<p><b>Criterion 6.8:</b>            Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	All units within the Pasir Panjang Complex subscribe to the Kulim (Malaysia) Berhad's documented Business Policy, Core Labour Standard and People Policy where fairness and equal opportunities for relevant group such as all employees, including foreign and local are embedded. Awareness briefing on equal opportunities were also held, for example, at the Pasir Panjang Mill on 1 Nov 2019.	Complied

Criterion / Indicator	Assessment Findings	Compliance
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 -	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 -	Complied
<b>Criterion 6.9:</b> There is no harassment or abuse in the work place, and reproductive rights are protected.		

Criterion / Indicator	Assessment Findings	Compliance
6.9.1	<p>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 -</p> <p>All units within the Pasir Panjang Complex subscribe to Sexual Harassment Policy dated 1 May 2018 signed by Executive Director. This Policy has been communicated to all levels of workforce during the women’s group meeting (WoW meetings) and during morning muster briefings. At the Pasir Panjang Mill, an awareness on what is sexual harassment and how to lodge a report was communicated by WoW to its members on 28 July 2019. During WoW meeting at Pasir Panjang Estate on 10 September 2019, and at morning muster on 18 September 2019, the Company’s Sexual Harassment Policy was communicated to all levels of workforce.</p> <p>The Chairperson of WoW for Tunjuk Laut Complex gave an awareness briefing on 28 November 2018. This was followed by a mornig muster briefing on 11 Jan 2019.</p> <p>Interviews conducted with female employees also confirmed that the Sexual harassment Policy is being implemented. They also confirmed their understanding of the Company’s Sexual Harassment Policy and the grievance channel involved, if necessary. They also confirmed that they have not encountered any incidence of sexual harassment before.</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance
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 -	<p>All units within the Pasir Panjang Complex subscribe to Kulim (Malaysia) Berhad’s Core Labour Standard dated 1 May 2018 signed by Executive Director. This Standard specifies that the Company recognizes the rights of employees to reproduction and reproductive health, including the right to make decision on reproduction. Based on interviews with the workers, there is evidence that this Standard is being implemented where female workers are entitled to 60 days paid maternity leave, and pregnant women are given light work to do. This Standard has been communicated to all levels of workforce as follows:</p> <p>At the Pasir Panjang Mill, awareness briefing on reproductive rights were given on 28 July 2019 where nursing mothers are allowed to go home to nurse the infant below 2 years old and pump breast milk. A refresher briefing was given during morning muster on 1 Nov 2019.</p>	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 -	<p>Specific grievance mechanism which respects anonymity and protects complainants has been established with the setting up of Panel Aduan Wanita Semakan 1; 25/7/2008 among woman employees to receive any grievance for Pasir Panjang Complex. The availability of this mechanism was communicated at the Pasir Panjang Mill on 28 July 2019. The workforce were briefed on how to lodge complaints, and that confidentiality will be assured. They were also briefed on the complaint flowchart.</p>	Complied
<p><b>Criterion 6.10:</b>            Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>		
6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	<p>Current and past prices paid for FFB are displayed at the weighbridge at the Pasir Panjang Palm Oil Mill. As of the date of the audit, the prices displayed were for Sept 2019 1% OER RM20.99 and for October 2019 RM21.09</p>	Complied

Criterion / Indicator	Assessment Findings	Compliance	
6.10.2	<p>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).</p> <p>- Major compliance -</p>	<p>Evidence is available that the Pasir Panjang Complex enters into contracts with FFB suppliers and transporters. These contracts document clearly the price mechanism for FFB transportation. Sighted were the following contracts:</p> <p>Pasir Panjang Palm Oil Mill, contract No. MPSB/CPO 1/2016 (Olimpik) dated 4 April 2016 to 28 Feb 2018 for the transportation of crude palm oil from Mahamurni Plantations Sdn Bhd Mill to various refineries. The contract contains flexi-rate table for revised CPO transport rates, and this pricing mechanism was acknowledged by the contractor. Via Variation Order 1/2018, this contract was extended from 28 Feb 2018 to 29.02.2020 with all other terms and conditions in original contract to apply.</p> <p>At Tunjuk Laut Laut Estate, a contract No. MPSB/ TL 2/2015 between Mahamurni Pkanrations Sdn Bhd (Ladang Tunjuk Laut) and Sg Rezki Sdn Bhd dated 2 April 2015 which was renewed via Variation Order No LTL 1/2017 from 31 Dec 2017 to 31 Dec 2019. This is a contract for unloading of FFB from ramp of Ladang Tunjuk Laut to Pasir Panjang Palm Oil Mill, Sedenak Palm Oil Mill and Sindora Palm Oil Mill. The payment mechanism is clearly stated in Appendix B of the contract.</p> <p>Another contract was No. MPSB/LTL 7/2017 between Mahamurni Plantations Sdn Bhd (Tunjuk Laut Estate) and MZ Ho Enterprise dated 6 Feb 2018 for transporting of empty fruit bunches from Pasir Panjang Mill to Tunjuk Laut Estate. Contract commencement date was 1 Dec 2017 and valid to 30 Nov 2020. Appendix B clearly states the fee calculation mechanism.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	Based on interviews with Teo Tuan Kwee Sdn Bhd and Pengakutan Olimpik Sdn Bhd, they confirmed their understanding of the agreements entered into. They also confirmed that the contracts are fair, legal and transparent as it contained the price calculation, duration, rights and obligations of parties, etc.	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	There is evidence that payments are made in a timely manner. This was confirmed during interviews held with Teo Tuan Kwee Sdn Bhd and Pengakutan Olimpik Sdn Bhd. Evidence is also available from the documents sighted as follows:  Pasir Panjang Palm Oil Mill: <ul style="list-style-type: none"> <li>- Invoice TV19090044 dated 30 Sept 2019 from Teo Tuan Kwee Sdn Bhd was sent to Mill, and payment voucher was issued on 22 Oct 2019 via Payment No. 19000597</li> <li>- Invoice 1909020 dated 30 Sept 2019 from Pengakutan Olimpik Sdn Bhd. Payment voucher was issued on 22 October 2019 via payment No. 19000596</li> </ul>	Complied
<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.			

Criterion / Indicator		Assessment Findings	Compliance
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	Contributions to local development were made based on consultations with the local communities. At the Pasir Panjang Palm Oil Mill, the Mill van was allowed to be used during the school’s motivational and camping event following a letter Ref JBA 3054/100-5/4 dated 3 April received from the nearby school. Similarly, a letter was received from Pejabat KEMAS Daerah Kota Tinggi dated 29 Aug 2019 which sought sponsorship of Futsal Tabika Kemas, and the Mill paid RM200.  At Pasir Panjang Estate, SK Tunjuk Laut received RM100 cash donation on 28 July 2019 following a written request from PIBG via letter dated 31 July 2019 to carry out a school camp.	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 is no scheme smallholders within the Tunjuk Laut Complex, therefore this indicator is not applicable.	Not applicable
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.			

Criterion / Indicator		Assessment Findings	Compliance
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Based on documentation review, interviews conducted and observations, there is no evidence of any form of forced or trafficked labour within the Pasir Panjang. All workers are free to move about and leave the premises if they wish. Foreign workers are given the option to either keep their passports at the office, or to keep the passports themselves. Sighted at the Pasir Panjang Mill, Pasir Panjang Estate and Tunjuk Laut Estate, were workers' consent in their employment contracts to have their passports kept at the Mill office.  At Pasir Panjang Estate, six harvesters employed by a contractor, Perniagaan Sri Mahtai, have also agreed in their employment contracts to have their passports kept at the contractor's office. However, the contractor's office is approximately 40kms away from the estate where they are working and living. Placing the workers' passports at Pasir Panjang Estate would have given the workers easy access to their passports.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	Based on documentation review, interviews conducted and observations, there is no evidence that contract substitution has occurred. All foreign workers interviewed confirmed that the job being offered at Pasir Panjang Complex is the same that was represented to them while they were still in their home country.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	A special labour policy and procedures have been established under the Kulim (Malaysia) Berhad Core Labour Standard signed by Executive Director dated 1 May 2018. Following the recruitment of foreign workers, they were given orientation training on local culture and customs, understanding of their work, and employment contracts as well as pay calculation.	Complied
<b>Criterion 6.13:</b> Growers and millers respect human rights.			



Criterion / Indicator		Assessment Findings	Compliance
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	Pasir Panjang Complex subscribes to Kulim (Malaysia) Berhad’s Polisi Insan which states that the Company would treat its employees with respect, dignity and fairness, providing fair remuneration and safe working conditions. The Company’s Core Labour Standard also specifies that it would ensure the rights of all employees, including contract, temporary and migrant workers are respected according to local, national, and ratified laws and practices.  These Policies and Standard were communicated to all levels of workforce during muster briefing at Pasir Panjang Estate (10 March 2019) and at Tunjuk Laut Estate (14 Feb 2019).	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Pasir Panjang Complex is situated in Johor, Peninsular Malaysia and therefore this indicator is not applicable.	Not applicable
<b>Principle 7: Responsible development of new plantings</b>			
Pasir Panjang 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.			
<b>Principle 8: Commitment to continual improvement in key areas of activity</b>			
<b>Criterion 8.1:</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			

Criterion / Indicator	Assessment Findings	Compliance
<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"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);               <ul style="list-style-type: none"> <li>• Optimising the yield of the supply base.</li> </ul> </li> </ul> <p>- Major compliance -</p>	<p>Generally, the Pasir Panjang Certification Unit is committed to reduce the usage of pesticides by implementing IPM such as the increase in the planting of nectariferous beneficial plants such as Cassia cobanensis, Turnera subulata and installation of additional barn owl boxes.</p> <p>In addition to the above, some estates breed cattle. Cattle grazing reduces the application of agrochemicals for spraying.</p> <p>The plan for Green House Gas emissions includes reduction of fertilizer usage by embarking on organic fertilizer and installation of biogas plant. Reduction of t CO<sub>2</sub> eq from 0.75 to 0.62 was noted.</p> <p>During assessment at mill, it was confirmed that composting plant is in implementation to produce organic fertilizer.</p>	<p>Complied</p>

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**Appendix B: Approved Time Bound Plan**

Project	Estate	Plan
Indonesia: SUMASEL	PT Tempirai Palm Resources (PT TPR)	To be included in TBP upon completion of acquisition (expected completion in 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 Mill		Sedenak	
		Basir Ismail	
		Ulu Tiram	
Sindora Mill		Kuala Kabong	
		REM/Pasak	
Palong Mill		Sindora	
		Sungai Papan	
		Sepang Loi	
	UMAC		
	Labis Bahru		
	Mungka		
	Kemedak		
Pasir Panjang Mill	Kulim Estate	Pasir Panjang	Certified RSPO
		Siang	
	Jcorp Estate	Bukit Kelompok	

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		Tunjuk Laut	
		Pasir Logok	
		Bukit Payung	

**Appendix C: GHG Reporting Executive Summary**

The GHG emissions that were produced in **2018** for **Pasir Panjang 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 **Pasir Panjang Palm Oil Mill** and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	0.62
PK	0.62

Extraction	%
OER	22.06
KER	5.28

Production	t/yr
FFB Process	227,431.92
CPO Produced	50,173.31
PK Produced	12,008.57

Land Use	Ha
OP Planted Area	16,424.94
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	576.89
<b>Total</b>	<b>17,001.83</b>

**Summary of Field Emission and Sink**

	Own Crop*		Group		3 <sup>rd</sup> Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB
<b>Emission</b>								
Land Conversion	121,688.07	0.54	2,166.43	0.39	0	0	123,854.50	0.93
CO <sub>2</sub> Emission from fertilizer	12,103.72	0.05	399.31	0.07	0	0	12,503.03	0.12
NO <sub>2</sub> Emmision	10,517.55	0.05	217.22	0.04	0	0	10,734.77	0.09
Fuel Consumption	4,962.09	0.02	31.25	0.01	0	0	4,993.34	0.03
Peat Oxidation	0	0	0	0	0	0	0	0
<b>Sink</b>								
Crop Sequestration	-116,704.3	-0.52	-2,227.19	-0.4	0	0	- 118,931.49	-0.92

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Conservation Sequestration	-3,515.41	-0.01	-1.22	0	0	0	-3,516.63	-0.01
<b>Total</b>	<b>29,031.72</b>	<b>0.13</b>	<b>585.8</b>	<b>0.11</b>	<b>0</b>	<b>0</b>	<b>29,617.52</b>	<b>0.24</b>

\*Note: Includes both estates and smallholders

**Summary of Mill Emission and Credit**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emission</b>		
POME	8,893.38	0.04
Fuel Consumption	817.25	0
Grid Electricity Utilisation	0	0
<b>Credit</b>		
Export of Grid Electricity	-135.35	0
Sales of PKS	-622.91	0
Sales of EFB	0	0
<b>Total</b>	<b>8,952.38</b>	<b>0.04</b>

**Summary of Kernel Crusher Emission and Credit (if applicable)**

Emissions	tCO <sub>2</sub> e
PK from own mill	7,448.62
PK from other source	0
Fuel Consumptions	0
<b>Total Crusher emissions</b>	<b>0</b>

\*This mill has no kernel crusher operation.

<b>Palm Oil Mill Effluent (POME) Treatment:</b>	
Divert to Compost (%)	0
Divert to anaerobic diversion (%)	100

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

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

<b>5.1 Applicability of the general chain of custody requirements for the supply chain</b>			
	<b>Requirement</b>	<b>Evidence</b> For any N/A raised, justification is required.	<b>Compliance</b> (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.	Pasir Panjang 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.	Pasir Panjang POM is not a trader and distributor. The POM is not receiving FFB from trader and distributors as well. Therefore, no license is required.	N/A
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	Johor Corporation held RSPO membership number: 1-0080-09-000-00 since 15 June 2009 where Kulim (Malaysia) Berhad is under management of Johor Corporation. Company has registered in Palm Trace system as follows: Members ID: RSPO_PO1000005256 License valid until 08/03/2020 Member category : Oil Mil	Yes
5.1.4	Processing aids do not need to be included within an organization’s scope of certification.	No processing aids use in CPO and PK production. Thus, this indicator is not applicable.	N/A
<b>5.2 Supply chain model</b>			

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.	Pasir Panjang POM is using the MB supply chain model since it receive the FFB from own supply bases and outside FFB suppliers. For buyer who doesn't require RSPO certified CPO or PK, downgrading can be done from certified material to non-certified material.	Yes
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Pasir Panjang POM is using the MB supply chain model since it receive the FFB from own supply bases and outside FFB suppliers.	Yes
<b>5.3. Documented Procedures</b>			
5.3.1	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:	The SOP Sustainable Management System, Traceability, Doc. No: SQD/SMS/1.2, rev:4 dated 20 September 2019. On the marketing side, guidance document, RSPO Supply Chain, MKD/001, rev:01 dated 9/10/18 is referred to.	Yes
	<ul style="list-style-type: none"> <li>• Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> </ul>		
	<ul style="list-style-type: none"> <li>• Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> </ul>	The RSPO SCC training & traceability has been conducted on 27/10/2019 at Pasir Panjang Palm Oil Mill attended by person in charge from various position such as assistant manager, weighbridge operators, general clerk etc.	Yes
	<ul style="list-style-type: none"> <li>• 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.</li> </ul>	- The person having overall responsibility for and authority over the implementation is Head of each operating unit for RSPO, MSPO and ISCC Certification Program, as per appointment letter SQD/ADMIN/017/19, 22 <sup>nd</sup> September 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.	The Sustainable Management System, Internal Audit Doc. No: SQD/SMS/5.0 Date 1 July 2018 as the Internal Audit Procedure where the SCC audit shall be conducted as per Internal Audit Process which covers internal audit schedule (plan), audit	Yes



		report, non-conformance report, correction and corrective action, review and closing the NCR.	
	ii) effectively implements and maintains the standard requirements within its organization	As per SOP, the management has conducted the Internal Audit at least once within 12 months (before the expiry of the certificate). Internal audit Non-conformance Report and Internal Audit checklist dated 23 October 2019 sighted for Pasir Panjang POM and available during the audit. No NC raised with regards to supply chain element.	Yes
<b>5.4. Purchasing and goods in</b>			
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"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul>	<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.</p> <p>E.g. of information available in the DO is as follows:</p> <ul style="list-style-type: none"> <li>• Consignment note/delivery order no.</li> <li>• Estate’s names</li> <li>• Date &amp; time of delivery</li> <li>• Field no.</li> <li>• Vehicle no.</li> <li>• RSPO certificate number</li> </ul> <p><u>Own supply base</u>  E.g. of information available in the mill’s weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> <li>• Weighbridge ticket no. (084537)</li> <li>• Name of estates (Siang Estate)</li> <li>• Field No. (P03, P04, P05, P06, P07, P08, P09, P10, P11, P12)</li> <li>• Vehicle no. (JPM 9020)</li> <li>• Date &amp; time in/out ( 21:25 – in, 22:51 – out)</li> </ul>	Yes

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		<ul style="list-style-type: none"> <li>• Net weight 43.55 mt</li> <li>• RSPO certificate no. (RSPO 657192)</li> </ul> <p><u>Other group estates</u> E.g. of information available in the mill’s weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> <li>• Weighbridge ticket no. (R072759)</li> <li>• Name of estates (REM Estate)</li> <li>• Field No. (2010)</li> <li>• Vehicle no. (JPM 9020)</li> <li>• Date &amp; time in/out ( 18:11 – in, 18:44 – out)</li> <li>• Net weight: 33.00 mt</li> <li>• RSPO certificate no. (RSPO 537873)</li> <li>• Weighbridge ticket no. (R076650)</li> <li>• Name of estates (Ulu Tiram Estate)</li> <li>• Field No. (2013)</li> <li>• Vehicle no. (JPN 5011)</li> <li>• Date &amp; time in/out ( 19:26 – in, 20:12 – out)</li> <li>• Net weight: 35.40 mt</li> <li>• RSPO certificate no. (RSPO 537873)</li> <li>• Weighbridge ticket no. (R076714)</li> <li>• Name of estates (Basir Ismail Estate)</li> <li>• Field No. (2008)</li> <li>• Vehicle no. (MCE5011)</li> <li>• Date &amp; time in/out ( 18:31 – in, 19:33 – out)</li> <li>• Net weight: 36.88 mt</li> <li>• RSPO certificate no. (RSPO 537873)</li> </ul>	
	<ul style="list-style-type: none"> <li>• Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil</li> </ul>	<p>The information was available in various documents such as delivery order and weighbridge tickets.</p>	<p>Yes</p>

	palm products (for example, delivery notes, shipping documents and specification documentation).		
	<ul style="list-style-type: none"> <li>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.</li> </ul>	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
	<ul style="list-style-type: none"> <li>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 (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> </ul>	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 ( <a href="http://www.rspo.org">www.rspo.org</a> ). Physical RSPO certificate for all diverted crops sent to Pasir Panjang Palm Oil Mill, e.g. from Sedanak POM (RSPO 537873 valid until 22/1/24) and Sindora POM (RSPO 6123920 valid until 22/1/24) were verified. Validity check was done prior to each FFB delivery. As to date, no diversion crop received from other group estates.	Yes
	<ul style="list-style-type: none"> <li>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.</li> </ul>	NA – this part is applicable for supply chain actor after refinery.	Yes
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	Addressed in the SOP clause 5.7. Based on the procedure, where there is contamination of RSPO certified material during receiving, processing, storage and dispatch. Diversion should be kept at similar RSPO SCC module, i.e IP mill to IP mill, MB mill to MB mill only. Diversion from external will be classified at non-certified.	Yes
<b>5.5. Outsourcing activities</b>			
5.5.1	In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage,	Pasir Panjang POM has use the service of transporter to transport CPO to buyer's site. Sampled below contractor:	Yes

	<p>transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independent mil cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>	<p>Pengangkutan Olimpik for Transport of CPO from Mahamurni Plantations Sdn Bhd Group Mills to Various Refineries. Contract no: MPSB/CPO 1/2016(OLIMPIK), dated 25.02.2018, originally scheduled for completion on 28/02/2018 be extended to complete on 29/02/2020.</p> <p>However, outsourced activities is not included in the RSPO supply chain certificate scope.</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>	<p>Not applicable. No outsourced activity for processing.</p>	N/A
	<p>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</p>	<p>Not applicable. No outsourced activity for processing.</p>	N/A
	<p>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p>	<p>Not applicable. No outsourced activity for processing.</p>	N/A
	<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, systems, and any and all information, when this is announced in advance.</p>	<p>Not applicable. No outsourced activity for processing.</p>	N/A

5.5.3	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	Not applicable. No outsourcing activity with regards to processing of CPO or PK.	N/A
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.	Not applicable. No outsourcing activity with regards to processing of CPO or PK.	N/A
<b>5.6. Sales and goods out</b>			
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"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/ delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul>	<p>Pasir Panjang POM ensured the required information is available in document form. Sampled contract: CPOIP-M19068, ref: KLP 138255 dated 12/9/19, quantity 500 mt</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer; XXX</li> <li>• The name and address of the seller: Mahamurni Plantations Sdn Bhd, Pasir Panjang POM</li> <li>• The loading or shipment/ delivery date; e.g. September 2019</li> <li>• The date on which the documents were issued: 23/9/19</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); RSPO IP CPO</li> <li>• The quantity of the products delivered; e.g. 42.90 mt</li> <li>• Any related transport documentation; e.g. Despatch note e.g. #C05784</li> <li>• Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 657192</li> <li>• A unique identification number: Shipping announcement, TR-a3f9b47e3af1</li> <li>• Available in a few forms e.g. DN no., seal no., etc.</li> </ul>	Yes

		<p>Pasir Panjang POM ensured the required information is available in document form. Sampled contract: MPOK 1814IP, dated 22/10/19, quantity 500 mt</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer; XXX</li> <li>• The name and address of the seller: Mahamurni Plantations Sdn Bhd, Pasir Panjang POM</li> <li>• The loading or shipment/ delivery date; e.g. October 2019</li> <li>• The date on which the documents were issued: 4/10/19</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); Palm Kernel (RSPO IP)</li> <li>• The quantity of the products delivered; e.g. 41.88 mt</li> <li>• Any related transport documentation; e.g. Despatch note e.g. #K01387</li> <li>• Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 657192</li> <li>• A unique identification number: Shipping announcement, TR-fe659acc14d7</li> <li>• Available in a few forms e.g. DN no., seal no., etc.</li> </ul>	
	<ul style="list-style-type: none"> <li>• 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).</li> </ul>	<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"> <li>For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance.</li> </ul>	Detail of transaction can be found under table C of the report.	Yes
<b>5.7. Registration of transactions</b>			
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>are mills, traders, crushers and refineries and;</li> <li>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.</li> </ul>	The registration of Palm Trace is handled by Marketing Department. 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"> <li>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.</li> </ul>	Based on the announcement summary, all the registrations were found to be in order. Total registered transaction (extracted from Palm Trace) summarized under table C of the report.	Yes
	<ul style="list-style-type: none"> <li>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.</li> </ul>	Not applicable. Products are not sold beyond refinery.	N/A

	<ul style="list-style-type: none"> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> </ul>	Based on the quarterly mass balance accounting sheet, the removal of volumes was done correctly when the products were sold as conventional.	Yes
	<ul style="list-style-type: none"> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	Based on the announcement summary, all the confirmations were found to be in order.	Yes
<b>5.8. Training</b>			
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.	Training plan for 2019 were available which training for RSPO Supply Chain has been included.	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.	Relevant personnel to supply chain implementation as defined by the CU are the personnel that involve in supply chain implementation such as Assistant Managers, QA, clerk, lab supervisor & assistant, weighbridge operators. Latest training was carried out on 27/10/19 given by mill assistant.	Yes
<b>5.9. Record Keeping</b>			
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.	All the sampled records related to the movements of RSPO certified materials and products were found to be accurate, complete, up-to-date and accessible.	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 spelt out in the procedure, ref: MKD,001, CSPO Supply Chain, rev:01 dated 9/10/19, records are to be maintained minimum of 2 years.	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.	N/A
<b>5.10. Conversion factors</b>			



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 ( <a href="http://www.rspo.org">www.rspo.org</a> ); 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. To date October 2019; OER: 22.94% KER: 5.47	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
<b>5.11. Claims</b>			
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.	RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims. Refer to RSPO trademark and license registered under Kulim (M) Berhad (parent company: Johor Corporation) 1-0080-09-100-00 for supply chain model (IP and MB) valid until 22/8/21	Yes
<b>General corporate communications</b>			
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.	The following was communicate in the group website - <a href="http://www.kulim.com.my/business-type.aspx?p_Id=23&amp;c_Id=45&amp;c=PLANTATION">http://www.kulim.com.my/business-type.aspx?p_Id=23&amp;c_Id=45&amp;c=PLANTATION</a> Kulim (M) Berhad is a subsidiary of the Johor Corporation and was amongst the earliest palm oil producers to be certified to the Roundtable on Sustainable Palm Oil ("RSPO") standard	Yes
4.2	In corporate communications a member is allowed to: a. Display its RSPO membership status b. Display the RSPO web address ( <a href="http://www.rspo.org">www.rspo.org</a> )	The communication in <a href="http://www.kulim.com.my/business-type.aspx?p_Id=23&amp;c_Id=45&amp;c=PLANTATION">http://www.kulim.com.my/business-type.aspx?p_Id=23&amp;c_Id=45&amp;c=PLANTATION</a> states that Kulim (M) Berhad is RSPO certified.	Yes

	<p>c. State that the member supports the work of the RSPO</p> <p>d. State the member’s history with regard to the RSPO.</p> <p>e. Use the RSPO trademark to promote its membership of the RSPO.</p> <p>Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text ‘Check our progress at <a href="http://www.rspo.org">www.rspo.org</a>’ where the link must lead to the member’s profile page.</p>		
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 communication in <a href="http://www.kulim.com.my/business-type.aspx?p_Id=23&amp;c_Id=45&amp;c=PLANTATION">http://www.kulim.com.my/business-type.aspx?p_Id=23&amp;c_Id=45&amp;c=PLANTATION</a> states that Kulim (M) Berhad is RSPO certified.	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 in <a href="http://www.kulim.com.my/business-type.aspx?p_Id=23&amp;c_Id=45&amp;c=PLANTATION">http://www.kulim.com.my/business-type.aspx?p_Id=23&amp;c_Id=45&amp;c=PLANTATION</a> states that Kulim (M) Berhad is RSPO certified.	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.	No logo used has been observed in the website, official documents etc.	Yes
<b>Business to business communications</b>			
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.	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 i.e product/commodity with SCC model (RSPO IP CPO) and RSPO certificate number; RSPO 657192. Refer to despatch no.: C05784 dated 4/10/19. This also applies to PK	Yes
5.3	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:	Pasir Panjang POM is not under distributor or wholesaler category. Thus, this requirement is not applicable.	N/A

	<p>a. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm products by linking the product to the manufacturer using the manufacturer's SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products it is essential that customers are aware that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation.</p> <p>b. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.</p>		
5.4	<p>A certified member can provide information to its customers detailing the presence of certified palm oil contained within a product even if it is not eligible for a product-specific under RSPO rules. The end product must not be labelled as certified or sold in such a way that implies RSPO certification. 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.</p>	<p>Pasir Panjang POM 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.</p>	N/A
<b>Business to consumer communication</b>			
6.1	<p>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.</p>	<p>There is no business to consumer communication as this is an upstream activity certification.</p>	N/A
6.2	<p>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.</p>	<p>There is no business to consumer communication as this is an upstream activity certification.</p>	N/A
6.3	<p>When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present.</p>	<p>There is no business to consumer communication as this is an upstream activity certification.</p>	N/A

6.4	Business to consumer communication shall not include information about the claimant’s RSPO membership status.	There is no business to consumer communication as this is an upstream activity certification.	N/A
6.5	Members shall not communicate to consumers information about their suppliers’ RSPO membership status.	There is no business to consumer communication as this is an upstream activity certification.	N/A
6.6	Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient.	There is no business to consumer communication as this is an upstream activity certification.	N/A
6.7	Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim.	There is no business to consumer communication as this is an upstream activity certification.	N/A
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on <a href="http://www.rspo.org">www.rspo.org</a> .	There is no business to consumer communication as this is an upstream activity certification.	N/A

**MODULE A – IDENTITY PRESERVED & SEGREGATED SPECIFIC RULES**

**Auditor Hint:**

This specific rules shall be audited concurrently with the relevant Module A and Module B (including Module F & G) under the Supply Chain Modular Requirements

<b>Certified oil palm content (IP)</b>			
	For IP, 95% or above of the oil palm content must be RSPO IP-certified.	Pasir Panjang POM is producing crude palm product and does not involved in any labelling of end product.	N/A
	For SG, 95% or above of the oil palm content must be SG, or a combination of SG and IP.	Pasir Panjang POM is producing crude palm product and does not involved in any labelling of end product.	N/A
	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.	Pasir Panjang POM is producing crude palm product and does not involved in any labelling of end product.	N/A
<b>Labelling and trademark (IP)</b>			
	Members are allowed to use the RSPO label in one of the following ways: 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.	Pasir Panjang POM is producing crude palm product and does not involved in any labelling of end product.	Yes
<b>Messaging (IP)</b>			
	Messaging ALLOWED in storytelling in product-related communications may include some or all of the following elements: <ul style="list-style-type: none"> <li>The oil palm products contained in this product have been certified to come from RSPO sources. <a href="http://www.rspo.org">www.rspo.org</a></li> </ul>	Pasir Panjang POM is producing crude palm product and does not involved in any labelling of end product.	

	<ul style="list-style-type: none"> <li>• By choosing this product, you are sure it contains RSPO-certified palm oil. For more information: <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• RSPO-certified sustainable oil palm products were kept apart from other oil palm products throughout the supply chain. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• Certified sustainable oil palm products can be traced back to RSPO-certified mills and plantations. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• The entire supply chain is monitored by independent, RSPO-accredited auditors. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• RSPO-certified sustainable palm oil has been produced to stringent environmental and social criteria. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• References to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown by company records.</li> </ul>		
<p><b>MODULE B – MASS BALANCE SPECIFIC RULES</b></p>			
<p><b>Auditor Hint:</b></p>			
<p>This specific rules shall be audited concurrently with the relevant Module C (including Module F &amp; G) under the Supply Chain Modular Requirements</p>			
<p><b>Minimum Mass Balance content (MB)</b></p>			
	<p>95% or above of the oil palm content must be RSPO MB-certified.</p>	<p>Not applicable</p>	<p>N/A</p>
	<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 non-certified volume must be covered by equivalent volume of RSPO Credits.</p>	<p>Not applicable</p>	<p>N/A</p>
<p><b>Labelling and trademark (MB)</b></p>			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> <li>• Surrounded by the text: 'Certified sustainable palm oil'.</li> <li>• The RSPO label MUST contain the tag 'MIXED'. The tag MIXED designates oil palm products sourced under the Mass Balance (MB) supply chain system, which administratively balances inputs and outputs</li> </ul>	<p>Not applicable</p>	<p>N/A</p>

	<p>of certain palm oil volumes. The tag 'MIXED' on a product does not guarantee that the product itself contains the certified material; some or all of it may reside in a product that does not carry a claim.</p> <ul style="list-style-type: none"> <li>• The RSPO label can also include the statement: '[The palm oil contained in this product] contributes to the production of certified sustainable palm oil'.</li> <li>• Wherever the 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 4 pt (1.4 mm or 0.06 inch).</li> <li>• In on-pack communications, the RSPO trademark can be printed anywhere on the pack. Further guidance on use of the trademark is provided in the RSPO Trademark License Terms and Conditions and in Annex 1 of the Rules on Market Communications &amp; Claims document.</li> </ul>		
<b>Messaging (MB)</b>			
	<p>Messaging <b>ALLOWED</b> in storytelling in product-related communications includes:</p> <ul style="list-style-type: none"> <li>• [Oil palm products]/[palm oil]/[palm kernel oil] from RSPO-certified mills and plantations were mixed with non-certified oil palm products in the supply chain.</li> <li>• The volume of [oil palm products][palm oil]/[palm kernel oil] in this product reflects an equivalent volume of palm oil or palm kernel oil produced by RSPO certified mills and plantations.</li> <li>• In off-product communications, reference to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown in company records is allowed.</li> </ul>	Not applicable	N/A
	<p>Messaging <b>NOT ALLOWED</b> in storytelling in product-related communications:</p>	Not applicable	N/A

	Anything that can lead consumers to believe that RSPO-certified palm products are (certified to be) part of the product.		
<b>MODULE C – PARTIAL PRODUCT CLAIMS</b>			
	<p>To increase awareness among consumers of the availability of sustainable oil palm products and to help accelerate the uptake, it is permissible to make a claim on product when the percentage of the oil palm content is less than 95% certified, but only when the following conditions have been met:</p> <ul style="list-style-type: none"> <li>• The member making the claim is the end product manufacturer, is an RSPO member and is certified against the RSPO SCCS or is an RSPO retailer member authorized to use the trademark by the RSPO.</li> <li>• At least 50% of the oil palm content has been supplied through an RSPO certified supply chain as IP, SG or MB.</li> <li>• The remainder of the oil palm content that is not RSPO-certified is covered by the purchase of RSPO Credits to an equivalent volume.</li> <li>• The product-specific claim is limited to only the following phrase: 'This product contributes to the production of certified sustainable palm oil'.</li> <li>• The use of the RSPO label with this claim is mandatory and must include the tag '50% MIXED'. No other percentage is allowable within this claim.</li> </ul>	Not applicable	N/A
<b>MODULE D – COMBINED SUPPLY CHAIN MODELS SPECIFIC RULES</b>			
	<p>Where a mixture of inputs supplied through different RSPO supply chain models are present in a product, the following applies:</p> <p>75% IP + 20% SG =&gt; 95% SG claim is made          65% SG + 30% MB =&gt; 95% MB claim is made          55% MB + 40% B&amp;C =&gt; 95% partial product claim can be made          45% SG + 55% B&amp;C &lt; 50% B&amp;C claim can be made</p>		N/A



	Where one supply chain model accounts for 95% of the oil palm content, the claim for this specific model may be made:  95% IP + 5% MB => 95% IP IP claim can be made 95% SG + 5% MB => 95% SG SG claim can be made 95% MB + 5% C => 95% MB MB claim can be made	Not applicable	N/A
<b>5.12. Complaints</b>			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Pasir Panjang POM has developed Managing Customer Feedback, Doc. No.: PPM/SOP/7.2 dated 1/6/2016 where the procedure is to ensure all complaints are handled and resolved received from customers. Complaints received by customers were recorded in the Control of Non-Conforming Product (Disposition) and initiated the Corrective Action Request (CAR) form. All the complaints have been closed	Yes
<b>5.13. Management Review</b>			
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.	Management review was last conducted on 3/11/2019. The meeting was chaired by Mill Manager and attended by mill management team. Frequency of meeting is on annual basis.	Yes
5.13.2	The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	Based on the minutes of meeting, the following agendas were adequately recorded: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Analysis of data, FFB Quality, Production Performance, External provider’s performance,</li> <li>• Changes that could affect the management system.</li> </ul>	Yes

		<ul style="list-style-type: none"> <li>• Recommendations for improvement (process improvement, workplace planning etc)</li> </ul>	
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"> <li>• Improvement of the effectiveness of the management system and its processes.</li> <li>• Resource needs.</li> </ul>	<p>Discussion about the improvement of the effectiveness of the management system and its processes, and any resource needs were found to be included in the meeting minute.</p>	Yes

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

<b>D.1 Definition</b>			
	<b>Requirement</b>	<b>Evidence</b> For any N/A raised, justification is required.	<b>Compliance</b> (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.	Pasir Panjang Palm Oil Mill only accepts certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.	Yes
<b>D.2 Explanation</b>			
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.	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).	Company has registered in Palm Trace system as follows: Members ID: RSPO_PO1000005256 License valid until 08/03/2020 Member category : Oil Mil	Yes

		All registration and reporting requirements management through RSPO IT platform and found to be in order.	
<b>D.3 Documented procedures</b>			
D.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a. Complete and up to date procedures covering the implementation of all the elements in these requirements;	The SOP Sustainable Management System, Traceability, Doc. No: SQD/SMS/1.2, rev:4 dated 20 September 2019. On the marketing side, guidance document, RSPO Supply Chain, MKD/001, rev:01 dated 9/10/18 is referred to.	Yes
	b. The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.	The person having overall responsibility for and authority over the implementation is Head of each operating unit for RSPO, MSPO and ISCC Certification Program, as per appointment letter SQD/ADMIN/017/19, 22 <sup>nd</sup> September 2019.	Yes
D.3.2	The site shall have documented procedures for receiving and processing certified FFBs.	SOP Sustainable Management System, Traceability, Doc. No: SQD/SMS/1.2, rev:4 dated 20 September 2019. On the marketing side, guidance document, RSPO Supply Chain, MKD/001, rev:01 dated 9/10/18 to explain the process from receiving of FFB to despatch CSPO and CSPK	Yes
<b>D.4 Purchasing and goods in</b>			
D.4.1	The site shall verify and document the tonnage and sources of certified FFBs received.	The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. The records of Receipt weighing listing report, weighbridge ticket, D/O No. was sighted. The records verified during the audit as follow: E.g. of information available in the DO is as follows: • Consignment note/delivery order no.	Yes

		<ul style="list-style-type: none"> <li>• Estate’s names</li> <li>• Date &amp; time of delivery</li> <li>• Field no.</li> <li>• Vehicle no.</li> <li>• RSPO certificate number</li> </ul> <p><u>Own supply base</u> E.g. of information available in the mill’s weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> <li>• Weighbridge ticket no. (084537)</li> <li>• Name of estates (Siang Estate)</li> <li>• Field No. (P03, P04, P05, P06, P07, P08, P09, P10, P11, P12)</li> <li>• Vehicle no. (JPM 9020)</li> <li>• Date &amp; time in/out ( 21:25 – in, 22:51 – out)</li> <li>• Net weight 43.55 mt</li> <li>• RSPO certificate no. (RSPO 657192)</li> </ul> <p><u>Other group estates</u> E.g. of information available in the mill’s weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> <li>• Weighbridge ticket no. (R072759)</li> <li>• Name of estates (REM Estate)</li> <li>• Field No. (2010)</li> <li>• Vehicle no. (JPM 9020)</li> <li>• Date &amp; time in/out ( 18:11 – in, 18:44 – out)</li> <li>• Net weight: 33.00 mt</li> <li>• RSPO certificate no. (RSPO 537873)</li> </ul> <ul style="list-style-type: none"> <li>• Weighbridge ticket no. (R076650)</li> <li>• Name of estates (Ulu Tiram Estate)</li> <li>• Field No. (2013)</li> </ul>	
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		<ul style="list-style-type: none"> <li>• Vehicle no. (JPN 5011)</li> <li>• Date &amp; time in/out ( 19:26 – in, 20:12 – out)</li> <li>• Net weight: 35.40 mt</li> <li>• RSPO certificate no. (RSPO 537873)</li> <li>• Weighbridge ticket no. (R076714)</li> <li>• Name of estates (Basir Ismail Estate)</li> <li>• Field No. (2008)</li> <li>• Vehicle no. (MCE5011)</li> <li>• Date &amp; time in/out ( 18:31 – in, 19:33 – out)</li> <li>• Net weight: 36.88 mt</li> <li>• RSPO certificate no. (RSPO 537873)</li> </ul>	
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	There was no overproduction projected. Nonetheless, the facility is aware to this requirement.	Yes
<b>D.5 Record keeping</b>			
D.5.1	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. <i>IP Mill must report on real time basis.</i>	<p>Based on receipt weighing listing report which capture every trip when PPPOM received FFB and deliveries of RSPO certified CPO and PK. All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory.</p> <p>Computerized system in place. Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during this audit. Sighted the Sustainable Product Monthly Movements for Pasir Panjang POM for year 2018 and 2019 in monthly basis was updated with FFB receiving, FFB processed, CPO production and PK production.</p>	Yes
<b>D.6 Processing</b>			

D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non- certified oil palm product including during transport and storage to strive for 100% separation.	During this assessment it was confirmed that only certified source of FFB from own plantation is processed. This ensures that there is no possibility of mixing during processing.	Yes
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**Supply Chain Declaration** *(Applicable For Appendix E)*

<b>A. Monthly Records of Certified and Uncertified FFB Received since the last audit (Dec 2018-Oct 2019)</b>				
<b>No.</b>	<b>Month - Year</b>	<b>Volume of FFB from certified supply bases (mt)</b>	<b>Volume of FFB from uncertified supply bases (mt)</b>	<b>Total FFB/Month (mt)</b>
1	December 2018	21,398.46	-	21,398.46
2	January 2019	22,488.21	-	22,488.21
3	February 2019	19,106.32	-	19,106.32
4	March 2019	18,551.43	-	18,551.43
5	April 2019	18,678.40	-	18,678.40
6	May 2019	16,946.53	-	16,946.53
7	June 2019	20,821.13	-	20,821.13
8	July 2019	22,739.75	-	22,739.75
9	August 2019	27,639.80	-	27,639.80
10	September 2019	24,467.88	-	24,467.88
11	October 2019	25,782.75	-	25,782.75
Total		238,620.56	-	238,620.56

<b>B. Monthly Records of Certified CPO &amp; PK since the last audit (Dec 2018-Oct 2019)</b>			
<b>No.</b>	<b>Month - Year</b>	<b>Certified CPO (mt)</b>	<b>Certified PK (mt)</b>
1	December 2018	4,721.77	1,033.62
2	January 2019	5,076.03	1,191.79
3	February 2019	4,408.27	1,014.65
4	March 2019	4,327.03	1,026.56
5	April 2019	4,341.12	1,057.88
6	May 2019	3,879.44	825.12
7	June 2019	4,731.22	978.43
8	July 2019	5,206.09	1,139.60
9	August 2019	6,332.84	1,690.12
10	September 2019	5,592.37	1,510.65
11	October 2019	5,940.35	1,454.15
Total		54,556.53	12,922.57



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C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any) (Dec 2018-Oct 2019)				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
Dec 2018 – October 2019	XYZ	TR- 42146078- c543, TR- 6efd7a38- 445d, TR- d42ed747- 4509, TR- 82fb54c1- 8a75, TR- 14307232-5c54, TR- ca283a79- 5197, TR- a3f9b47e- 3af1, TR- 988e6d3a- d980, TR- 3b85ff14-94cd, TR- 6d342ea3- 97e4, TR- 379ed369- e516, TR- 60c63e5b- 50a2, TR- 22a44f86-1cdd, TR- ba83b008- 90ff, TR- e0e89ff8- 4f84, TR- 7edf8ee7- 476a, TR- 0f39ac56-dc00, TR- 6d11b8ea- 1503, TR- c97ba7b3- da11, TR- 7bc8e87b- e0d4, TR- 3a8a4863-8947, TR- 914a7b8d- 34e1, TR- 06f38038- 6745, TR- e879274d-54af, TR- 813d68af- 13d3, TR- 526d0464-7ea2, TR- d05b90d6- 5035, TR- 1173b912-790b, TR- 2f723e83- 422c, TR- d2920c2c- 9f27, TR- 5ebdee97- d8da, TR- b00f5855-c8d6, TR- b65a3955- 0e66, TR- 5460ae40-0a4b, TR- e2bcce25- c84d, TR- 59c27ebf- 2570, TR- 62a26d00-193c, TR- c1bc6420- c5e7, TR- ffe565b6- 0827, TR- 1da81453-1aac, TR- 7b83311f- 6f86, TR- 2b560fe9- 036b, TR- c2a1a13f- 0083, TR- 8c366d66-ec96, TR- 1a75ffd7- 5c54, TR- b8b68853- 0e01, TR- 427eaddc- 8cb4, TR- bd13cc31- 5fe4, TR- 2cd42507-c6a8, TR- c0fb7e8b- 4cee, TR- 72fb9d3a- 7197, TR-	12,681.86	-

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		450b23c3-358d, TR- bdaa1859- 3163, TR- 8a6253f9-c89c, TR- df313f87-5da1, TR- b7ddf082- 9350, TR- 2c76f556- 7f90		
	ABC	TR-fe659acc- 14d7, TR- 0b8c8adf- ed3f, TR- 05bb0515-dedb, TR- 26d0b3a1- b3a1, TR- 2169f6d4-fefe, TR- 7a2d6d46- 1b6f	-	4,339.23
Total			12,681.86	4,339.23

**D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any) (Dec 2018-Oct 2019)**

No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
1	PQR	ISCC	10,804.7	-

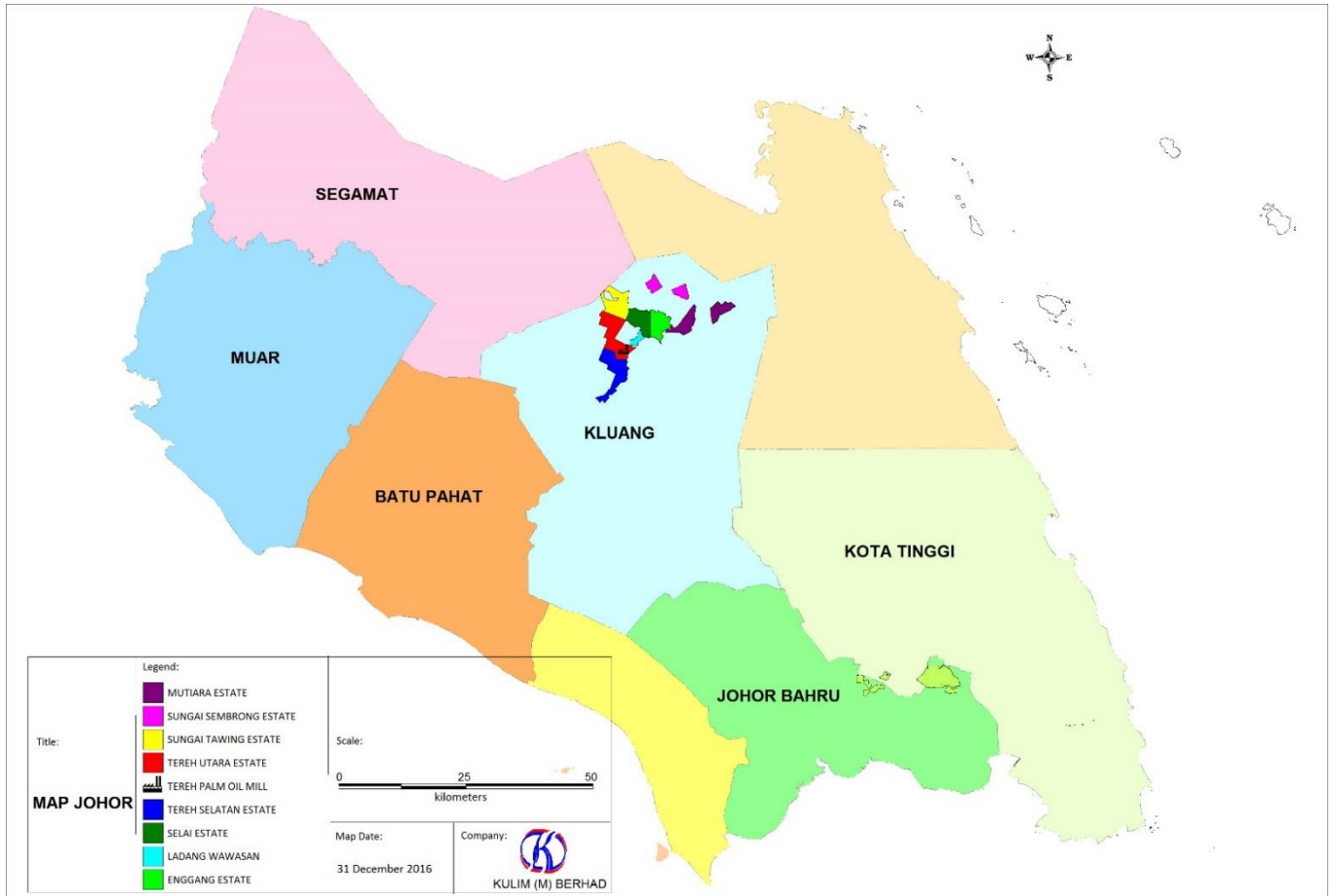
**E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any) (Dec 2018-Oct 2019)**

No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)
1	STU	18,550.03	8,482.84
		18,550.03	8,482.84

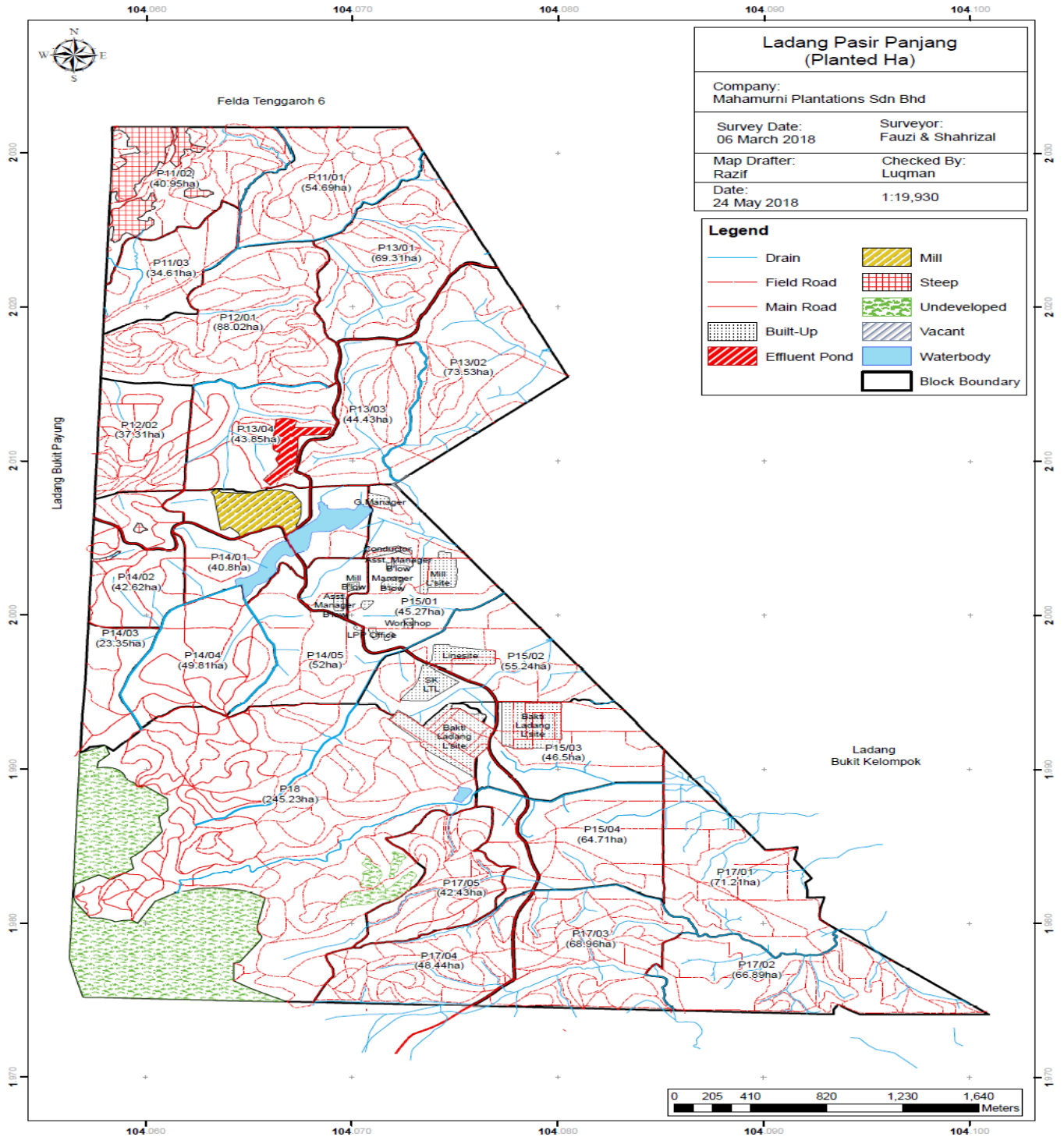
**F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any) (Dec 2018-Oct 2019)**

No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
11	DEF	ST-TR-6d39bd02-566a	10,000
Total			10,000

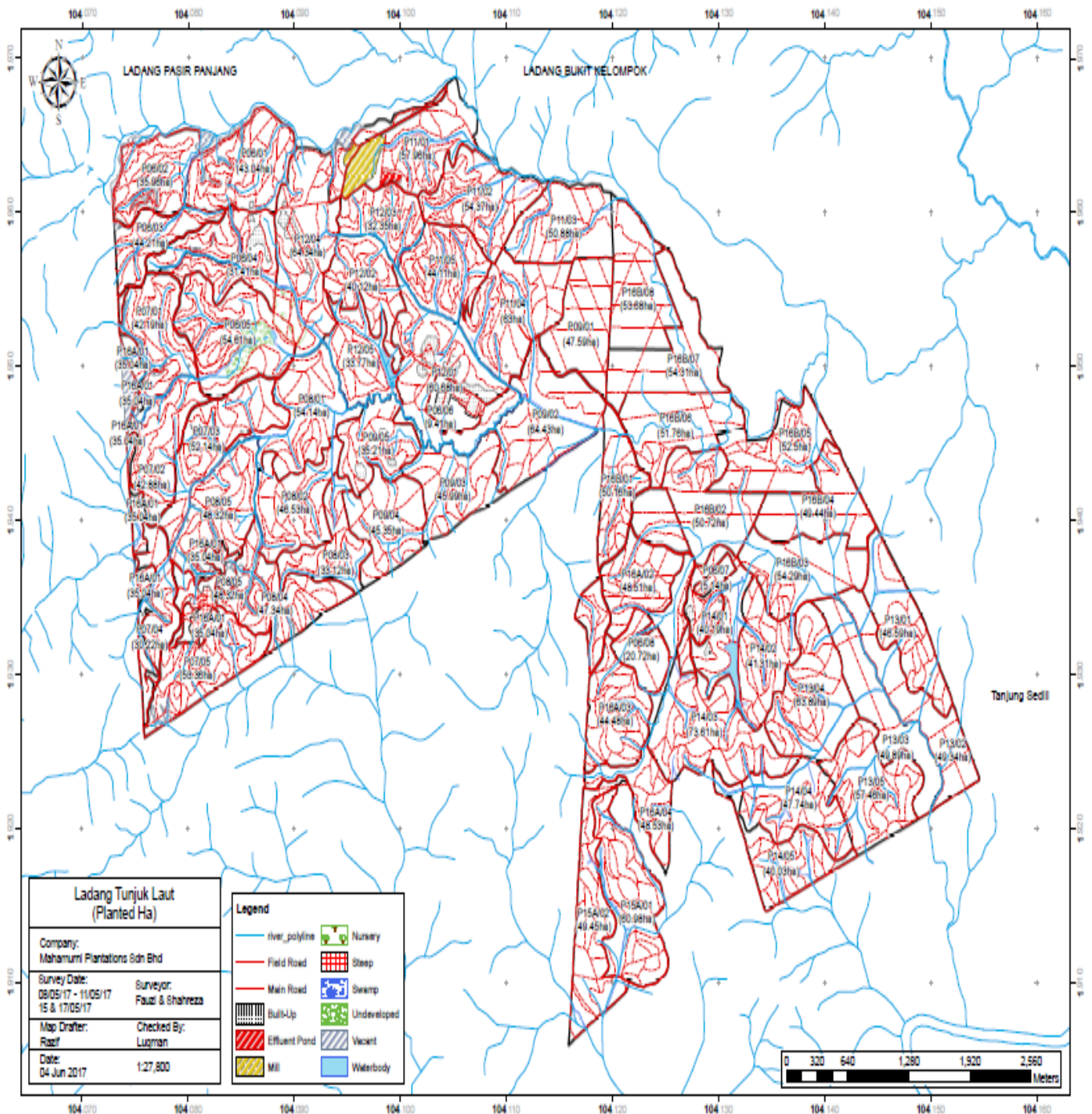
**Appendix F: Location Map of Pasir Panjang Palm Oil Mill and Supply bases**



**Appendix G: Pasir Panjang Estate Field Map**



**Appendix H: Tunjuk Laut 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