

**RSPO PRINCIPLE AND CRITERIA  
PUBLIC SUMMARY REPORT**☐ **Initial Assessment**☐ **Annual Surveillance Assessment** (Choose an item.)☒ **Recertification Assessment (RA 3)**☐ **Extension of Scope**

<b>Client Company Name / Parent Company:</b> <b>Johor Corporation</b>
Client Company / Parent Company Address: Level 2, Persada Johor Jalan Abdullah Ibrahim, Johor Bahru, 80000, Malaysia
Certification Unit: <b>Johor Plantations Group Berhad - Palong Cocoa Palm Oil Mill</b>  Location of Certification Unit: KM 8.5, Off Lebuhraya Tun Razak, 85000, Segamat, Johor, Malaysia
Date of Final Report: 07/03/2024

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## Section 1: Scope of the Assessment

1. Company Details			
Parent Company	JOHOR CORPORATION		
RSPO Membership Number	1-0080-09-000-00	Membership Approval Date	15/06/2009
Address	Level 2, Persada Johor Jalan Abdullah Ibrahim, Johor Bahru, 80000, Malaysia		
Palm Oil Mill / Group Manager / Estate (Certification Unit)	Johor Plantations Group Berhad - Palong Cocoa Palm Oil Mill		
Location / Address	KM 8.5, Off Lebuhraya Tun Razak, 85000, Segamat, Johor, Malaysia		
Website	<a href="https://johorplantations.com/">https://johorplantations.com/</a>		
Management Representative	Wan Adlin Wan Mahmood	E-mail	wanadlin@johorplantations.com
Telephone	07-8611611	Facsimile	NA

2. Certification Information			
Certificate Number	RSPO 613087	Certificate Start Date	23/01/2024
Date of First Certification	23/01/2009	Certificate Expiry Date	22/01/2029
Scope of Certification	Production of Sustainable Crude Palm Oil (CPO) and Palm Kernel (PK)		
Visit Objectives	<ul style="list-style-type: none"> <li>• Determination of the conformity of the client's management system, or parts of it, with audit criteria.</li> <li>• Evaluation of the ability of the management system to ensure the client organization meets applicable statutory, regulatory and contractual requirements.</li> </ul>		
Assessment Cycle	<input type="checkbox"/> Pre Assessment (Choose an item.) <input type="checkbox"/> Initial Assessment <input type="checkbox"/> Annual Surveillance Assessment (ASA Choose an item.) <input checked="" type="checkbox"/> Recertification Assessment (RA 3) <input type="checkbox"/> Scope Extension		
Applicable Standards / Normative Reference	RSPO Certification System for P&C and RSPO ISH 2020 <input type="checkbox"/> Choose an item. <input checked="" type="checkbox"/> Malaysia National Interpretation 2019 for RSPO P&C 2018 for the Production of Sustainable Palm Oil		
Supply Chain Module	<input checked="" type="checkbox"/> Identity Preserved; <input type="checkbox"/> Mass Balance	Mill Capacity	40 mt/hr
ISH certification Phase	<input type="checkbox"/> Eligibility <input type="checkbox"/> Milestone A <input type="checkbox"/> Milestone B <input checked="" type="checkbox"/> Not Applicable		
Is this a remote audit or on-site audit	<input checked="" type="checkbox"/> On-site audit (Option AI)	<input type="checkbox"/> On-site audit (Option AII)	<input type="checkbox"/> Remote audit (Option B)

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3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE119-60226780	ISCC	ASG Cert	17/5/2024
MSPO 698011	MSPO 2530-3:2013 General Principles for Oil Palm Plantations and Organized Smallholders	BSI Services Malaysia Sdn Bhd	31/3/2024
MSPO 698010	MSPO 2530-4:2013 General Principles for Palm Oil Mills		31/3/2024
BVC-MSPO/SC-0031	MSPO Supply Chain Certification Standard 2018	BV Certification (Malaysia) Sdn Bhd	10/03/2025
HALAL A199300	MS 1500:2009	JAKIM	30/06/2025

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base / Group Manager / Smallholders)	Location	GPS Coordinates	
		Latitude	Longitude
Palong Cocoa POM	KM 8.5, Off Lebuhraya Tun Razak 85000 Segamat, Johor, Malaysia.	2° 42' 23.09" N	102° 47' 6.04" E
Palong Estate	Mukim Buloh Kasap, Segamat, Johor, Malaysia.	2°44' 55.89" N	102° 44' 55.53" E
Mungka Estate	Mukim Buloh Kasap, Segamat, Johor, Malaysia.	2° 41' 15.44" N	102° 47' 8.35" E
UMAC Estate	Mukim Keratong, Daerah Rompin, Bandar Tun Razak, Pahang, Malaysia.	2° 53' 3.31" N	102° 48' 23.94" E
Labis Bahru Estate	Mukim Pogoh, Segamat, Johor, Malaysia.	2° 25' 49.29" N	102° 52' 27.92" E

5. Description of Supply Base					
<b>New Planting Development</b>	<input checked="" type="checkbox"/> No (no change in total planted area)			<input type="checkbox"/> Yes (please refer to Principle 7 for details)	
Estate / Smallholders	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Palong Estate	3,494.73	20.74	186.45	3,701.92	94.40
Mungka Estate	2,646.42	80.79	171.06	2,898.27	91.31
UMAC Estate	1,555.90	0.84	59.59	1,616.33	96.26
Labis Bharu Estate	1,947.24	14.53	146.39	2,108.16	92.37
<b>Total</b>	<b>9,644.29</b>	<b>116.90</b>	<b>563.49</b>	<b><sup>1</sup>10,324.68</b>	<b>93.41</b>
Note:					

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<sup>1</sup>A total variance of 12.40 Ha due to error in data entry for the area statements of UMAC Estate and Labis Bahru Estate in previous year report.

## 6. Plantings & Cycle

Estate / Smallholders	Age (Years) - ha				Mature	Immature
	0 - 3	4 - 14	15 - 25	>25		
Palong Estate	100.96	2,612.77	781.00	-	3,393.77	100.96
Mungka Estate	114.04	1,063.13	1,469.25	-	2,532.38	114.04
UMAC Estate	28.77	173.89	1,353.24	-	1,527.13	28.77
Labis Bahru Estate	479.25	247.69	1,220.30	-	1,467.99	479.25
<b>Total (ha)</b>	<b>723.02</b>	<b>4,097.48</b>	<b>4,823.79</b>	<b>-</b>	<b>8,921.27</b>	<b>723.02</b>

## 7. Summary of Certified Tonnage of FFB (Own Certified Scope)

Estate / Smallholders	Tonnage (MT) / year			
	Estimated last year (Jan 2023 - Dec 2023)	Actual (Sep 2022 – Sep 2023)		Forecast (Jan 2024 - Dec 2024)
		Previous license period (Sep 2022 - Dec 2022)	Current license period (Jan 2023 - Sep 2023)	
Palong Estate	74,147.00	34,637.49	44,357.96	74,147.00
Mungka Estate	59,699.00	21,681.74	25,984.11	50,483.00
UMAC Estate	36,587.00	15,043.04	17,959.06	36,587.00
Labis Bahru Estate	38,831.00	13,687.34	23,127.43	36,631.00
<b>Total</b>	<b>209,264.00</b>	<b>196,478.17</b>		<b>197,848.00</b>

## 8. Summary of Certified Tonnage of FFB (from other certified unit(s))

Estate / Smallholders	Tonnage (MT) / year			
	Estimated last year (Jan 2023 - Dec 2023)	Actual (Sep 2022 – Sep 2023)		Forecast (Jan 2024 - Dec 2024)
		Previous license period (Sep 2022 - Dec 2022)	Current license period (Jan 2023 - Sep 2023)	
Rengam Estate		-	2,037.15	
<b>Total</b>		<b>2,037.15</b>		

Note: Rengam Estate is certified under JPB's Tereh Certification Unit.

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9. Summary of Non-Certified Tonnage of FFB (outside supplier – excluded from certificate)				
Out growers / smallholders	Tonnage (MT) / year			
	Estimated last year (Jan 2023 - Dec 2023)	Actual (Sep 2022 – Sep 2023)		Forecast (Jan 2024 - Dec 2024)
		Previous license period (Sep 2022 - Dec 2022)	Current license period (Jan 2023 - Sep 2023)	
N/A	N/A	N/A	N/A	N/A
<b>Total</b>	<b>N/A</b>	<b>N/A</b>		<b>N/A</b>

9A. Monthly Records of Certified and Uncertified FFB Received since the last audit				
No.	Month - Year	Volume of FFB from certified supply base (mt)	Volume of FFB from uncertified supply base (mt)	Total FFB/Month (mt)
1	Sep-22	20,238.52	-	20,238.52
2	Oct-22	21,587.12	-	21,587.12
3	Nov-22	22,558.87	-	22,558.87
4	Dec-22	20,665.10	-	20,665.10
5	Jan-23	13,839.56	-	13,839.56
6	Feb-23	11,343.48	-	11,343.48
7	Mar-23	11,851.47	-	11,851.47
8	Apr-23	9,163.85	-	9,163.85
9	May-23	9,800.21	-	9,800.21
10	Jun-23	9,432.41	-	9,432.41
11	Jul-23	12,671.82	-	12,671.82
12	Aug-23	16,478.57	-	16,478.57
13	Sep-23	18,884.34	-	18,884.34
<b>TOTAL</b>		<b>198,515.32</b>	<b>-</b>	<b>198,515.32</b>

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<b>10. Summary of Certified Tonnage (MT) (not applicable for ISS)</b>			
<b>Estimated last year (Jan 2023 - Dec 2023)</b>	<b>Actual (Sep 2022 – Sep 2023)</b>		<b>Forecast (Jan 2024 - Dec 2024)</b>
	Previous license period (Sep 2022 - Dec 2022)	Current license period (Jan 2023 - Sep 2023)	
<b>FFB</b>	<b>FFB</b>		<b>FFB</b>
215,264.00 mt	85,049.61 mt	113,465.71 mt	197,848.00 mt
	<b>TOTAL</b>	198,515.32 mt	
<b>CPO (OER: 22.00 %)</b>	<b>CPO (OER: 19.24, 20.72 %)</b>		<b>CPO (OER: 21.25 %)</b>
47,268.00 mt	16,366.62 mt	23,513.90 mt	42,042.7 mt
	<b>TOTAL</b>	39,880.52 mt	
<b>PK (KER: 5.28 %)</b>	<b>PK (KER: 5.80, 5.61 %)</b>		<b>PK (KER: 5.55 %)</b>
11,315.00 mt	4,936.17 mt	6,366.11 mt	10,980.56 mt
	<b>TOTAL</b>	11,302.28 mt	

<b>10A. Monthly Records of Certified CPO &amp; PK since the last audit (Sep 2022 - Sep 2023)</b>			
<b>No.</b>	<b>Month - Year</b>	<b>Certified CPO (MT)</b>	<b>Certified PK (MT)</b>
1	Sep-22	3,923.21	1,132.37
2	Oct-22	4,192.52	1,280.18
3	Nov-22	4,336.09	1,298.67
4	Dec-22	3,914.80	1,224.95
5	Jan-23	3,725.81	1,172.82
6	Feb-23	2,208.16	600.88
7	Mar-23	2,354.46	679.54
8	Apr-23	1,868.42	521.12
9	May-23	1,980.17	499.54
10	Jun-23	1,872.22	483.70
11	Jul-23	2,520.45	653.40
12	Aug-23	3,273.86	786.08
13	Sep-23	3,710.35	969.21
<b>TOTAL</b>		<b>39,880.52</b>	<b>11,302.28</b>

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<b>11. Summary of Actual Volume sold</b>					
<b>Current License period (Jan 2023 - Sep 2023)</b>					
	<b>RSPO Certified</b>	<b>Other Schemes Certified</b>		<b>Conventional</b>	<b>Total</b>
		<b>ISCC</b>	<b>Others</b>		
<b>CPO (MT)</b>	17,530.64	-	-	-	17,530.64
<b>PK (MT)</b>	6,860.02	-	-	-	6,860.02
<b>Credits</b>					-
<b>Previous License period (Sep 2022 - Dec 2022)</b>					
<b>CPO (MT)</b>	12,477.28			4,623.29	17,100.57
<b>PK (MT)</b>	4,136.56			-	4,136.56
<b>Credits</b>					

<b>11A. Records of Certified CPO &amp; PK Sold under PalmTrace since the last audit (Sep 2022 - Sep 2023)</b>				
<b>No.</b>	<b>Buyers Name</b>	<b>PalmTrace Trading License Number</b>	<b>Certified CPO Sold (MT)</b>	<b>Certified PK Sold (MT)</b>
1	Non-disclosure	Non-disclosure	4,584.65	-
2	Non-disclosure	Non-disclosure	1,226.50	-
3	Non-disclosure	Non-disclosure	19,686.06	-
4	Non-disclosure	Non-disclosure	134.13	-
5	Non-disclosure	Non-disclosure	253.10	-
6	Non-disclosure	Non-disclosure	2,190.75	-
7	Non-disclosure	Non-disclosure	1,435.89	-
8	Non-disclosure	Non-disclosure	417.10	-
9	Non-disclosure	Non-disclosure	79.74	-
10	Non-disclosure	Non-disclosure	-	42.81
11	Non-disclosure	Non-disclosure	-	6,111.60
12	Non-disclosure	Non-disclosure	-	2,669.37
13	Non-disclosure	Non-disclosure	-	352.86
14	Non-disclosure	Non-disclosure	-	35.67
15	Non-disclosure	Non-disclosure	-	199.76
16	Non-disclosure	Non-disclosure	-	1,584.51
<b>TOTAL</b>			<b>30,007.92</b>	<b>10,996.58</b>



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11B. Records of certified CPO & PK Sold under other schemes since the last audit (Sep 2022 - Sep 2023)				
No.	Buyers Name	Scheme Name	Certified CPO Sold (MT)	Certified PK Sold (MT)
1	N/A	N/A	N/A	N/A
TOTAL			N/A	N/A

11C. Records of CPO & PK Sold as conventional since the last audit (Sep 2022 - Sep 2023)			
No.	Buyers Name	CPO Sold (MT)	PK Sold (MT)
1	Non-disclosure	4,623.29	-
TOTAL		4,623.29	-

11D. Records of Certified CPO Sold under RSPO Credits since the last audit (Sep 2022 - Sep 2023)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold
1	N/A	N/A	N/A
TOTAL			N/A

12. Independent Smallholders Certified Tonnage (MT) / Volume									
Phase	Estimated last year			Actual			Forecast		
	Eligibility	MS A	MS B	Eligibility	MS A	MS B	Eligibility	MS A	MS B
	40%	70%	100%	40%	70%	100%	40%	70%	100%
FFB			N/A			N/A			N/A
IS-CSPO	N/A	N/A		N/A	N/A		N/A	N/A	
IS-CSPKO	N/A	N/A		N/A	N/A		N/A	N/A	
IS-CSPKE	N/A	N/A		N/A	N/A		N/A	N/A	
CSPK	N/A	N/A		N/A	N/A		N/A	N/A	

12A. Monthly Records of Certified CPO, PK & PKE (equivalent) produced since the last audit						
No.	Month - Year	FFB (MT)	Certified CPO (MT)	Certified PK (MT)	Certified PKO (MT)	Certified PKE (MT)
1	N/A	N/A	N/A	N/A	N/A	N/A
TOTAL		N/A	N/A	N/A	N/A	N/A

13. Independent Smallholders Actual Sold Tonnage / Volume							
	FFB	FFB Conventional	FFB Other schemes	IS-CSPO	CSPK	IS-CSPKO	IS-CSPKE
Current License period							
Credits				N/A	N/A	N/A	N/A
Physical	N/A	N/A	N/A				
Previous License period							
Credits				N/A	N/A	N/A	N/A
Physical	N/A	N/A	N/A				

13A. Records of Certified FFB, CPO, PK & PKE (including credits) sold since the last audit							
No.	Buyers Name	PalmTrace Trading License Number	FFB Sold (MT)	Certified CPO Sold (MT/credit)	Certified PK Sold (MT/credit)	Certified PKO Sold (MT/credit)	Certified PKE Sold (MT/credit)
TOTAL							
Note:							

## Section 2: Assessment Process

### Certification Body:

BSI Services Malaysia Sdn. Bhd. (ASI Accreditation Number: ASI-ACC-067)

Suite 29.01 Level 29, The Gardens North Tower,

Mid Valley City, Lingkaran Syed Putra,

59200 Kuala Lumpur, Malaysia.

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Representative: Dr. Chaiyaporn Seekao ([Chaiyaporn.Seekao@bsigroup.com](mailto:Chaiyaporn.Seekao@bsigroup.com))

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BSI is a leading global provider of management systems assessment and certification, with more than 92,000 certified locations and clients in over 193 countries. BSI is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia.

### 2.1 Assessment Methodology, Programme, Site Visits

The on-site assessment was conducted on **15/10/2023 – 19/10/2023**. The audit programme is included as Section 2.3. Where applicable, prior to the initial certification and recertification audit, 30 days Public Notification was made through the RSPO and BSI website on 01/09/2023.

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

The Critical NC close out on-site assessment was conducted off site.

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. Malaysia National Interpretation 2019 of the RSPO P&C 2018 was used as the normative reference to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula  $N = (\sqrt{y}) \times (z)$  where y is the number of estates and where z is the multiplier defined by risk assessment. While, the sampling of smallholders were based on the formula  $(\sqrt{y}) \times (z)$ ; where y is total number of group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix E.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Section 3.4.

The non-conformities for this audit are detailed in Section 3.3 and unless it is stated in this section, all previous nonconformities including minor nonconformities are remains closed.

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This report is structured to provide a summary of assessment finding as provided in Appendix A. The assessment was conducted based on risk-based approach sampling and therefore nonconformities may exist.

For Initial, Re-certification and Extension of Scope assessment, the report was externally reviewed by approved external peer 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 (Recertification3)</b>	<b>Year 2 (ASA 3_1)</b>	<b>Year 3 (ASA 3_2)</b>	<b>Year 4 (ASA 3_3)</b>	<b>Year 5 (ASA 3_4)</b>
Palong Cocoa POM	✓	✓	✓	✓	✓
Palong Estate	✓	✓	✓	✓	✓
Mungka Estate	✓	✓	✓	✓	✓
UMAC Estate	✓	✓	✓	✓	✓
Labis Baru Estate	✓	✓	✓	✓	✓

**Tentative Date of Next Visit: October 14, 2024 - October 18, 2024**

**Total Number of Mandays: 15**

## 2.2 BSI Assessment Team

Name	Role	Competency
Valence Shem (VSH)	Team Leader	<p><b>Education:</b> Holds a Bachelor of Technology BTech (Hons.) Industrial Technology, University of Science Malaysia.</p> <p><b>Work Experience:</b> He has more than 20 years of working experience with 9 years in oil palm plantation industry and 13 years in management system auditing since 2009 for various standards such as ISO 14001, RSPO P&amp;C, RSPO SCCS, MSPO and SMETA.</p> <p><b>Training attended:</b> He has completed ISO 14001 Lead Auditor Course, ISO 9001 Lead Auditor Course, Endorsed RSPO P&amp;C Lead Auditor Course, Endorsed RSPO SCCS Lead Assessor Course, MSPO Awareness Training, ISO 45001 Lead Auditor Course, SMETA Auditor training, HCV-HCS training and RSPO-endorsed RSPO ISH Standard 2019 Lead Auditors Course.</p> <p><b>Language proficiency:</b> Fluent in in both verbal/written Bahasa Malaysia and English</p> <p><b>Aspect covered in this audit:</b> Estate &amp; mill best practice, legal requirements, HIRARC, OHS, continual improvement, Supply Chain and RSPO Rules on Market Communications and Claims.</p>
Mohamed Hidir bin Zainal Abidin (MHZ)	Team Member	<p><b>Education:</b> Holds a Bachelor Degree in Chemical Engineering, National University of Malaysia, 2006</p> <p><b>Work Experience:</b></p> <ol style="list-style-type: none"> <li>1) 7 years working experience in palm oil industry specifically on palm oil milling for 5 years</li> <li>2) Auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO since 2012</li> </ol> <p><b>Training attended:</b></p> <ol style="list-style-type: none"> <li>1) ISO 9001 Lead Auditor Course</li> <li>2) ISO 14001 Lead Auditor Course</li> <li>3) OHSAS 18001 Lead Auditor Course in 2012</li> <li>4) Endorsed RSPO P&amp;C Lead Auditor Course in 2013</li> <li>5) MSPO Awareness Training in 2014</li> <li>6) Endorsed RSPO SCCS Lead Auditor Course</li> <li>7) SMETA Auditor training</li> </ol> <p><b>Language proficiency:</b> Fluent in in both verbal/written Bahasa Malaysia and English.</p> <p><b>Aspect covered in this audit:</b> Policy and commitment, social requirements, contract agreement, human rights, workers' welfare, smallholder welfare, Stakeholder Consultation, Legal Requirements, and land &amp; Legal issue.</p>
Yusof Khairan Nizar bin Ahmad Tarmizi (YKN)	Team Member	<p><b>Education:</b> Holds a Diploma in Public Administration-ITM (1991), Certificate of Safety and Health Officer-MII (2003), Bachelor of Corporate Administration (Hons), MARA University of Technology and a Master of Science in Occupational Safety and Health Management-Northern University of Malaysia.</p> <p><b>Work Experience:</b> Has more than 30 years of working experience in varies industries including as safety officer in manufacturing company; consultant and trainer for management systems including ISO 9001:2015, ISO</p>

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		<p>14001:2015, ISO 45001:2018, OHSAS 18001:2007, MS1722:2011, Environmental Legislation; contract auditor with varies accredited certification bodies for scheme including Malaysia Sustainable Palm Oil (MSPO), RSPO Principles &amp; Criteria; MPOCC Registered Peer Reviewer and was a Certificate of Safety and Health Officer-Malaysian Insurance Institute.</p> <p><b>Training attended:</b> He has completed ISO 9001:2000 IRCA/IATC A Lead Auditor Training; ISO 14001:2004 IEMA Approved EMS Advanced Lead Auditor Training Course; OH&amp;SMS IRCA Certified Lead Auditor Training Course; MS 1722 Lead Auditor Training; MSPO Auditing; Endorsed RSPO P&amp;C 2018 Lead Auditor Course; SMETA Requirements Training; HCV &amp; HCS Introductory Training, RSPO Independent Smallholder (IHS) Auditor Training and Endorsed RSPO Refresher Trainings (P&amp;C).</p> <p>. Also attended the Quality &amp; Environmental MS Auditing Skills Based on Risk Management, Conformity Assessment – For Bodied Providing Audit and Certification (ISO/IEC 17021:2015) collaboration with Institute of Quality Malaysia, ISO/IEC 17021. MSPO Peer Reviewer Training (MPOCC).</p> <p><b>Language Proficiency:</b> Fluent in in both verbal/written Bahasa Malaysia and English.</p> <p><b>Aspect covered in this audit:</b> Smallholders' inclusion, legal requirements, environment, wastes management, GHG, and HCV.</p>
Suhaili Sahari	Peer Reviewer	<p><b>Education:</b> Graduated from University Technology Mara (UiTM), Malaysia in Diploma in Science in 1990. He furthers his first degree in B.Sc (Hons) in Chemistry with Industrial Chemistry in 1995 from Liverpool University, England. He later advances his study in Master in Business Administration (General) in 2002 and graduated in 2005 from University of Multimedia, Malaysia. Completed his PhD from University Science Islam Malaysia (Faculty of Economy and Muamalat - Management) under the supervision of previous University Vice Chancellor Dato' Mohd Muda.</p> <p><b>Work Experience:</b> Worked with Hong Leong Group of Companies as a production executive cum TQM facilitator and continues to advance in his career as a manager and senior manager in management, production, training and quality for more than 11 years. During his tenure with Hong Leong Group of Companies, he heavily involved in strategic management decision issues such as developing SWOT analysis, Vision, Mission, Business and Corporate Strategy formulation, Acquisition and restructuring strategies. Strategic actions and implementation etc. Then he joint Kumpulan Guthrie and Sime Darby Group of Companies for more than 7 years as a manager, heads of department and Assistant Vice President in management, quality and training. Part of his duty is to strategies the departmental vision; mission, critical success factors and action plan into actions and support the corporate strategic plan.</p> <p><b>Training attended:</b></p> <ol style="list-style-type: none"> <li>1. ISO 9001:2015 Lead Auditor and Internal Auditor</li> <li>2. ASI reviewer training</li> <li>3. Safety and Health</li> <li>4. ISO 14001:2015 Standard</li> <li>5. RSPO Standards: RSPO P&amp;C 2018 MY-NI 2019</li> <li>6. MSPO Standards: MS 2530: 2013 part 1, 2, 3 and 4</li> </ol>

		<p>7. Problem Solving Technique: 8 D, ICC, QCC, Systematic PS</p> <p>8. HACCP MS 1480:2019</p> <p>9. GAP Standard: GLOBALGAP, Euro GAP</p> <p>10. MSPO Peer Reviewer Training 2 - 2017 by MPOCC.</p> <p><b>Expertise:</b> General Management, Auditing, Environment and Plantation Management.</p>
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**Accompanying Persons:**

Name	Role
Fahmi bin Othman	Observer

## 2.3 Assessment Plan

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

Date	Time	Subjects	VSH	MHZ	MNM	FBO
Sunday 15/10/2023	0900-0915	Opening meeting: • Opening presentation by audit team leader • Confirmation of assessment scope and finalize audit plan (including stakeholder's consultation)	✓	✓	✓	✓
	0915-1300	<b>Mungka 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, Scheduled waste management, worker housing, clinic, Landfill, etc. and documentation review.	✓	✓	✓	✓
	1300-1400	Lunch break				
	1400-1630	<b>Mungka Estate</b> Document review P1 – P7: (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	✓	✓	✓	✓
Monday 16/10/2023	0900-1300	<b>UMAC 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, Scheduled waste management, worker housing, clinic, Landfill, etc.	✓	✓	✓	✓
	1300-1400	Lunch break				
	1400-1630	<b>UMAC Estate</b> Document review P1 – P7: (General Documentation e.g., Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc.).	✓	✓	✓	✓
	1630-1700	Interim closing briefing	✓	✓	✓	✓



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Tuesday 17/10/2023	0900-1300	<b>Palong Cocoa POM</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.	✓	✓	✓	✓
	1000-1300	<b>Stakeholder consultation</b> Consultation with relevant stakeholders which consists of various categories such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g., neighboring estates, smallholders, villages, workers representative, etc.), etc.	-	✓	-	✓
	1300-1400	Lunch break				
	1400-1630	<b>Palong Cocoa POM</b> Document Review P1 – P7: SOPs, Supply chain, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation, etc.	✓	✓	✓	✓
	1630-1700	Interim closing briefing				
Wednesday 18/10/2023	0900-1300	<b>Labis Bahru 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, Scheduled waste management, worker housing, clinic, Landfill, etc. and documentation review.	✓	✓	✓	✓
	1300-1400	Lunch break				
	1400-1630	<b>Labis Bahru 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, Scheduled waste management, worker housing, clinic, Landfill, etc. and documentation review.	✓	✓	✓	✓
	1630-1700	Interim closing briefing				
Thursday 19/10/2023	0900-1300	<b>Palong 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.),	✓	✓	✓	✓

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		agrochemical mixing area, Scheduled waste management, worker housing, clinic, Landfill, etc.				
	1300-1400	Lunch break				
	1400-1530	<b>Palong Estate</b> Document review P1 – P7: (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.).	✓	✓	✓	✓
	1530-1600	Interim closing briefing	✓	✓	✓	✓
	1600-1630	Audit team discussion & preparation for closing meeting	✓	✓	✓	✓
	1630-1700	Closing meeting	✓	✓	✓	✓

## Section 3: Assessment Findings

### 3.1 Multiple Management Units and Time Bound Plan

Requirement	Assessment	Compliance
Does the time bound plan include all current subsidiaries, estates and mills that is under the control and/or minor shareholding of the holding company?	Yes, the plan includes all current subsidiaries, estates and mills that is under management control.	Complied
Have all the estates and mills certified within five (5) years after obtaining RSPO membership? If no, has RSPO Secretariat approval obtained? Was the submission according to the template as announced by the RSPO Secretariat on 21/12/2021	Yes, all the estates and mills certified within 5 years after obtaining RSPO membership. However, the Indonesian units, PT RAJ & PT TPR had disposed on 06/07/2023. Completed in August 2023. Refer <a href="https://kulim.com.my/media-release/announcement/disposal-of-kulims-oil-palm-plantation-business-in-indonesia/">https://kulim.com.my/media-release/announcement/disposal-of-kulims-oil-palm-plantation-business-in-indonesia/</a>	Complied
Have there been any new acquisitions? If yes, the new acquisitions shall be certified within three (3) years from the date of acquisition. Certification plan for the new acquisition shall be available. If no, has RSPO Secretariat approval obtained? Was the submission according to the template as announced by the RSPO Secretariat on 21/12/2021.	No. There have been no new acquisitions.	Complied
Any deviations from the maximum periods requires approval by the RSPO Secretariat.	No. There have been no deviations from the maximum periods requires approval by the RSPO Secretariat. Indonesian units, PT RAJ & PT TPR had disposed on 06/07/2023. Completed in August 2023. Refer <a href="https://kulim.com.my/media-release/announcement/disposal-of-kulims-oil-palm-plantation-business-in-indonesia/">https://kulim.com.my/media-release/announcement/disposal-of-kulims-oil-palm-plantation-business-in-indonesia/</a>	Complied
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. There has been no changes to the time-bound plan since the last audit.	Complied
Have there been any isolated lapses in implementation of the plan? If yes a <b>Minor</b> non-compliance shall be raised	No. There have been no isolated lapses in Time Bound Plan.	Complied
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	There has been no fundamental failure to proceed with implementation of the plan.	Complied
<b>Un-Certified Units or Holdings</b>		

No replacement of primary forest or any area required to maintain or enhance HCVs and HCS in accordance with RSPO P&C criterion 7.12.	Indonesian units, PT RAJ & PT TPR had disposed on 06/07/2023. Completed on August 2023. Refer <a href="https://kulim.com.my/media-release/announcement/disposal-of-kulims-oil-palm-plantation-business-in-indonesia/">https://kulim.com.my/media-release/announcement/disposal-of-kulims-oil-palm-plantation-business-in-indonesia/</a> . Therefore, this indicator was not applicable.	Complied
Any new plantings since January 1 <sup>st</sup> 2010 shall comply with the RSPO New Plantings Procedure.	Indonesian units, PT RAJ & PT TPR had disposed on 06/07/2023. Completed in August 2023. Therefore, this requirement was not applicable.	Complied
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 4.4, 4.5, 4.6, 4.7 and 4.8.	Indonesian units, PT RAJ & PT TPR had disposed on 06/07/2023. Completed in August 2023. Refer Agreement between both parties dated 06/07/2023. Therefore, this requirement was not applicable.	Complied
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2	Indonesian units, PT RAJ & PT TPR had disposed on 06/07/2023. Completed in August 2023. Refer Agreement between both parties dated 06/07/2023. Therefore, this requirement was not applicable.	Complied
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	Indonesian units, PT RAJ & PT TPR had disposed on 06/07/2023. Completed in August 2023. Therefore, this requirement was not applicable.	Complied
Did the company conduct internal audit for those uncertified estates against the uncertified management units requirement and covering the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12? If yes, a positive assurance statement shall be available and justified.	Indonesian units, PT RAJ & PT TPR had disposed on 06/07/2023. Completed in August 2023. Therefore, this requirement was not applicable.	Complied
Are there any Critical (Major) non-compliance raised against any of the RSPO P&C criterion 2.1 4.2, 4.4, 4.5, 4.6, 4.7, 4.8 and 7.12 during the last internal audit of the uncertified estates? If yes is the NC(s) actively addressed with RSPO?	Indonesian units, PT RAJ & PT TPR had disposed on 06/07/2023. Completed in August 2023. Therefore, this requirement was not applicable.	Complied
Have there been any stakeholder (including NGO) consultation conducted?	Indonesian units, PT RAJ & PT TPR had disposed on 06/07/2023. Completed in August 2023. Therefore, this requirement was not applicable.	Complied

### 3.2 Progress of scheme smallholders and/or outgrowers

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?  OFI shall be raised if after one year where 100% of the scheme smallholders and scheme outgrowers are not in compliance, a minor NC after two years, and a major NC if this requirement is not met after three years.	Not applicable as there are no smallholder scheme or out-growers under this certification unit.	Not Applicable

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**Approved Time Bound Plan**

Name of the Unit of Certification (UoC)	Country	Name of the Mills and Supply Bases	Total Managed Area (Ha)	Certification Status (Certified / Not certified)	Plan Year for Certification	Actual Certification Year	Date of Last TBP Verified and Approved by CB	REVISION OF THE TBP (Only applicable when revision is made)			
								Any revision from the last approved TBP? (Yes / No)	New Proposed Year for Certification	Justification of changes for each UoC	Date of approval from RSPO
<i>Sedenak Palm Oil Mill</i>	<i>Malaysia</i>	<i>Sedenak Estate</i>	2808	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Kuala Kabong Estate</i>	1718	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
<i>Sindora Palm Oil Mill</i>	<i>Malaysia</i>	<i>Sindora Estate</i>	3,919.06	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Basir Ismail Estate</i>	3594.4	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>REM Estate</i>	2898.9	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Sungai Papan Estate</i>	2,995.85	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
<i>Tereh Palm Oil Mill</i>	<i>Malaysia</i>	<i>Tereh Utara Estate</i>	3087.4	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Tereh Selatan Estate</i>	2707.2	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil

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		<i>Selai Estate</i>	3535.1	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Mutiara Estate</i>	3695.1	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Sungai Tawing Estate</i>	2225.8	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Wawasan Estate</i>	362.30	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Felda Paloh Estate</i>	1331.8	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Rengam Estate</i>	2418.2	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
<i>Palong Palm Oil Mill</i>	<i>Malaysia</i>	<i>Palong Estate</i>	3701.9	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Mungka Estate</i>	2898.3	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>UMAC Estate</i>	1616.3	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Labis Bahru Estate</i>	2108.2	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
<i>Pasir Panjang Palm Oil Mill</i>	<i>Malaysia</i>	<i>Pasir Panjang Estate</i>	4013.6	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Tunjuk Laut Estate</i>	2867.8	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		<i>Siang Estate</i>	3443.1	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil

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		Bukit Kelompok Estate	2613.8	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
		Pasir Logok Estate	2097.7	Certified	Nil	2009	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil
Bukit Layang Estate	Malaysia	Bukit Layang Estate	397.76	Certified	Nil	12-Jul	20-Apr-22	Yes	Nil	We completed the disposal of our Indonesia operation in August 2023	Nil



### 3.3 Details of Nonconformities

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

During this Assessment there were one (1) Critical; two (2) Minor nonconformities and two (2) Opportunity for Improvement raised. The Johor Plantations Berhad - Palong Cocoa Palm Oil Mill certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Critical Nonconformity(ies) has been verified for its effectiveness and closed accordingly. The below is the summary of the non-conformity raised during this assessment.

Non-conformity			
<b>NCR Ref #</b>	2399846-202310-M1	<b>Issued Date</b>	19/10/2023
<b>Due Date</b>	17/01/2024	<b>Closure Date</b>	16/01/2024
<b>Indicator &amp; Category (Critical / Minor)</b>	3.8.16 (Critical)		
<b>Statement of Nonconformity:</b>	Removal of certified stock in the RSPO PalmTrace was not made for volumes sold as conventional.		
<b>Requirement Reference:</b>	Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.		
<b>Objective Evidence:</b>	In the previous license period (23/05/2022 to 22/02/2023), there were 4,623.29 mt of certified CPO sold as conventional. However, there was no removal of certified stock made in the RSPO PalmTrace.		
<b>Corrections:</b>	To ensure the certified volume under the current license which sold as conventional is removed after monthly volume reconciliation.		
<b>Root Cause Analysis:</b>	The removal of certified stock in PalmTrace was not adequately described in the JPB's SC procedure.		
<b>Corrective Actions:</b>	To update the JPB procedure RSPO Supply Chain guideline.		
<b>Assessment Conclusion:</b>	JPB has established a new procedure entitled Guideline RSPO Supply Chain (doc. no.: JPB/GP/OPR/CTD/03, issue 0, rev. 0, dated 01/12/2023) for their Commodities Trading to use, which included the requirement to remove RSPO certified products in the PalmTrace under Clause 6.2.4 of the procedure. Ever since the closing meeting of this assessment, there has been no certified products sold under different scheme, as conventional made. Thus, no actual removal of volume in the PalmTrace. This can be evident through verification of PalmTrace transaction records and the mill's Mass Balance records.		

	The evidence of correction and corrective action plan were found to be sufficient to close the NCR. Continuous effective implementation of the corrective action shall be verified in the next assessment visit.
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Non-conformity			
<b>NCR Ref #</b>	2399846-202310-N1	<b>Issued Date</b>	19/10/2023
<b>Due Date</b>	18/11/2023	<b>Closure Date</b>	Open
<b>Indicator &amp; Category (Critical / Minor)</b>	1.2.2 (Minor)		
<b>Statement of Nonconformity:</b>	System to monitor compliance and the implementation of the policy and overall ethical business practice was not effectively demonstrated.		
<b>Requirement Reference:</b>	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice		
<b>Objective Evidence:</b>	Based on interview with stakeholders, there was a concern raised by one (1) of the contractors (Le Engineering and Construction) with regards to uncleared invoices during the transition period from Johor Foods Sdn Bhd to Mahamurni Plantation Sdn Bhd in 2012. Further verification with the certification unit (CU) was then made to evaluate the validity of the claim. However, the CU was not able to confirm whether or not the claim is valid.		
<b>Corrections:</b>	<ol style="list-style-type: none"> <li>1) Account department from HQ has contacted Palong Mill's CC to conduct a thorough reconciliation of transactions related to Johor Food.</li> <li>2) Mill Management team will obtain the Statement of Account (SOA) from LE Engineering specifically for pending transactions with Johor Food, ensuring no mix-up with MPSB.</li> <li>3) To get all the cheque returned images from Johor Food Bank Account (Maybank)</li> <li>4) To arrange a meeting with Johor Food Head Office how to settle the dues to LE Engineering together with representatives</li> </ol>		
<b>Root Cause Analysis:</b>	Lack of monitoring by Mill Management in the payment process to Le Engineering and Construction.		
<b>Corrective Actions:</b>	Mill management will conduct monthly reconciliation on a monthly basis.		
<b>Assessment Conclusion:</b>	The correction and corrective action plans are accepted. Evidence of implementation shall be verified in the next assessment visit.		

Non-conformity			
NCR Ref #	2399846-202310-N2	Issued Date	19/10/2023
Due Date	18/11/2023	Closure Date	Open
Indicator & Category (Critical / Minor)	7.8.1 (Minor)		
Statement of Nonconformity:	Water Management Plan to ensure continuous availability of water sources and access to clean water was found to be not adequately established.		
Requirement Reference:	<p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>a) The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>b) Workers have adequate access to clean water.</p>		
Objective Evidence:	<p>The water management plan, dated 01/08/2023, for UMAC Estate was not adequately established to consider addressing the following issues:</p> <ol style="list-style-type: none"> <li>1) Feedback from stakeholders' consultation regarding to continuous disruption of water supply in UMAC Estate which has affected the workers and canteen operator.</li> <li>2) Since UMAC Estate location is isolated and far from other JPB's estates, the action to get water supply from those other estates during water disruption as part of the water management plan seems to be irrelevant.</li> <li>3) Only the unavailability of water during draught season is captured and included the Water Management Plan. The current condition i.e., water disruption from the public domain was not considered.</li> </ol>		
Corrections:	<p>Estate Management to review the Water management plan with include water disruption by Pengurusan Air Pahang as and when necessary.</p> <p>Estate management have provided additional water tank for standby or every house in the estate for additional water storage in case the water from outside was cut off.</p>		
Root Cause Analysis:	Ineffective Social Impact Assessment which had caused the water management plan in less effective in addressing water supply disruptions caused by Pengurusan Air Pahang.		
Corrective Actions:	<ol style="list-style-type: none"> <li>1) Estate management to conduct Social Impact Assessment to identify potential vulnerabilities in the water management system. Also, to analyze historical data to understand patterns of disruptions caused by Pengurusan Air Pahang.</li> <li>2) Estate management to consult with Pengurusan Air Pahang about water issues.</li> <li>3) Estate management establish a culture of continuous improvement in water management practices and water quality control. i.e. Notice Board or poster</li> </ol>		
Assessment Conclusion:	The correction and corrective action plans are accepted. Evidence of implementation shall be verified in the next assessment visit.		

Opportunity for Improvements	
OFI #	Description
2399846-202310-I1	<u>Indicator 3.6.1</u> The hazard identification of the estates can be further improved by taking the potential hazard of being hit by fallen Ganoderma infected palms into consideration in all operations namely harvesting and evacuation, manuring, spraying, etc.
2399846-202310-I2	<u>Indicator 7.3.1</u> Waste Management Plan on use of chemicals (fertilizer) contaminated empty bags that sensitive to aquatic live and water quality to be further considered and strengthened.

Positive Findings	
PF #	Description
PF 1	Good cooperation from the management team in the assessment activity.
PF 2	Retrieval of relevant documents was efficient.
PF 3	High interest was shown by the sampled workforce in implementing the RSPO Standard requirements.

### 3.3.1 Status of Nonconformities Previously Identified and Observations

Non-conformity			
NCR Ref #	2263996-202210-M1	Issued Date	20/10/2022
Due Date	19/01/2023	Closure Date	19/01/2023
Indicator & Category (Critical / Minor)	6.2.4 (Critical)		
Statement of Nonconformity:	Housing conditions at Mungka Estate, Labis Bahru Estate and Palong Cocoa Palm Oil Mill did not satisfy the requirements of Sections 12, 23 and 24 of the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446).		
Requirement Reference:	The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.		
Objective Evidence:	<p>Found during the audit at Palong Cocoa Palm Oil Mill housing site the following:</p> <ol style="list-style-type: none"> <li>1. The area surrounding the workers' housing were not maintained in a clean and sanitary condition. An assortment of construction debris and refuse such as broken culverts, unused metal zincs, rusty metal poles, rusty swing, broken furniture, rotten canopy, empty plastic bottles, wheelchair, etc were allowed to accumulate at the housing site. This was not in accordance with Section 23(1)(a) of Act 446.</li> <li>2. The perimeter drain behind Block A not kept in a good state of repair and the water inside the drain was stagnant and foul smelling. This was not in accordance with Section 23(1)(b) of Act 446.</li> <li>3. The weekly housing inspections carried out in September and October 2022 were inadequately done and failed to inspect and report the above conditions. This was not in accordance with Section 23(2) of Act 446. Found during the audit of Mungka Estate housing site the following:</li> <li>4. The interior of House No. 3, Jalan Indonesia used by the grocery shop operator was filthy, untidily strewn and heaped with various items such as motorcycle parts, old tyres, dirty mattress and pillows, scrap metal, household equipment, etc. The weekly housing inspections carried out in September and October 2022 were inadequately done and failed to inspect and report the conditions of House No. 3 Jalan Indonesia. This was not in accordance with Section 23(2) of Act 446. Found during the audit of Labis Bahru Estate housing site the following:</li> <li>5. Concrete floor of the volleyball court in front of the workers' housing was broken and overgrown with grass. This was not in accordance with Section 12(2) of Act 446.</li> </ol>		
Corrections:	<ol style="list-style-type: none"> <li>1. Mill &amp; Estate management had cleaned up and cleared parameter drain and all the unused items and trash.</li> <li>2. All the unused items will be disclosed as non-schedule waste i.e. scrap iron and will be recorded accordingly.</li> </ol>		

	<p>3. Replace the existing drain with a larger drain and keep it clean on a regular basis.</p> <p>4. Management had issued the warning letter to respective PIC for linesite inspection</p> <p>5. Estate management had immediately cleaned up the grocery shop.</p> <p>6. Estate management has immediately cleaned up the overgrown grass and repaired the volleyball court.</p>
<b>Root Cause Analysis:</b>	Ineffective linesite monitoring and linesite inspection by Mill & Estate management.
<b>Corrective Actions:</b>	<p>1. Mill &amp; Estate Management will improve linesite monitoring and linesite inspection through checklist by weekly.</p> <p>2. Mill &amp; Estate will improve the checklist which will used records and input from 6 monthly line-site inspection census by Estates Operation Support.</p> <p>3. Briefing / refresher training on linesite inspection requirements based on Employees' Minimum Standards of Housing will be conducted to PIC/EHA</p> <p>4. Record on weekly inspection will be maintained and safely kept. Mill &amp; Estate will monitor this checklist twice a year (six months intervals).</p> <p>5. The Field Supervisor will counter-check the weekly inspection records done by PIC/EHA . The record will be verified by Estate Manager and safely kept.</p>
<b>Assessment Conclusion:</b>	<p>Major NC close Out verification:</p> <p>i) Mill and estate has carried out a major clean up and disposal of waste at each respective operating unit. All unused items and trash disposed as non-scheduled waste and parameter drain has been cleared from any blockage and undergrowth. Related records for waste recycle/disposal was sighted i.e., logbook for recycle item (10/12/2022) Mungka Estate and waste record (non-schedule &amp; scrap iron) dated 13/11/22 was sighted.</p> <p>ii) Warning letter issued to the respective PIC for linesite inspection was verified. Letter dated 20/9/22 was sighted and issued to the PIC.</p> <p>iii) No overgrown grass sighted during site verification and round for grass cutting is up to date. Volleyball court has been repair and repainted with green epoxy paint.</p> <p>iv) Weekly linesite inspection was verified together with 6 monthly detailed inspection/census report. Verified linesite inspection report for November, December 2022 and to date January 2023. Rectification works and action taken was verified based on comments/remarks reported in the checklist. All records related to linesite inspection will be checked by assistant manager and verified by manager to ensure prompt action taken for any damages and problem highlighted by PIC.</p> <p>v) Training and briefing session with the linesite PIC and all workers were done at all respective operating units. For example, at Mungka Estate, briefing/training was carried out on 4/12/2022.</p> <p>Implemented action taken was found to be sufficient to close the major NC on 19/1/2023. Continuous implementation will be further verified in the next assessment.</p>
<b>Effectiveness Closure (for previous audit closed Critical NC):</b>	<p>Linesite inspection was done on weekly basis as required by Workers Minimum Standard Housing and Amenities Act 1990. Each visited operating units have demonstrated compliance towards monitoring of house inspection together with any deviation recorded in the checklist for improvement. Visual in-situ inspection has confirmed that no issue related to cleanliness and upkeep of housing compound sighted. No recurrence of issue observed thus the previous major NC is remain closed.</p>

Non-conformity			
NCR Ref #	2263996-202210-M2	Issued Date	20/10/2022
Due Date	19/01/2023	Closure Date	19/01/2023
Indicator & Category (Critical / Minor)	6.7.3 (Critical)		
Statement of Nonconformity:	A worker did not use appropriate PPE.		
Requirement Reference:	Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.		
Objective Evidence:	At Labis Bahru Estate, a contractor worker (truck driver – truck reg. no.: BEB 8419) was putting on canvas to cover the FFB loaded in the trailer at the loading ramp, which requires him to walk on top of the loaded FFB i.e., working at height. However, he did not use his safety harness as required by the company's SOP for working at the loading ramp (Doc. No.: KULIM/PKS/OSH-1, dated 01/03/2021).		
Corrections:	Estate management immediately conducted the training and briefing regarding working at heights.		
Root Cause Analysis:	Inadequate enforcement on safety measures for working at height by estate management and lack of understanding on safety by contractor		
Corrective Actions:	<ol style="list-style-type: none"> <li>1. Tighten on safety enforcement by estate management through daily monitoring by all estate personnel.</li> <li>2. Weekly refresher briefing and training to ramp attendant and contract drivers.</li> </ol>		
Assessment Conclusion:	<p>Major NC close out verification:</p> <ol style="list-style-type: none"> <li>1. Immediate briefing on working at height was given on 20/10/2022 to ramp workers. Related training records were made available for verification.</li> <li>2. Daily monitoring of PPE compliance recorded in ramp checklist. Records for November, December 2022 and January 2023 to date were sighted.</li> <li>3. Weekly refresher training records for ramp workers and contractor's driver were sighted. Interview with mandore and ramp workers at site has confirmed the understanding on working at height and related PPE used for the said activity. The workers are able to demonstrate on how to use body harness and secure it at ramp's lifeline.</li> </ol> <p>Implemented action taken was found to be sufficient to close the major NC on 19/1/2023. Continuous implementation will be further verified in the next assessment.</p>		
Effectiveness Closure (for previous audit closed Critical NC):	The arrangement of FFB and putting on canvas cover in the truck is no longer done by the contractor's workers. It is now done by the estate's ramp attendants. During the site visit, the ramp attendant has demonstrated on how to use the safety harness when doing the tasks. He was also able to explain the safety aspects related to his job. The continuous implementation of the corrective action was found to be effective and thus, the critical NC remains closed.		



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Non-conformity			
NCR Ref #	2263996-202210-M3	Issued Date	20/10/2022
Due Date	19/01/2023	Closure Date	19/01/2023
Indicator & Category (Critical / Minor)	3.6.2 (Critical)		
Statement of Nonconformity:	The monitoring of the effectiveness of the H&S plan to address health and safety risks to people was not satisfactorily demonstrated.		
Requirement Reference:	The effectiveness of the H&S plan to address health and safety risks to people is monitored.		
Objective Evidence:	<p>The following lapses were found:</p> <ol style="list-style-type: none"> <li>1) At Mungka and UMAC estates, the jerry cans used by the grasscutter operators to contain petrol were not relabelled in accordance with Regulations 21 of the Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000.</li> <li>2) UMAC and Palong estates have been using Minitractor Scissor Lift (MTSL) in their FFB evacuation operation. However, there is no evidence that the estates have obtained the certificate of fitness in accordance with the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970.</li> </ol>		
Corrections:	<ol style="list-style-type: none"> <li>1. Estate Management had immediately re-labelled the jerry cans that contain petrol.</li> <li>2. Kulim's OSH officer had immediately contacted with JKPP on the requirement to obtain certificate of fitness using Minitractor Scissor Lift (MTSL) and set an appointment with JKPP on 9.11.2022</li> </ol>		
Root Cause Analysis:	<ol style="list-style-type: none"> <li>1. Inadequate monitoring by Estate Management on OSHA requirements.</li> <li>2. Misinterpretation by estate management on the requirement to obtain a certificate of fitness in accordance with the Factories and Machinery (Notification, Certificate of Fitness and Inspection) Regulations, 1970.</li> </ol>		
Corrective Actions:	<ol style="list-style-type: none"> <li>1. Refresher training on Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 will be conducted to respective PIC.</li> <li>2. Daily inspection shall be conducted by the mandor.</li> <li>3. The checklist record will be verify by Manager and the record will be safely kept.</li> <li>4. As advised by JKPP, Kulim will discuss and request the manufacturer, through Kulim's mechanization unit, to apply the designation of Minitractor Scissor Lift and Kubota in MYKKP before proceeding with the exemption application.</li> <li>5. OSH Unit will assess and review twice a year for any new mechanization used.</li> </ol>		
Assessment Conclusion:	<p>Major NC close out verification:</p> <ol style="list-style-type: none"> <li>1. Re-labelling of container was done in accordance with USECHH 2000 requirements. Hazard sign and name of chemical was clearly seen on the container.</li> <li>2. Minute of meeting with JKPP on 9/11/2022 was verified and Kulim need to apply of the CF/license for MTSL before applying the exemption.</li> <li>3. Awareness training on USECHH 2000 requirements was given to the respective PIC on 23/10/22 at Mungka Estate and UMAC Estate on 1/11/22. Related training records were made available for verification.</li> </ol>		

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	<p>4. Daily inspection record available for December 2022 and January 2023 for UMAC and Mungka Estate. The report was checked by assistant manager and verify by manager.</p> <p>5. Submission to JKKP was done via online system named MySKUD under design approval for lifting equipment, ref. no. JH/ML/23/43821 dated 17/1/2023 and pending for approval. Implemented action taken was found to be sufficient to close the major NC on 19/1/2023. Continuous implementation will be further verified in the next assessment.</p>
<b>Effectiveness Closure (for previous audit closed Critical NC):</b>	<p>1) The practice of bringing petrol to the worksite for grass cutting work in no longer maintained. Should the operator need a refill, he will go to the store facility where the petrol is safely kept. The petrol is then issued by the store clerk and the operator fill his bush cutter fuel tank directly.</p> <p>2) JPB has consulted with the Department of Safety &amp; Health through email correspondence. Based on the email from the department dated dd/mm/yyyy, it is confirmed that the scissor lift is exempted from having the certificate of fitness from the authority.</p> <p>The continuous implementation of the corrective action was found to be effective and thus, the critical NC remains closed.</p>

Non-conformity			
<b>NCR Ref #</b>	2263996-202210-M4	<b>Issued Date</b>	20/10/2022
<b>Due Date</b>	19/01/2023	<b>Closure Date</b>	19/01/2023
<b>Indicator &amp; Category (Critical / Minor)</b>	7.8.2 (Critical)		
<b>Statement of Nonconformity:</b>	Water course protection from spraying activities based on 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) was not effectively maintained.		
<b>Requirement Reference:</b>	<p>i) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>ii) BMPs for the management and rehabilitation of riparian reserves' (April 2017): 2.1.5 ARTIFICIAL DRAINAGE CHANNELS - For artificial channels draining directly into natural waterways, bank erosion and spraying of chemicals close to the water's edge should be minimised. Leaving narrow strips (e.g. 10m wide) of unsprayed vegetation like shrubs and grasses, alongside artificial drainage channels, as well as minimising the amount of disturbances (e.g. from dredging) inside the channels, would reduce the amount of pollutants entering natural waterways via artificial channels, particularly during flooding events.</p>		
<b>Objective Evidence:</b>	<p><u>Labis Bahru Estate</u></p> <p>Spraying of chemicals close to the water's edge was sighted at water sampling point (downstream) at P00/01. Based on information given, selective spraying was just completed for that particular field.</p>		

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<b>Corrections:</b>	<ol style="list-style-type: none"> <li>1. Estate management has immediately marked the sampling points and the respective areas will be observed as buffer zone area.</li> <li>2. The respective area was marked with blue and white paint to indicate area as no spraying area.</li> <li>3. Training had been conducted to sprayers and mandores on buffer zones management.</li> </ol>
<b>Root Cause Analysis:</b>	Lack of understanding by workers on spraying chemical at riparian and other buffer zones because of no clear marking and demarcation on site based on 'RSPO Manual on BMPs.
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. Continuous briefing and awareness during muster call for .</li> <li>2. Buffer zone monitoring by PIC will be conducted twice a year. (six months intervals)</li> <li>3. Monitoring by mandore during spraying activity conducted at buffer zone area.</li> <li>4. The monitoring record was maintained and safely kept.</li> </ol>
<b>Assessment Conclusion:</b>	<p>Major NC close out verification:</p> <ol style="list-style-type: none"> <li>1. Sampling points have been clearly marked at P00 and observed as buffer zone and no spraying area.</li> <li>2. Demarcation of buffer zone area with blue and white paint pole was seen at buffer zone area and at P00.</li> <li>3. Training for the spraying gang and mandore on buffer zone was carried out on 20/10/2022. Related training records were made available for verification. Interview with the spraying gang has confirmed the understanding on the buffer zone area demarcation and prohibited activities within these area. No chemical application (weeding and manuring) beyond the buffer zone.</li> <li>4. Monitoring of spraying activity at buffer zone area was done on monthly basis/as and when required (during weeding rounds). Record of monitoring in November 2022 and January 2023 was sighted. Implemented action taken was found to be sufficient to close the major NC on 19/1/2023. Continuous implementation will be further verified in the next assessment.</li> </ol>
<b>Effectiveness Closure (for previous audit closed Critical NC):</b>	<p>Interview with group of sprayer PM08/Block 1 and found training was provided to them and understand and aware on riparian protection requirements.</p> <p>Sampling at points marked at P00 and observed as buffer zone with marking paint blue and white at the trees along the area and no spraying area posted.</p>

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Non-conformity			
<b>NCR Ref #</b>	2263996-202210-N1	<b>Issued Date</b>	20/10/2022
<b>Due Date</b>	19/10/2023	<b>Closure Date</b>	19/10/2023
<b>Indicator &amp; Category (Critical / Minor)</b>	2.1.2 (Minor)		
<b>Statement of Nonconformity:</b>	Food Hygiene Regulations 2009 has not been included in the Company's legal register.		
<b>Requirement Reference:</b>	A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.		
<b>Objective Evidence:</b>	The Company's documented system for ensuring legal compliance is inadequate as Food Hygiene Regulations 2009 is not included in the Company's legal register. As a result, the requirement that exists under Section 30 (1) Hygiene Regulations 2009 which requires food handlers to undergo a food handlers training and obtain a Certificate of Food Handlers Training from an institution specified by the Ministry of Health, Malaysia could not be demonstrated at Mungka Estate, UMEC Estate, Palong Cocoa Palm Oil Mill, and Palong Estate.		
<b>Corrections:</b>	<ol style="list-style-type: none"> <li>1. Palong Estate immediately register food handlers (canteen) to undergo a food handler training and obtain a Certificate of Food Handlers Training from an institution specified by the Ministry of Health, Malaysia.</li> <li>2. Successfully obtained a certificate on 28/10/2022.</li> <li>3. Estate management will update the list legal on section 30 (1) Hygiene Regulations 2009 on Company's legal register.</li> </ol>		
<b>Root Cause Analysis:</b>	Lack of understanding on the requirement under section 30 (1) Hygiene Regulations 2009 which requires food handlers to undergo a food handlers training from Ministry of Health or trainer certified by the Ministry of Health (MOH).		
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. Palong Estate will monitor together through checklist permit and licenses and also the requirement of the training will be included in the canteen inspection checklist.</li> <li>2. The training/understanding will be conducted on Section 30 (1) Hygiene Regulations 2009 to food handlers by Ministry of Health or certified trainer by the Ministry of Health (MOH).</li> </ol>		
<b>Assessment Conclusion:</b>	Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next assessment		
<b>Effectiveness Closure (for previous audit closed Critical NC):</b>	Monitoring of permit and license for contractors were done on monthly basis as part of contractor due diligence process. All food handler/canteen operators have to undergo training and obtained Certificate of Food Handlers as part of legal requirement under Section 30 (1) Hygiene Regulations 2009. This requirement has been incorporated in Kulim Compliance Framework for 2023 to continuously monitor compliance against the said regulation. The previous minor has been effectively closed with sufficient evidence of implementation on 19/10/2023. Continuous implementation will be further verified in the next assessment.		

Non-conformity			
NCR Ref #	2263996-202210-N2	Issued Date	20/10/2022
Due Date	19/10/2023	Closure Date	19/10/2023
Indicator & Category (Critical / Minor)	2.2.2 (Minor)		
Statement of Nonconformity:	Evidence of legal due diligence of all contracted third parties was not effectively demonstrated.		
Requirement Reference:	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.		
Objective Evidence:	<p>Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available. Employment agreements entered into between GP Subramaniam Enterprise dated 02/01/2022 with eight contract harvesters at UMAC Estate do not provide accurate information on rate payable for piece rated work done and annual leave entitlement. The relevant clauses are:</p> <p>a. Clause 3 states that the workers would be paid based on bunch/weight. However, there is no information given on the rate payable for each bunch/ton of FFB harvested.</p> <p>b. Clause 5 states that annual leave would be determined by the contractor. There is no clarity on how many days of annual leave the workers are entitled to.</p>		
Corrections:	Estate management had advised GP Subramaniam Enterprise to review the worker's employment contract.		
Root Cause Analysis:	Inadequate monitoring on legal requirement of employment agreement for contract workers by Estates management.		
Corrective Actions:	<ol style="list-style-type: none"> <li>1. Estate management will conduct a training or briefing for contractors with regard to the employment act.</li> <li>2. Estate management will remind the contractor and will keep follow up on revision of employment agreement every month.</li> <li>3. The copy of employment contract will be kept by estate management.</li> <li>4. Estate management will appoint Person In Charge to monitor the contractor on legal compliance through Contractor Compliance Checklist.</li> </ol>		
Assessment Conclusion:	Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next assessment.		
Effectiveness Closure (for previous audit closed Critical NC):	<p>Training and briefing of contractors were carried out during the latest stakeholder meeting on 9/10/2023. Copy of all external service documentation (contract, employee details, employment contract, payslip, SOCSO) available in the office as part of due diligence process on monthly basis. Verification of related document for employment contract clause has been incorporated in the sample contract. Person appointed to monitor the contractor on legal compliance through Contractor Compliance Checklist was done on monthly basis. The previous minor has been effectively closed with sufficient evidence of implementation on 19/10/2023. Continuous implementation will be further verified in the next assessment.</p>		

Non-conformity			
NCR Ref #	2263996-202210-N3	Issued Date	20/10/2022
Due Date	19/10/2023	Closure Date	19/10/2023
Indicator & Category (Critical / Minor)	3.4.2 (Minor)		
Statement of Nonconformity:	The unit of certification could not demonstrate that social management and monitoring plans were adequately developed with participation of affected parties.		
Requirement Reference:	For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.		
Objective Evidence:	<p>The social management and monitoring plans were not adequately developed resulting in non-consideration of the following which were observed during audit, and raised by the workers:</p> <ul style="list-style-type: none"> <li>a. Local workers' needs for car garage at the housing area. (Mungka Estate, UMAC Estate, Palong Cocoa Palm Oil Mill, Palong Estate).</li> <li>b. Workers' needs for additional storage at the housing area. (Mungka Estate, UMAC Estate, Palong Cocoa Palm Oil Mill, Palong Estate).</li> <li>c. Foreign workers' needs for a dedicated transport to ferry them to the nearest town for ATM withdrawals, and purchase of food and other necessities on pay day. (Mungka Estate, UMAC Estate, Palong Cocoa Palm Oil Mill, and Labis Bahru Estate).</li> <li>d. Local workers' concern in handling large amount of cash when making cash withdrawals in town on behalf of their foreign colleagues. (Mungka Estate, UMAC Estate, Palong Cocoa Palm Oil Mill, Labis Bahru Estate).</li> <li>e. To consider of lockers for foreign workers to keep their passport at the housing. (Mungka Estate, UMAC Estate, Palong Cocoa Palm Oil Mill, Labis Bahru Estate, Palong Estate).</li> </ul>		
Corrections:	<ul style="list-style-type: none"> <li>1. Estate Management had liaised with Kulim Property Department on the worker's quarters renovation. Review of Kulim Social Impact Assessment (SIA) management plan interview checklist has been made by including the scope of assessment in identifying present and future of social impacts that can caused by any or more of the following: <ul style="list-style-type: none"> <li>a) Changes to way of life, e.g., how they live, work, interact with one another.</li> <li>b) Socio-economic changes, e.g., education, income level, available infrastructure.</li> <li>c) Changes to the community, e.g., stability, cohesion.</li> <li>d) Changes to their overall well-being, livelihood, health and food security.</li> <li>e) Fear and concern for disease and illness, safety, crime rate, their future and that of their children.</li> </ul> </li> <li>2. Estate Management had liase with Estate Operation Support regarding this issue and it will be highlighted during the Earthworm assessment.</li> <li>3. Estate Management will re-brief the workers that estate management will provides the transport to ferry them to the nearest town.</li> <li>4. This notice will be posted on the notice board for workers' reference.</li> <li>5. Estate management propose to build a locker at the each of house.</li> </ul>		



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<b>Root Cause Analysis:</b>	<p>1. Lack of understanding by workers on restriction to make renovation or modification to the original structure of the house according to the original plan.</p> <p>2. The SIA consultation conducted with the participation of the affected stakeholders does not fully cover the Social Impact that would give the affected stakeholders a sense of ownership and gain their confidence to participate in the process. Some stakeholders are not willing to participate and provide any feedback due to previous unpleasant encounters or interactions with other parties.</p>
<b>Corrective Actions:</b>	<p>1. The complete cycle of assessing and implementing of the revised Kulim Social Impact Assessment (SIA) management plan will be carry out as below:</p> <p>i. Prepared in a participatory way with the affected stakeholders and contained actions to be taken in managing all the identified social impacts.</p> <p>ii. Contain all social impacts identified, identified enhancement and mitigation measures, impacted stakeholders, person in charge, timeframe for implementation and Management Plan review date.</p> <p>iii. The implementation of the SIA Management Plan will be monitored annually and reviewed periodically to ensure its effectiveness.</p> <p>2. Estate operation support will provide the action plan on the additional storage at the housing area.</p> <p>3. Mill has budgeted on ATM building at mill compound for the workers next year for ease of traveling to outside.</p> <p>4. SIA management plan will be updated.</p> <p>5. Estate Operation Support will propose the design of lockers and to be budgeted as a provision for next year.</p>
<b>Assessment Conclusion:</b>	Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next assessment
<b>Effectiveness Closure (for previous audit closed Critical NC):</b>	Participatory process of SIA management plan review has been demonstrated based on SIA impact register (on complex basis) dated 11/10/2023. All negative and positive impacts have been identified with related action plan for improvement. The previous minor NC has been closed effectively on 19/10/2023. Continuous implementation will be further verified in the next assessment.

Non-conformity			
<b>NCR Ref #</b>	2263996-202210-N4	<b>Issued Date</b>	20/10/2022
<b>Due Date</b>	19/10/2023	<b>Closure Date</b>	19/10/2023
<b>Indicator &amp; Category (Critical / Minor)</b>	7.3.1 (Minor)		
<b>Statement of Nonconformity:</b>	Management plan to dispose highly toxic chemical was not effectively Implemented.		
<b>Requirement Reference:</b>	A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.		
<b>Objective Evidence:</b>	Highly toxic chemical named Monochrotophos (Class I) was kept at Mungka Estate since 2019 based on date of application and store card. Date of manufacture was in 2018 and the supplier claimed the shelf life/expiry of the said chemical last for 5 years from manufacturing date. As to date, no product details/scientific evidence to		

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	proof the claimed made by manufacturer as this will be the basis to initiate disposal arrangement for discarded or off-specification chemical.
<b>Corrections:</b>	<ol style="list-style-type: none"> <li>1. Estate management will dispose of it immediately through Kualiti Alam.</li> <li>2. Record of dispose will be kept for future reference.</li> </ol>
<b>Root Cause Analysis:</b>	Misinterpretation of storage period for highly toxic chemical named Monochrotophos (Class I) disposal which was kept at Mungka Estate since 2019.
<b>Corrective Actions:</b>	<ol style="list-style-type: none"> <li>1. A CEPswam course was arranged by HCMD on 20th – 24th November 2022 for Assistant Manager as SW Personnel.</li> <li>2. Estate management will be monitoring through checklist of chemical that have expiry to avoid any delay / expiry (if any).</li> <li>3. Estate will update waste management plan on disposal of highly toxic chemical which to include the chemical disposal within 180 days after expiry date.</li> </ol>
<b>Assessment Conclusion:</b>	Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next assessment
<b>Effectiveness Closure (for previous audit closed Critical NC):</b>	No storage of highly toxic chemicals as verified in Chemical store and scheduled waste store. Scheduled waste or chemical waste maintained disposal within 180 days after expiry date.



Opportunity for Improvement	
OFI#	Description
2263996202210-I1	<p><b>OFI Statement:</b></p> <p><u>Indicator 6.2.5</u></p> <p>All units require estate shops to submit price lists regularly for purposes of price monitoring. This price monitoring can be further improved if price comparisons are made between the estate shops and various external shops.</p> <p><b>Verification / Follow-up actions:</b></p> <p>Monitoring of goods price was done by the estate management on 6 monthly basis. Comparison of price was done with external shop to ensure that the price is affordable to all workers. Based on consultation with the a few groups of workers (NUPW representative, gender committee and workers representatives), no such issue on sundry shop goods price highlighted by them.</p>

### 3.3.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Critical / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
2263996-202210-M1	Major	6.2.4	20/10/2022	Closed out on 19/01/2023
2263996-202210-M2	Major	6.7.3	20/10/2022	Closed out on 19/01/2023
2263996-202210-M3	Major	3.6.2	20/10/2022	Closed out on 19/01/2023
2263996-202210-M4	Major	7.8.2	20/10/2022	Closed out on 19/01/2023
2263996-202210-N1	Minor	2.1.2	20/10/2022	Closed out on 19/10/2023
2263996-202210-N2	Minor	3.4.2	20/10/2022	Closed out on 19/10/2023
2263996-202210-N3	Minor	3.4.2	20/10/2022	Closed out on 19/10/2023
2263996-202210-N4	Minor	7.3.1	20/10/2022	Closed out on 19/10/2023
2399846-202310-M1	Major	3.8.16	19/10/2023	Closed out on 16/01/2024
2399846-202310-N1	Minor	1.2.2	19/10/2023	"Open"
2399846-202310-N2	Minor	7.8.1	19/10/2023	"Open"

### 3.4 Stakeholders and previous landowner / user consultation

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

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by

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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.

Stakeholders contacted		
Type of Stakeholder (e.g. Internal, Union, Contractor, Governmental Department, NGO, External, Communities)	Stakeholder name / organization	Means of communication (e.g. face to face interview, email, phone interview, comment from public notice)
Government Department	Labour Department, Segamat	Face to face
External	SK Kemedak, SMK Bandar Putra, SK Melayu Raya	Face to face
Communities	Kg Padang Kiambang, Kg Melayu Raya, Kg Paya Besar, Kg Sepang Loi	Face to face
Contractor	Ikra Niaga, GP Subramaniam, Lee Engineering, Juta Cemerlang, Segamat Engineering, Hong Leong Huat	Face to face
Internal	Worker's representative by nationality (Bangladesh, Indonesia) Gender Committee	Face to face
Union	NUPW representatives	Face to face

Stakeholders comment	
1	<p><b>Feedbacks:</b> Gender Committee Representatives &amp; female workers @ WOW (Women on wards) – They informed that no sexual harassment and violence case reported since last audit. The female workers understand the function of Gender committee and aware of the complaint mechanism if there is any issue reported. They were treated equally without any discrimination by the management. They have also aware on the latest amendment under Employment Act 1955 with regards to availability of notice on sexual harassment. The notice has been posted at strategic location within the estate.</p> <p><b>Audit Team verification and response:</b> The management will respect the rights of female employees and monitor if there is any case of sexual harassment and violence.</p>
2	<p><b>Feedbacks:</b> Contractors and suppliers informed that there has been no issue with all the units under Palong Complex. They also confirmed that there is good business relationship and open communication. They are invited for stakeholder meetings, are aware of the Company's policies, legal and RSPO requirements that they have to comply with including Kulm's anti-bribery policy. Payments are all received within the agreed timeframe stated in invoices and contracts signed. Except for one (1) contractor, Le Engineering and Construction with regards to uncleared invoices during the transition period from Johor Foods Sdn Bhd to Mahamurni Plantation Sdn Bhd. in 2012.</p> <p><b>Audit Team verification and response:</b></p>

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	Verification was done by sampling contracts, stakeholder meeting minutes, purchase orders, invoices and payment vouchers. Further verification made to evaluate the validity of the claim by the said contractor. However, the CU was not able to confirm whether or not the claim is valid. Thus, a minor NC was raised under indicator 1.2.2										
3	<p><b>Feedbacks:</b></p> <p>Schools: Good relationship, collaboration and support with all units within Palong Complex. The representatives have informed that most of the request made were fulfilled within the capacity of the operating units in terms of monetary or manpower assistance. All request was done officially in writing to the respective operating units</p> <p><b>Audit Team verification and response:</b></p> <p>The management will continue to assist whenever possible.</p>										
4	<p><b>Feedbacks:</b></p> <p>From interview session, they have confirmed the good relationship with the Company. The head of village @ <i>Ketua Kampung</i> confirmed that there has been no overlapping land claims or disputes between the local community and the Company. The boundaries are clearly demarcated. There are no overlapping land claims between the estates and the villagers. Villagers are also sometimes request to use the estate road to access their oil palm/rubber smallholdings, and this has always been granted. Flood aid was also received from Kulim for food supply and as well as manpower assistance during post flood cleaning activities. The mill and estate operations has also provided job opportunities to the local community.</p> <p><b>Audit Team verification and response:</b></p> <p>No further issue.</p>										
5	<p><b>Feedbacks:</b></p> <p>NUPW representatives confirmed that they were voted by the workers, and there is no interference from management. Management also allows them to attend meetings at NUPW state office. Meetings are also held with the management to discuss workers’ welfare. The current status of Collective Agreement (CA) is still pending and there will be arrears payment for those involved especially for harvester. Currently, MAPA and NUPW has brought up the case of new CA revision to court for resolution. This will be followed up in the next assessment once CA has been finalized and approved.</p> <p><b>Audit Team verification and response:</b></p> <p>Verification was done via sampled minutes of NUPW meetings held between worker representatives and estate and mill management.</p>										
6	<p><b>Feedbacks:</b></p> <p>Labour Department officer has confirmed that no reported case for labour related issue under Palong Complex. The newly revise Employment Act 1955, amendment 2022 has been effective since 1/1/2023. The company has to demonstrate compliance for the new working hours, from 48 hours per week to 45 hours per week. There are 3 options to implement the new working hours as per the guideline:</p> <table><tr><td>Working days</td><td>Working hours</td><td>Total working hours per week</td></tr><tr><td>6 days</td><td>7.5 hours</td><td rowspan="3">45 hours per week</td></tr><tr><td>5 days</td><td>9 hours</td></tr><tr><td>5.5 days</td><td>8 hours</td></tr></table> <p>*For estate: 5.5 days from Sunday to Thursday (for 8 hours per day) and Friday for half day. *For palm oil mill: 6 days from Sunday to Friday (for 7.5 hours per day) The above are the working hours and working days for Kulim group estates and mills effective by 1/1/2023.</p>	Working days	Working hours	Total working hours per week	6 days	7.5 hours	45 hours per week	5 days	9 hours	5.5 days	8 hours
Working days	Working hours	Total working hours per week									
6 days	7.5 hours	45 hours per week									
5 days	9 hours										
5.5 days	8 hours										

List of landowner / user contacted					
Name	Years of ownership / used	Land area (ha)	Agreement (Yes / No)	Agreement base on FPIC (Yes/No)	Compliance on the agreement terms and conditions
Not applicable as the certification unit has undergone second cycle of replanting.					

Previous landowner / user comment	
	<b>Feedbacks:</b>
	<b>Audit Team verification and response:</b>



### 3.5 Impartiality and conflict of interest

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

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#### Formal Signing-off of Assessment Conclusion and Recommendation

<p>The audit objectives have been achieved and the certificate scope is appropriate. Based on the results of this audit, it is concluded that Johor Plantations Berhad - Palong Cocoa Palm Oil Mill has complied with the Malaysia National Interpretation 2019 of the RSPO P&amp;C 2018 and audit criteria identified within the audit report. It is deemed that the management system has achieved its intended outcomes. Therefore, it is recommended that Johor Plantations Berhad - Palong Cocoa Palm Oil Mill is remain certified.</p>	
Report prepared by	Acceptance of Assessment Conclusion
<b>Name:</b> Valence Shem	<b>Name:</b> Wan Adlin Wan Mahmood
<b>Company Name:</b> BSI Services Malaysia Sdn Bhd	<b>Company Name:</b> Johor Plantations Group Berhad
<b>Title:</b> Lead Auditor	<b>Title:</b> General Manager
<b>Signature:</b> 	<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> 
<b>Date:</b> 06/01/2024	<b>Date:</b> 06/01/2024

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**Appendix A: Summary of Findings**

Criterion / Indicator		Assessment Findings	Compliance
<b>Principle 1: Behave ethically and transparently</b>			
<b>Criterion 1.1:</b> The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<b>(C)</b> Documents that are specified in the RSPO P&C are made available to the public. - Critical (Major) compliance -	Palong Cocoa Palm Oil Mill and its supply base make available documents specified in the RSPO P&C to the public. These documents are either available via the Company's website <a href="http://www.kulim.com.my">http://www.kulim.com.my</a> or available at the office, or can be accessible at each operating unit: <ul style="list-style-type: none"> <li>- Land titles/user rights</li> <li>- Occupational health and safety plans</li> <li>- Plans and impact assessments relating to environmental and social impacts</li> <li>- HCV documentation</li> <li>- Pollution prevention and reduction plans</li> <li>- Details of complaints and grievances</li> <li>- Continuous improvement plans</li> <li>- Public summary of certification assessment report</li> <li>- Human Rights Policy</li> <li>- Summary report of contributions to community development</li> </ul> Stakeholders were also informed of the availability of these documents during stakeholder meeting for Palong Complex on 9 <sup>th</sup> October 2023.	Complied
1.1.2	Information is provided in appropriate languages and accessible to relevant stakeholders.	The information is provided in either English or Bahasa Malaysia, or both. This was evidenced from the documents itself, and also during stakeholder	Complied

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	- Minor compliance -	meeting held on 9 <sup>th</sup> October 2023 attended by relevant stakeholders. The briefing was conducted in Bahasa Malaysia by Mungka Estate manager, on behalf Regional Controller Northern Region.	
1.1.3	<b>(C)</b> Records of requests for information and responses are maintained. - Critical (Major) compliance -	Should there be any request of information from any stakeholders, the response will be made in accordance with the SOP entitled, Communication and Consultation Procedure, SQD/SMS/1.1, issue:1, rev: 0 dated 1st August 2020. The procedure was communicated to the stakeholders mainly through a routine meeting which was last held on 9 <sup>th</sup> October 2023, attended by 17 stakeholders. The briefing was conducted in Bahasa Malaysia by Mungka Estate manager, on behalf Regional Controller Northern Region. Since the last assessment, there has been no request made by any stakeholders.	Complied
1.1.4	<b>(C)</b> Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative. - Critical (Major) compliance -	Kulim (M) Berhad continuous to implement the SOP entitled, Communication and Consultation Procedure, SQD/SMS/1.1, issue:1, rev: 0 dated 1 <sup>st</sup> August 2020. The nominated representative for social is the assistant manager. For example at Mungka Estate, the appointment letter was verified for En Mohd Hafizzi Bin Ismail as social person in charge.	Complied
1.1.5	There is a current list of contact and details of stakeholders and their nominated representatives. - Minor compliance -	Current stakeholder lists for Palong Cocoa POM complex were sighted. This list contains all relevant stakeholders and details of their nominated representatives. These stakeholders include suppliers, contractors, service providers, transporters, list of CPO and PKO buyers, government agencies such as Dept of Safety and Health, Indonesian Consulate, Labour Department, surrounding villages such nearby schools, clinics, etc.	Complied
<b>Criterion 1.2:</b> The unit of certification commits to ethical conduct in all business operations and transactions.			
1.2.1	A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts. - Minor compliance -	Kulim (Malaysia) Berhad has developed an Ethics Policy signed by the Managing Director on 7 <sup>th</sup> December 2021. Additionally, there is also the No Gift and Entertainment Policy also signed by its Executive Director on 1 May 2018. A review of the stakeholder meeting minutes confirmed that these Policies were communicated to all external stakeholders during stakeholder meetings.	Complied

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		<p>An addendum to contractors' letter of acceptance also included a provision which requires the contractor to comply with all of Kulim's relevant business policies, where failure to comply may result in termination of the contract. Sighted were the contract Addendum signed by Mirzafiz Sdn Bhd, Teo Tuan Kwee Sdn Bhd and Fica Sdn Bhd. During stakeholder consultations held with auditors, the transporters, contractors and service providers also confirmed their awareness, compliance and implementation of the Policies.</p> <p>The Ethics Policy is also imposed on recruitment agents. Sighted was the contract dated 27 May 2022 for Indonesian manpower supply between Kulim (Malaysia) Berhad and PT Hamparan Karya Insani. This contract contains the contractor's undertaking that it complies with all applicable laws and codes relating to anti-bribery, fraud and corruption, and undertakes not to offer or accept bribe or any improper advantage from anyone in Kulim (Malaysia) Berhad.</p>	
1.2.2	<p>A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.</p> <p>- Minor compliance -</p>	<p>The system in place to monitor compliance and implementation of the No Gift and Entertainment Policy, Ethics Policy and overall business practice include:</p> <ul style="list-style-type: none"> <li>a. Anti-Bribery Management System internal audit - Mungka Estate (27/2/2023)</li> <li>b. Contracts Administration Guidelines &amp; Procedures for Kulim Malaysia Bhd (Head Office/Estates/Mill) updated August 2019. This guideline imposes a limit on the value of transaction for each management level;</li> <li>c. Integrity ethics declaration signed by all levels of employees (management, workers).</li> <li>d. Conflict of Interest Declaration forms signed by all levels of employees.</li> </ul> <p>Internal audit system (RSPO, MSPO and ISCC) by Sustainability and Quality Department.</p>	Non-compliance
<b>Principle 2: Operate legally and respect rights</b>			



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<b>Criterion 2.1:</b> There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	<b>(C)</b> The Unit of Certification complies with legal requirements - Critical (Major) compliance -	<p>Palong Certification Unit is continued to comply with all applicable local, national and ratified international laws and regulations. Among the evidence of compliance verified were:</p> <p>Palong Cocoa POM</p> <ul style="list-style-type: none"> <li>- DOE License @ Compliance Schedule no. 004720, validity 1/7/2023 to 30/6/2024</li> <li>- MPOB License no. 578392004000, validity 01/12/2022 to 30/11/2023.</li> <li>- Diesel permit no. J006057, licensee: Palong Cocoa POM, validity 18/08/2021 to 17/08/2024.</li> <li>- Energy commission license for private installation, license no: 58149, validity from 07/11/2022 to 06/11/2023</li> <li>- Permit for water abstraction, License no: BAKAJ/334/300/5/6/8/9, valid until 31/12/2023.</li> </ul> <p>Mungka Estate</p> <ul style="list-style-type: none"> <li>- MPOB License, No. 570584002000 valid from 11/05/2023 until 30/04/2024</li> <li>- SPAN Water Services Industry (Licensing) Reg 2007 Class License No: SPAN/EKS/(PT)/800-4(1)/2/14 validity 16/05/2023 – 15/05/2028</li> <li>- Diesel Permit ref: JH(SGT)0099/88 PSK, validity 19/09/2022 to 20/09/2023 – application for renewal has been submitted to the authority.</li> <li>- Air Compressor certificate of fitness (CF), JH PMT 16798 validity 29/01/2023 to 15/04/2024</li> <li>- BAKAJ River water extraction, license no. BAKAJ/334/430/2/6//3/1, validity 01/01/2023 to 31/12/2024</li> </ul> <p>Labis Bahru Estate</p> <ul style="list-style-type: none"> <li>- MPOB license referred to 621313002000, expires on 30/09/2024.</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>- Diesel Permit ref: JH(SGT)0286/22 PSK, expires on 30/11/2025.</li> <li>- Air Compressor certificate of fitness (CF), PMT-JH/23 218653, expires on 10/12/2024.</li> </ul> <p>UMAC Estate</p> <ul style="list-style-type: none"> <li>- MPOB License No. 501362602000, expires on 31/09/2024.</li> <li>- Permit to store diesel No. PHG/RPN/046/83 SK(D), expires on 17/02/2025.</li> <li>- CF for air compressor No. PH PMT 5007, expires on 13/06/2024.</li> <li>- Weighbridge calibration certificate, no. A 005366, expires on 14/07/2024.</li> <li>- Permit to deduct employee's wage, ref. #: PP3/21/0005/2008, no expiry</li> </ul>	
2.1.2	<p>A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.</p> <p>- Minor compliance -</p>	<p>Palong Cocoa POM certification unit continued to implement and maintain their established documented system for identifying, accessing, tracking updates and monitoring of compliance with the legal requirements that are applicable to the CU's operation. Each office of the operating unit (mill and estate) has its own legal requirements register (LRR) and were being evaluated individually from time to time for compliance mainly through internal audit. Among the applicable legal laws registered are EQA, OSHA, Factory &amp; Machinery Act, Employment Act, Workers' Minimum Standard of Housing and Amenities Act, Minimum Wages order 2022 to name a few. Other related legal for COVID19 pandemic under Prevention and Control of Infectious Diseases (Measure Within the Infected Local Areas) Regulation 2020 was also has been identified. Tracking system available to identify changes in the relevant regulations through head office, sustainability team, website information and the information are communicated from the Head Office. Johor Plantations Berhad have centralised system for tracking any changes in the law.</p>	Complied

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2.1.3	Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries. - Minor compliance -	Based on field visit, the sampled estates have visibly maintained their boundaries with third parties such as adjacent plantations, villages, local business premises, and surrounding communities. Various methods of demarcation were used which among others installation of concrete 4"x4" beams, trenches, and field roads, to name a few.	Complied
<b>Criterion 2.2:</b> All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.			
2.2.1	A list of contracted parties is maintained. - Minor compliance -	List of contracted parties is maintained under stakeholder list for 2023 Palong Cocoa Mill. For other estates, the list of contractors was made available under contractor list for 2023. The contractors included for activities such as transportation (FFB, CPO and PK), road maintenance, harvesting and others.	Complied
2.2.2	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/ accredited) for migrant workers, service providers and labour contractors, is available. - Minor compliance -	All contracts (short and long term), contain specific clauses on meeting applicable legal requirements were spelled out in the contract. <ul style="list-style-type: none"> <li>- Contract ref: MPSB/C1/24/2792021): Sri MK Enterprise (Transporting of Fresh Fruit Bunches (FFB) in field P09 (249.37 ha), P10 (238.04 ha and P12 (305.36 ha) manual and scissor lift at Ladang Mungka, Segamat.</li> <li>- Contract ref: MPSB/C1/24/28(2021), contractor: Perusahaan Juta Cemerlang (Transporting of FFB from all fields at Ladang Mungka to at Palong Cocoa POM, Segamat, Johor. Contract period: 1/1/2022 – 31/12/24.</li> <li>- Contract ref: KMB/LLB2/94/2020, contractor: Nusa Bersatu Enterprise (Harvesting of FFB in field P03 (139.74 ha), P07 (160.23 ha), P08 (132.08 ha) and P13 (247.69 ha) at Labis Bahru Estate, Segamat, Johor.</li> </ul> Evidence of due diligence is demonstrated via declaration between contractor based on letter for Kulim (M) Berhad's General Manager, Procurement and Contract Department. Each addendum contract signed attached with the	Complied

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		employee data and employment practice checklist for self-declaration for compliance.	
2.2.3	All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection. - Minor compliance -	All contracts included with the addendum, under 12.1 (b) contractor's employee, "The contractors represent and warrant that the Contractor shall comply with applicable labour and employment laws regarding; and prohibit any form of child labour, forced and trafficked labour. Any eligible your labour will be employed only in accordance with Children and Young Person (Employment) 1966."	Complied
<b>Criterion 2.3:</b> All FFB supplies from outside the unit of certification are from legal sources.			
2.3.1	<b>(C)</b> For all directly sourced FFB, the mill requires: <ul style="list-style-type: none"> <li>• Information on geo-location of FFB origins</li> <li>• Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder</li> <li>• One or more supporting documents for claims</li> <li>• Valid MPOB license</li> </ul> - Critical (Major) compliance -	All FFBs are sourced from Kulim Plantation's own estates namely, Palong Estate, Mungka Estate, EMAC Estate and Labis Bahru Estate. Details are available in this audit report under Section 1 – Scope of Assessment (Table No. 4).	Complied
2.3.2	For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1. - Minor compliance -	All FFBs are sourced from Kulim Plantation's own estates namely, Palong Estate, Mungka Estate, EMAC Estate and Labis Bahru Estate. Details are available in this audit report under Section 1 – Scope of Assessment (Table No. 4). Therefore, this Indicator is not applicable.	Not Applicable
<b>Principle 3: Optimise productivity, efficiency, positive impacts and resilience</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	<b>(C)</b> A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.	<u>Mungka &amp; Sepang Loi Estate, UMAC Estate</u> Sighted Budget 2023 Booklet consist of:	Complied

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	- Critical (Major) compliance -	• Oil Palm Crop Production																																										
		<table><tr><td>Mungka</td><td>2024</td><td>2025</td><td>2026</td><td>2027</td><td>2028</td></tr><tr><td>YPH</td><td>21</td><td>23</td><td>20</td><td>20</td><td>20</td></tr><tr><td>MT</td><td>21,572</td><td>20,464</td><td>18,315</td><td>17,702</td><td>17,877</td></tr><tr><td>Sepang Loi</td><td>2024</td><td>2025</td><td>2026</td><td>2027</td><td>2028</td></tr><tr><td>YPH</td><td>21</td><td>20</td><td>19</td><td>21</td><td>21</td></tr><tr><td>MT</td><td>37,172</td><td>33,821</td><td>33,793</td><td>31,781</td><td>35,421</td></tr></table>							Mungka	2024	2025	2026	2027	2028	YPH	21	23	20	20	20	MT	21,572	20,464	18,315	17,702	17,877	Sepang Loi	2024	2025	2026	2027	2028	YPH	21	20	19	21	21	MT	37,172	33,821	33,793	31,781	35,421
		Mungka	2024	2025	2026	2027	2028																																					
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		MT	36786	36168	39837	42509	41006																																					
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		<p>Included in the budgets, information demonstrate attention to economic and financial viability through long-term management planning ass below:</p> <ul style="list-style-type: none"> <li>• Field Area Summary (Planted , Harvest, Immature)</li> <li>• 5 Years Projection 2024-2028 (Capital Expenditure)</li> <li>• General Charges Expenditure (Supervision, Rent, Tax, Office Expenses, Maintenance, Water and Lights, Labor welfare, Medical)</li> <li>• Oil Palm-Mature Field Expenditure (Weeding, Manuring, Pest &amp; Disease, Roads, Drain, Soil Conservation, Pruning, Marking &amp; Census) (Harvesting, Loading, Transport of FFB)</li> <li>• Income and Expenditure Summary (Hectarage, Revenue Expenditure, Replanting Cost, Gross Profit).</li> </ul> <p><u>Palong Cocoa POM</u></p> <p>Established as sampled Budget 2023 for Palong Cocoa Palm Oil Mill consist of Summary on 2023 Budget &amp; Cost Projection 2023-2028:</p> <ul style="list-style-type: none"> <li>• Production FFB Tonnes</li> <li>• General Charges</li> <li>• Supervision</li> <li>• Rent &amp; Taxes</li> <li>• Office Expenses</li> <li>• Maintenance</li> <li>• Water/lights</li> <li>• Labour Welfare</li> <li>• Medical</li> </ul> <p>Total General Charges + DEPR clearly, Total Production and Total Maintenance were forecasted (2023-2028).</p>	
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3.1.2	<p>An annual replanting programme projected for a minimum of five years with yearly review, is available.</p> <p>- Minor compliance -</p>	<p><u>Mungka &amp; Sepang Loi Estate</u></p> <p>Available Annual Replanting programme as below:</p> <p>2022-2024: No new planting and only available in</p> <p>2025 at P04 (Block 3) covering 60.10 Ha, P05 (Block 1) covering 15.64 Ha, PO8A (Block 1 &amp; 3) covering 58.42 Ha.</p> <p>2026 at PO5 (Block 2 &amp; 3) covering 39.37 Ha and PO8A (Block 2) covering 43.30 Ha.</p> <p>2027: No replanting</p> <p>2025 at PO0 covering 170.81 Ha</p> <p>2025-2026: No replanting</p> <p>2028 at P03 covering 129.21 Ha.</p> <p><u>UMAC Estate</u></p> <p>Annual Replanting Programme (2023-2048) was established and approved by top management of Johor Plantation Berhad as letter dated 32/05/2023 from Acting head of Estate Operations and Support (Harun b. Maslan)</p> <p>2022-2026: No replanting</p> <p>2027: P03 covering 298.89 Ha</p> <p>2028: No replanting</p> <p>2029: P04 covering 241.26 Ha</p> <p>2030: P05 covering 235.55 Ha</p> <p>2031: P06 covering 271.86 Ha</p> <p><u>Labis Bahru Estate</u></p> <p>Long term replanting programme established (2023-2048) as below:</p> <p>2021-2022: No replanting</p> <p>2023: P00 covering 207.86 Ha</p> <p>2024: P99/1-4 covering 232.06 Ha &amp; P03/1 covering 17 Ha</p>	Complied
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		<p>2025-2027: No replanting  2028: P03 covering 122.79 Ha  2029: P04 Covering 181.21 Ha  2030: P05 covering 160.61 Ha  2031: P06 covering 214.32 Ha  <u>Palong &amp; Kemandak Estate</u>  Sighted Annual Replanting Programme 2023-2048 similar to other estates sampled. The recent plan as below:  <u>Palong</u>  2023: P05K covering 102.30 Ha  2024: P06K covering 33.2 Ha and P07K covering 29.34 Ha  2025-2031: No replanting</p>	
3.1.3	<p>The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertake.</p> <p>- Minor compliance -</p>	<p><u>Mungka &amp; Sepang Loi Estate</u>  Sighted management review minutes for RSPO/MSPO 2023 conducted on 12/09/2023 qt Manager Room attended by Estate Manager (Farouk Zaki), Sr. Asst. Manager (Mohd Hafizzi Ismail), PIC Sepang Loi Estate (Saravanan), Asst. Manager (Asyraf Firdaus Md Amir) and others Imam (Muhd Syarifuddin), MA (Roslina Hussin) and others. Discussed issues such as Internal Audit Report, External Audit Report, Operational performance (FFB Production), Customer feedback, Complaint and grievances, Changes in company, Opportunity for continual improvement.  <u>UMAC Estate</u>  Management Review was conducted as Minutes of Management Review Meeting RSPO &amp; MSPO 2023 on 14/09/2023 attended by Estate Manager (Izham Shazlin Maliki), Secretary (Mohamad Syafiq Jopri), 4 Fields Supervisors, HA (Norzelnd b. Ithnin and other staff as attendance list. Among discussed included issues of operational performance (FFB Production),</p>	Complied



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		<p>Customer feedback, Complaint and grievances, Changes in company, Opportunity for continual improvement.</p> <p><u>Palong Cocoa POM</u></p> <p>Management Review was conducted on 25/09/2023 and attended by Amir Muslimin (Mill Manager), Sheikh Ibrahim (Asst. Manager), Burhanuddin (Asst. Manager), Muhammad Zahir (Asst Manager) and 15 other staff. Among discussed included previous inter and external audit results. Performance and effectiveness of Management System, Mill operation, any changes to management system, Complaint and grievances, Customer complaint, Customer satisfaction, Resources requirements included training, Continual Improvement plan, others. The minutes was confirmed by Mill Manager.</p> <p><u>Labis Bahru Estate</u></p> <p>Management Review Minutes for meeting conducted on 18/09/2023 attended by Mill Manager (Mohd Hanafi b. Anua), Asst. Manager (Muhammad Izzat b. Ismail, Mohd Hafizul b. Tamidi), Chief Clerk (Rohizah Mohamed), 5 Field Supervisors, HA, Clerk and Typist. Issues discussed as input found similar as other estates.</p> <p><u>Palong and Kemendak Estate</u></p> <p>Minutes of Management Review sighted for meeting conducted on 23/09/2023 at Palong Estate Office. Attended by Mill Manager (Omar b. Rohani), Shahim Farizan b. Jumadi (PIC SFJ), Azrul Azwan b. Makmin (Asst Manager), 5 Field Supervisors, Chief Clerk and 3 other office staff. Among discussed on previous outstanding meeting, process performance and product conformity. Customer feedback, changes that could affect management system, result of internal audit, result of external audit, continuous improvement plan, complaint and grievances, other matters. Minutes was prepared by Azrul Azwan and confirmed by Omar b. Rohani (Estate Manager).</p>	
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<b>Criterion 3.2:</b> The unit of Certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable Continuous improvement in key operations.			
3.2.1	<p><b>(C)</b> The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.</p> <p>- Critical (Major) compliance -</p>	<p>Continuous Improvement Plans to address the Social, Environmental, Productivity and OSH aspects were available in Palong Cocoa POM and its supply bases for verification. Generally, the aspects covered in the CIP are occupational safety, environment and social. Among the information available in the CIP is objectives, action to be taken, timeframe and responsible persons in-charge. Palong Cocoa Mill and its supply base have their own plans for continuous improvements which are based on main social considerations. One of 2023 major project is on refurbishment and upgrading of worker's housing for North zone (Palong Complex) which still in progress and expected to be completed by January 2024.</p> <p><u>Munka &amp; Sepang Loi</u>  Sighted Continual Improvement Plan 2023 dated 12/10/2023 on environmental impact improvement such as:  Beneficial Plant: Planting at 12/05, P11/07, P10/01, P08/02 timeline in Aug 2023 (Status in progress)  Chemical: Monochotophos disposal timeline in Aug 2023 (Status completed).</p> <p><u>UMAC Estate</u>  Continuous Improvement Plan 2023 date reviewed on 02/09/2023. Environmental initiatives:  Erosion: Guatemala planting at P07/01 &amp; P08/03 timeline Jun 2023 (Status completed)  IPM: Planting beneficial plant P21, P03 &amp; P05 timeline Oct 2023 (Status in Progress)</p>	Complied

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		<p>IPM: Additional barn owl box (22 units) timeline in Sep 2023 (Status completed)</p> <p><u>Palong Cocoa POM</u></p> <p>Sighted Continuous Improvement Plan, date reviewed on 01/09/2023. For environment below was clearly planned:</p> <ul style="list-style-type: none"> <li>• Replacement of last discharge pump: Capex Project-status ongoing</li> <li>• Repairing works of Electrostatics Precipitator (ESP): Capex Project-status ongoing.</li> </ul> <p><u>Labis Bahru Estate</u></p> <p>Sighted Continuous Improvement Plan, date reviewed on 01/10/2023. For environment below was clearly planned:</p> <ul style="list-style-type: none"> <li>• Chemical use: Adopt 2 rounds of circle spray instead of 3 round.-status current practice</li> <li>• Chemical use: Adopt 1 rounds of selective spray instead of 2 round.-status current practice</li> <li>• Chemical use: Adopt 1 campaign of rat baiting of selective spray instead of 2 campaign.-status completed</li> <li>• Biological Control: Increasing barn owl ratio from 1:25 to 1:15-status completed</li> </ul> <p><u>Palong Estate &amp; Kemendak Estate</u></p> <p>Sighted Continuous Improvement Plan, review dated 12/10/2023 under Environmental as below:</p> <p>Biodiversity: Replace signage at hotspot area by December 2023-status in progress</p> <p>IPM: Beneficial plant planting P12 by December 2023-status in progress</p> <p>Erosion control: Sand bag installation at bridge P12 by November 2023.</p>	
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3.2.2	<p>As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the [RSPO metrics template].</p> <p><b>PROCEDURAL NOTE:</b></p> <p>The RSPO metrics template is awaiting decision/agreement by RSPO and the issue is still being discussed.</p> <p>Until such metrics is agreed and developed, companies will carry on with existing reporting e.g. PalmGHG, Annual Communication of Progress (ACOP) reporting, and information provided to Certification Body and feedback via RSPO Secretariat is required.</p> <p>- Minor Compliance -</p>	<p>RSPO metric template version 2.1 is used for the reporting of Palong Cocoa Palm Oil Mill certification unit's metrics (economic, social and environment). Data reporting period is January to December 2022 for (social and environment metrics) and economic metrics from Sept 2022 – Aug 2023 (counting back from audit month). Based on verification with input data, no discrepancies of data reported in the metrics for the period under review for all the operating unit</p>	Complied
<b>Criterion 3.3:</b> Operating procedures are Appropriately documented, consistently implemented and monitored.			
3.3.1	<p><b>(C)</b> Standard Operating Procedures (SOPs) for the unit of certification are in place.</p> <p>- Critical (Major) compliance -</p>	<p>Kulim (M) Berhad Agricultural Manual has been established which covers all the operation in the estate such as land preparation, planting/replanting, field maintenance, infrastructure development &amp; maintenance, harvesting &amp; evacuation, integrated pest management, and pest &amp; diseases. There are 19 SOPs and 18 WI's covering all aspects of oil palm management including composting site operation.</p> <p><u>Palong Cocoa POM</u></p> <p>A Quality Manual (PCPOM/QM/1.0), Issue 03, Rev.00 dated 01/02/2018 established and documented for operation of mill. Operational activity fall under Item 8.0 Core Operation that included Core Process Procedure such as;</p> <ul style="list-style-type: none"> <li>• Marketing (PCPOM/SOP/8.1)</li> <li>• Weighbridge Station (PCPOM/SOP/8.2)</li> <li>• Loading Ramp Station (PCPOM/SOP/8.3)</li> <li>• FFB Grading (PCPOM/SOP/8.4)</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>• Sterilisation Station (PCPOM/SOP/8.5)</li> <li>• Threshing and Press Station (PCPOM/SOP/8.6)</li> <li>• Clarification Station (PCPOM/SOP/8.7)</li> <li>• Depericarper Station(PCPOM/SOP/8.8)</li> <li>• Kernel Station (PCPOM/SOP/8.9)</li> <li>• Boiler Station (PCPOM/SOP/8.10)</li> <li>• Power House (PCPOM/SOP/8.11)</li> <li>• Water Treatment Plant (PCPOM/SOP/8.12)</li> <li>• Effluent Treatment Plant (PCPOM/SOP/8.13)</li> <li>• Laboratory (PCPOM/SOP/8.14)</li> <li>• Control of Non-conforming Products (PCPOM/SOP/8.15)</li> <li>• Inspection and Testing (PCPOM/SOP/8.16)</li> </ul>	
3.3.2	<p>A mechanism to check consistent implementation of procedures is in place.</p> <p>- Minor Compliance -</p>	<p>Internal audit conducted once a year, Safety and Health Inspection conducted once in every 3 months and estate visit</p> <p>Sepang Loi Estate 01/10/2023 Mardian b, Matasan (Task Visit), Mungka Estate on 29-30/06/2023, Shukri b. Rahman (Agronomist)</p> <p><u>Palong Cocoa POM</u></p> <p>Sighted a Palong Cocoa Palm Oil Mill Visit report conducted on 15-16/08/2023 as reported by Mohd Khairudin Idris (Plantation Inspector). Mentioned total crop received in 2022 (214,147.32 MT) and forecasted to receive in 2023 (209,264.00 MT). Mill Utilization was at 82.50% in July 2023 and YTD July 2023 supposed 74.41% due to low crop received. OER achieved 19.93% in 2022 and KER was 5.46% in 2022. Other than that performance such as Product quality, Despatch and stock, FFB Quality, Years of Harvesting, Production Cost, Mill Operation status and other aspect were presented in the report as mechanism to check consistent implementation of procedures.</p>	Complied

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3.3.3	<p>Records of monitoring and any actions taken are maintained and available.</p> <p>- Minor Compliance -</p>	<p><u>Mungka &amp; Sepang Loi, UMAC Estates</u></p> <p>Task Visit Report for Sepang Loi conducted on 01/10/2023 by Mardian b, Matasan (Task Visit), Agronomist Report at Mungka Estate on 29-30/06/2023, Shukri b. Rahman (Agronomist) found maintained and available.</p> <p><u>Palong Cocoa POM</u></p> <p>A Visit Report conducted on 15-16/08/2023 as reported by Mohd Khairudin Idris (Plantation Inspector) maintained and kept by mill and available. Internal audit was conducted and no findings raised.</p> <p><u>Palong &amp; Kemendak Estate</u></p> <p>Sighted record of Executive Summary for Palong Estate PI Visit 1 2023 on 16 &amp; 17 May 2023. Among included in the summary were monitoring performance and estate operation:</p> <ul style="list-style-type: none"> <li>• Area Statement</li> <li>• Crop Production and Yield as at March 2023</li> <li>• Harvesting Operation &amp; Standards</li> <li>• Pest and Disease</li> <li>• Field Upkeep and Maintenance</li> <li>• Replanting</li> <li>• Worker's Requirements</li> <li>• Building and Residential Compound</li> <li>• Budget Control and Costing</li> <li>• Mechanization</li> <li>• Other Matters</li> </ul> <p>This monitoring report similarly sighted and maintained as records in all previous estate audited (Mungka &amp; Sepang Loi, UMAC Estate, Labis Bahru) and reported by Shahruzaman Mohd Sani (Plantation Inspector).</p>	Complied
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<b>Criterion 3.4:</b> A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.			
3.4.1	<p><b>(C)</b> In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/out-grower scheme, is documented.</p> <p>- Critical (Major) compliance -</p>	<p>There are no new plantings or new operations within Palong Cocoa Mill and its supply base. Nevertheless, each unit has its own Social Impact Assessments done which have been prepared internally by the Company's Sustainable Palm Oil team. Details of the Social Impact Assessment are contained in Indicator 3.4.2 below.</p> <p>Environmental Aspect and Impact Assessment (LKULIM-LM-2023) dated 26/09/2023 (Mungka &amp; Sepang Loi Estate), 28/09/2023 (UMAC Estate), 16/01/2023 (Labis Bahru Estate) and 22/08/2023 (Palong Estate) for identification of Environmental aspect for activities:</p> <ul style="list-style-type: none"> <li>• Application of EFB &amp; Biocompost</li> <li>• Clinic/Dispensary</li> <li>• Compound and Filed</li> <li>• Harvesting</li> <li>• Machine Vehicle Maintenance/Workshop</li> <li>• Manuring</li> <li>• Office</li> <li>• Storage of Schedule Waste and etc.</li> <li>• Storage</li> <li>• Chemicals Applications</li> <li>• Use of Machine and tractors</li> <li>• Green Project.</li> </ul> <p><u>Palong Cocoa POM</u></p> <p>Mill has established and reviewed Environmental Impact Assessment. Covering 23 activities and last reviewed on 10/09/2023. Similar technique</p>	Complied

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		<p>and methodology as applied in the estates used by the mill and recorded in Environmental Risk Assessment Form (MP-PCPOM-2022) and approved by Amir Muslimin b. Mohamed (Mill Manager)</p> <p>Generally the methodology for assessment environmental impacts was consistently implemented in all estates and POM. Legal compliance requirements is the main criteria for deciding the levels of significant and risk assessment methodology used to decide the low, medium or risk. Beneficial impacts were clearly included in the assessment and can be further improve on the assessment techniques and consistent with benefit or positive impact results status.</p>	
3.4.2	<p>For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.</p> <p>- Minor Compliance -</p>	<p>Social Impact Assessment (SIA) as well as the Social Management Plans for the Palong POM and its supply base are available. The SIA has been prepared with participation of affected stakeholders via interviews and feedback received, NUPW and WOW meeting minutes. Latest SIA register dated 11/10/23 was sighted for all operating units. Each the Social Management Plan has identified the positive and negative issues for the unit, and recommendations for social improvement, action, person in charge and monitoring.</p> <p>Potentially negative impact identified includes:  All units: Issue raised by SUHAKAM where the passport kept by management as requested by workers for safety reason.  Labis Bahru Estate: EPF contribution for workers was not in accordance with Schedule 3 (11% for employee, 13% for employer).</p> <p><u>UMAC Estate</u>  Sighted Environmental Management Plan (UMAC-EMP 01) Rev. 01/2023. Among in the programme included programme with plan and actual as monitoring progress for action done (2023: August-July :2024):</p>	Complied



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		<table><tr><td>Program</td><td>2023</td><td>Status</td><td>EIA Register</td></tr><tr><td>Monitoring of buffer zone near water sources as DID G/lines</td><td>Sep</td><td>Done</td><td>ER006, ER011</td></tr><tr><td>Inlet and outlet water test monitoring for nitrate and phosphate</td><td>Monthly</td><td>Done</td><td>ER006</td></tr><tr><td>ERP procedure training-chemical spillage and cleaning</td><td>Oct</td><td>Done</td><td>ER003, ER010, ER001</td></tr><tr><td>Conduct monitoring and records of SW record disposal/transfer/inventory</td><td>Monthly</td><td>Done</td><td>ER009, ER016</td></tr><tr><td>Record of reuse chemical containers for spraying</td><td>Monthly</td><td>Done</td><td>ER009</td></tr></table>	Program	2023	Status	EIA Register	Monitoring of buffer zone near water sources as DID G/lines	Sep	Done	ER006, ER011	Inlet and outlet water test monitoring for nitrate and phosphate	Monthly	Done	ER006	ERP procedure training-chemical spillage and cleaning	Oct	Done	ER003, ER010, ER001	Conduct monitoring and records of SW record disposal/transfer/inventory	Monthly	Done	ER009, ER016	Record of reuse chemical containers for spraying	Monthly	Done	ER009		
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		<p><u>Palong Cocoa POM</u></p> <p>As in Environmental Risk Assessment Form (MP-PCPOM-2022) the format found having a Risk Control as immediate measure to mitigate and control the environmental risks and significant environmental impact. Environmental Improvement Plan 2023/2024 dated September 2023 found established to control Significant Environmental Impacts.</p> <p><u>Labis Bahru Estate</u></p>																										

		Similar to other estates, Environmental Management Plan was established and action monitored as below:																																					
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		<p><u>Palong &amp; Kemendak Estate (August-December)</u></p> <table border="1"> <thead> <tr> <th>Program</th><th>2023</th><th>Status</th><th>EIA Register</th></tr> </thead> <tbody> <tr> <td>Inlet and outlet water test monitoring for nitrate and phosphate</td><td>Monthly</td><td>Done</td><td>ER006</td></tr> <tr> <td>Triple rinse empty chemicals</td><td>Nov</td><td></td><td>ER009, ER011</td></tr> <tr> <td>ERP procedure training-chemical spillage and cleaning</td><td>Dec</td><td>Done</td><td>ER003, ER010, ER001</td></tr> <tr> <td>Domestic waste management training</td><td>Sep</td><td>Done</td><td>ER003, ER006, ER016</td></tr> <tr> <td>Conduct monitoring and records of SW record disposal/transfer/inventory</td><td>Monthly</td><td>Done</td><td>ER009, ER016</td></tr> <tr> <td>Record of reuse chemical containers for spraying</td><td>Monthly</td><td>Done</td><td>ER009</td></tr> </tbody> </table> <p>Overall all estates and mill had plan and monitored the implementation of Environmental Management plan as sampled above.</p>	Program	2023	Status	EIA Register	Inlet and outlet water test monitoring for nitrate and phosphate	Monthly	Done	ER006	Triple rinse empty chemicals	Nov		ER009, ER011	ERP procedure training-chemical spillage and cleaning	Dec	Done	ER003, ER010, ER001	Domestic waste management training	Sep	Done	ER003, ER006, ER016	Conduct monitoring and records of SW record disposal/transfer/inventory	Monthly	Done	ER009, ER016	Record of reuse chemical containers for spraying	Monthly	Done	ER009	
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3.4.3	<p><b>(C)</b> The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.</p> <p>- Critical (Major) compliance -</p>	<p>The environmental management plan for the mill was developed and documented based on the environmental impact assessment (EPA-FM-1). Whereas for the estates, the environmental management plan was documented in a form #LM-EMP 01. The monitoring of implementation was reported, and status of progress was then updated.</p>	Complied																												

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		<p><u>Mungka &amp; Sepang Loi Estates</u></p> <p>The environmental management plan established based on operation with significant impact to the environment. The management plan was reviewed annually. The management plan stated the environmental issue, mitigation actions, monitoring plan and person responsible for monitoring implementation.</p> <p><u>Palong Cocoa POM</u></p> <p>Sighted established a Pollution &amp; Emission Management Plan (Environmental Improvement Plan 2023/2024) that was initiated from Environmental Impact Assessment (EPA-FM-1) and approved by Amir Muslimin b. Mohamed (Mill Manager). Environmental Impact identified in the plan included:</p> <ul style="list-style-type: none"> <li>• Discharge of effluent into land application over BOD limit</li> <li>• Oil spillage and leakage</li> <li>• Effluent spillage, leakage and bund rupture.</li> <li>• Disposal of scheduled waste</li> <li>• Disposal of waste</li> <li>• Diesel spillage and leakage and dust emission from vehicle</li> <li>• Emission of dark smoke</li> </ul> <p>All actions and status of implementation and monitoring were recorded as verified.</p>	
<b>Criterion 3.5:</b> A system for managing human resources is in place.			
3.5.1	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.	<p>Reviewed and verified during the audit were the following SOPs:</p> <p>a. Recruitment of New Foreign Workers Rev. No. 1 Issue No. 1 dated 1 Jan 2019. It was observed that this SOP does not contain procedures related to termination, promotion and retirement of foreign workers.</p>	Complied

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	- Minor Compliance -	<p>Nevertheless, it was noted that termination clause is clearly stipulated under workers' employment contracts.</p> <p>Recruitment of Local Workers for Operating Units Rev No. 00 Issue No. 01 dated 1 October 2020. This SOP contains procedures for recruitment, promotion, retirement, and termination.</p>	
3.5.2	<p>Employment procedures are implemented, and records are maintained.</p> <p>- Minor Compliance -</p>	<p>Based on the files sighted, Palong Cocoa POM and its supply base are able to demonstrate the implementation of the employment procedures, and records are maintained. Records for Malaysian workers include job application form, resume, copies of relevant certificates, NRIC and medical reports. For foreign workers, records include copies of passports, request for salary deductions for paying electricity bills, mosque funds, and consent for passports to be kept in the office.</p>	Complied
<b>Criterion 3.6:</b> An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.			
3.6.1	<p><b>(C)</b> All operations are risk assessed to identify H&amp;S issues. Mitigation plans and procedures are documented and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>The mill and estates had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC is subject for a review in event of the following:</p> <ul style="list-style-type: none"> <li>- Change in work process</li> <li>- Revision/changes in legislative requirement</li> <li>- Occurrence of accidents</li> </ul> <p>Appropriate risk control measures were determined and implemented for the respective activities and operation.</p> <p>The last CHRA was last conducted in 2018 at all the operating units and due for reassessment. JPB had appointed an assessor to conduct the assessments, and this can be evident through PO #00000735, dated 20/03/2023 – job description: Chemical Health Risk Assessment. The assessor has commenced the assignment in April 2023 and completed in July</p>	OFI

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		2023. This can be evident through partial payment from JPB (ref.: Invoice no. TSM/04/2023-01). As of this visit, the CHRA report has yet to be finalised.	
3.6.2	<b>(C)</b> The effectiveness of the H&S plan to address health and safety risks to people is monitored. - Critical (Major) compliance -	Kulim (Malaysia) Berhad has maintained an approved Health and Safety Policy dated 01/10/2021 that is displayed prominently on notice boards in English/Bahasa Malaysia. It was signed by the Kulim (Malaysia) Bhd's Managing Director. Safety & Health Management Plan was available accordingly for year 2023. Apart from daily routine supervision, among the methods to monitor the effectiveness of the H&S plan are SHO Workplace Inspection, internal audits, establishment of CHRA Improvement Plan, safety committee meetings, medical surveillance, and audiometric test to name a few. Records of monitoring were made available for verification by the sampled management units.	Complied
<b>Criterion 3.7:</b> All staff, workers, Scheme Smallholders, out-growers, and contract workers are appropriately trained.			
3.7.1	<b>(C)</b> A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and out-growers, taking into account gender-specific needs, and which covers applicable aspects of the RSPOP&C, in a form they understand, and which includes assessments of training. - Critical (Major) compliance -	The annual training program for 2023 has been established and covered all aspects of the RSPO elements including gender-specific needs e.g., sexual harassment awareness, and new mothers' needs. There were also additional subjects including the estate operating procedures, parameters, vehicles maintenance etc. The training program also specified the target group of employees to be trained under specific subjects. The program mainly covers both requirements of the estates and mill of the CU.	Complied
3.7.2	Records of training are maintained. - Minor Compliance -	Generally, the subjects covered for the trainings are occupational safety & health, environment & HCV, company's policies on labour welfare, discrimination, ethical conducts, human rights, sexual harassment, etc., and best practices. The trainings for stakeholders such as contractors, vendors, surrounding communities were also conducted. Records of training were maintained by the mill and estates and made available for verification.	Complied
3.7.3	Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain	Training provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS) was last conducted on 10/01/2023. Person in charge at each identified Critical Control	Complied

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	Certification Standard (SCCS). Training is specific and relevant to the task(s) performed. - Minor Compliance -	Point (CCP) e.g., weighbridge operator, security, laboratory, FFB reception, production, and administration clerks have been trained.	
<b>Criterion 3.8:</b> Supply chain requirement for mills (note: All supply chain requirements are considered as <b>Critical (C)</b> . However, it will not contribute to suspension if there is more than 5 non-compliance within a principle)			
3.8.1	<b>Identity Preserved Module</b> A mill is deemed to be Identity Preserved (IP) if the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Mass Balance Module is applicable.	The mill is deemed to be IP since there was no non-certified FFB taken. All FFB were sourced from the certified estates of the same parent company.	Complied
3.8.2	<b>Mass Balance Module</b> A mill is deemed to be Mass Balance (MB) if the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.	NA as the mill opted for IP module.	Not Applicable
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report. Summary of CPO and PK deliver since last audit (12 months from October 2022 – September 2023) reported in the table 10 in the report.	Complied

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	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.		
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO IT platform.	Registration of transaction is done through the utilisation of RSPO Palmtrace. Verification of the RSPO Palmtrace showed that the mill has met all the registration and reporting requirements.	Complied
3.8.5	<p>Documented procedures</p> <p>The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> <li>a) Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> <li>b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> <li>c) Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the mill's procedures for the implementation of this standard.</li> <li>d) The mill shall have documented procedures for receiving and processing certified and non-certified FFBs including ensuring no contamination in the IP mill.</li> </ul>	JPB has developed Traceability Procedure (Doc. No.: SQD/SMS/2.1, Issue No. 1, Rev. No.: 06 dated 17/02/2022). On the marketing side, Procedure title: CSPO & CSPK Supply Chain (doc. no.: MKTG 04; rev. 02, dated January 2021) is referred to. Records and reports such as internal audit report, training records, production reports, and inventory/transaction reports were well maintained and made available for verification. Identification of the role of the person having overall responsibility for authority over the implementation of the supply chain requirements has also been addressed in the procedure, which for this case, the Mill Manager. Based on interview with the manager, generally it was seen that the he has a good knowledge in the supply chain requirements and able to demonstrate the implementation of the relevant procedures.	Complied
3.8.6	Internal Audit	Found established and documented in Kulim (Malaysia) Berhad an Internal Audit Procedure (SQD/SMS/5/0, Issue No 01, Rev.00 dated 01/07/2018 where the objective is to ensure that the implementation of company's RSPO,	Complied



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	<p>i) The mill shall have a written procedure to conduct annual internal audit to determine whether the mill:</p> <p>a. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p> <p>b. Effectively implements and maintains the standard requirements within its organisation.</p> <p>ii) Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The mill shall maintain the internal audit records and reports.</p>	<p>ISCC and MSPO management system is in line with the policies, procedures and other requirements that will be conducted once a year. Internal Audit was conducted between 18 June-14 September 2023 in Johor Plantation Berhad as sighted in Internal Audit Plan. In the mill it was conducted on 10/09/2023. Evidence of audit recorded in the audit Checklist. Sighted Non-conformance Report (JPB/SID/SMS/3.2-F6). Audit Reported by Muhamad Hazim Sukandar dated 10/09/2023. 5 Auditors were assigned to conduct audit. No NCR raised during the audit as stated. Sighted in the checklist (RSPO/MSPO/ISCC List of Documented Audit) under 3.8.1. -3.8.8 Supply Chain was audited and all found conformities to requirements</p>	
3.8.7	<p>Purchasing and Goods In</p> <p>i) The mill shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>ii) The mill shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>iii) The mill shall have a mechanism in place for handling non-conforming FFB and/or documents.</p>	<p>When FFB delivered to the mill from the estate, the transporters presented FFB despatch report to the mill weighbridge clerk in order the FFB to be received by the mill.</p> <p>E.g., of information available in the FFB despatch report is as follows:</p> <ul style="list-style-type: none"> <li>• Estate's FFB despatch chit no.: DB A No. 36130</li> <li>• Estate's name: UMAC Estate</li> <li>• Date of delivery: 16/10/2023</li> <li>• Field No.: P03, P05, P07, P07</li> <li>• Lorry no.: JKV 2633</li> <li>• FFB Weight: 31.30 mt</li> <li>• WB ticket: 201526</li> <li>• Traceability Identification: RSPO certified FFB (RSPO 613087)</li> </ul> <ul style="list-style-type: none"> <li>• Estate's FFB despatch chit no: A 67032</li> <li>• Estate name: Rengam Estate</li> <li>• Date of delivery: 26/09/2023</li> <li>• Field No.: P04, P06, P13</li> <li>• Lorry no.: JPR 9961</li> <li>• FFB Weight: 21.83 mt</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>WB ticket: 200558</li> <li>Traceability Identification: RSPO certified FFB (RSPO 613087)</li> </ul> <p>Should there be any non-conforming FFB and/or documents it will be handled according to JPB's traceability procedure (SQD/SMS/2.1) Clause 6.8.4.</p>	
3.8.8	<p><b>Sales and Goods Out</b></p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ol 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>RSPO certificate number;</li> <li>A description of the product, including the applicable supply chain model (Identity Preserved or Mass Balance or the approved abbreviations);</li> <li>The quantity of the products delivered;</li> <li>Any related transport documentation;</li> <li>A unique identification number.</li> </ol>	<p>Based on verification of dispatch document of CPO and PK for the sampled contracts, all the required information by the standard was available in various documents such as sales/purchase contract, weighbridge tickets, delivery notes, and invoices.</p> <p><u>CSPO</u></p> <ol style="list-style-type: none"> <li>Buyer: name and address were stated in sales contract (<i>but not disclosed in this report</i>)</li> <li>Palong Cocoa POM, K.B. 504, 85009 Segamat, Johor</li> <li>w/b No. C10596 and C10594 on 12/01/2023</li> <li>same as above</li> <li>RSPO 613087</li> <li>CSPO (IP)</li> <li>w/b ticket #MP016590 = 44.20 mt &amp; MP016588 = 41.51 mt</li> <li>weighbridge ticket (seller and buyer), Tanker Previous Load Declaration Form, Loading Note, collection order (from transporter)</li> <li>all transportation documents have their own unique no.</li> </ol>	Complied
3.8.9	<p><b>Outsourcing Activities</b></p> <ol style="list-style-type: none"> <li>The mill shall not outsource its milling activities. In cases where he mill outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall</li> </ol>	<p>The production of CPO and PK is carried out in-house in Palong Cocoa POM without any outsourced facility. Only the transportation of CPO is outsourced to contractors. Transportation of PK was assigned by the buyers. The following contract agreements were made available for verification:</p>	Complied

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	<p>ensure that the independent third party complies with relevant requirements of this RSPO Supply Chain Certification</p> <p>ii) The mill shall ensure the following:</p> <p>a) The mill has legal ownership of all input material to be included in outsourced processes</p> <p>b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that certification body (CB) has access to the outsourcing contractor or operation if an audit is deemed necessary.</p> <p>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and all information, when this is announced in advance.</p>	<p>1) Yewtan Enterprise Sdn Bhd, contract no. JPB/CTD/77/29/2023/1 (NFH), dated 31/05/2023, period: 01/06/2023 to 30/06/2024</p> <p>2) Mirzafiz Sdn Bhd, contract no. JPB/CTD/72/29/2023/1 (NFH), dated 31/05/2023, period: 01/06/2023 to 30/06/2024</p> <p>The requirements to comply with RSPO standard were spelt out under Clause 16.4 and 16.5 of the contract.</p>	
3.8.10	The mill shall record the names and contact details of all contractors used for the physical handling of RSPO certified oil palm products.	Names and contact details of all contractors used for the physical handling of CSPO is listed under the contractors list for year 2023.	Complied
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	No change of names and contract details of transporter for the physical handling of RSPO certified oil palm products.	Complied

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3.8.12	<p>Record keeping</p> <p>i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.</p> <p>ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.</p> <p>iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.</p> <p>iv) For Mass Balance Module, the mill:</p> <p>a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.</p> <p>b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock).</p>	<p>i) The mill has maintained the accurate, complete, up-to-date, and accessible records and reports covering all aspects of these Sustainability Management System as follows:</p> <ul style="list-style-type: none"> <li>- Dispatch of CPO/PK delivery order</li> <li>- Daily Production Report</li> <li>- FFB Despatch Report from supplying estate</li> <li>- Training records</li> <li>- FFB Transaction records</li> </ul> <p>ii) Traceability Procedure (Doc. No.: SQD/SMS/2.1, Issue No. 1, Rev. No.: 06 dated 17/02/2022), the records retention for all RSPO Supply Chain related records to be retained for a minimum of 5 years' period.</p> <p>iii) Records and balance of all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK monitored on a real-time basis on daily/monthly production report using J.D. Edwards system.</p>	Complied
3.8.13	<p>Extraction Rate</p> <p>The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.</p>	<p>Conversion factor of CPO and PK production is depending on the actual OER and KER. Nonetheless, in forecasting the future productions, the OER and KER are estimated based on experience and performance. It was verified that the estimated OER and KER mentioned in Table 10 are in line with the mill's previous performance.</p>	Complied

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3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	The facility is using the actual extraction rate and therefore updating of rates is not necessary. Nonetheless, in forecasting the future productions, the OER and KER are estimated based on experience and performance. It was verified that the estimated OER and KER mentioned in Table 10 are in line with the mill's previous performance.	Complied
3.8.15	Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.	It has been confirmed through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation. There was no receipt of uncertified FFB and the mill only processes RSPO certified FFB from Kulim (M) Berhad group estates within the period under review.	Complied
3.8.16	Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform.	Shipping announcement in the RSPO PalmTrace platform is carried out by the mill when RSPO certified products are sold as certified to buyers.  In the previous license period (23/05/2022 to 22/02/2023), there were 4,623.29 mt of certified CPO sold as conventional. However, there was no removal of certified stock made in the RSPO PalmTrace. Thus, a non-conformity was assigned due to this lapse.	Non-compliance
3.8.17	Claims The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.	JPB has obtained Trademark License from RSPO and the license# 1-0080-09-100-00 which valid from 08/08/2023 – 07/08/2025 was made available for verification. The facility is aware with the requirements of the RSPO Rules on Market Communications and Claims.	Complied
<b>General corporate communications</b>			
4.1	A corporate communication is one made by any RSPO member that highlights its RSPO membership and/or its commitment to	JPB has stated the member's history with regard to RSPO in the company's website and annual report 2022 without the use of trademark logo.	Complied

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	the objectives and principles of RSPO. Corporate communication is a “non-product related” claim.		
4.2	In corporate communications, a member is allowed to: A. display its RSPO membership status B. display the RSPO web address (www.rspo.org) C. state that the member supports the work of RSPO D. state the member’s history with regard to RSPO E. use the RSPO Trademark (as shown below) with a valid trademark licence number to promote its RSPO membership	JPB has stated the member’s history with regard to RSPO in the company’s website and annual report 2022 without the use of trademark logo.	Complied
4.3	Members are <b>not allowed</b> to use the RSPO corporate logo as shown below. This is for the sole use of the RSPO Secretariat.	The mill does not use the RSPO corporate logo.	Complied
4.4	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 palm oil products.	The mill does not make any statement that may lead to believe that RSPO memberships by itself implies the selling of RSPO certified oil palm product.	Complied
4.5	Additionally, RSPO certified members are allowed to make statements that highlight their RSPO certification status and product-related claims in their corporate communication tools. Some permitted examples include: <ul style="list-style-type: none"> <li>• “We have been sourcing RSPO certified palm oil since (YEAR).”</li> <li>• “We have used (X) tonnes of RSPO certified palm oil for our products manufactured in the last year.”</li> <li>• “We have been RSPO certified since (YEAR).”</li> <li>• “We have (X NUMBER OF PRODUCTS) produced using RSPO certified MB/SG palm oil.”</li> <li>• “In (YEAR), our company sourced (X%) of palm oil derivative volumes that was used across our products manufactured as MB certified.”</li> </ul>	The mill does not make any statements that highlight their RSPO certification status and product-related claims.	Complied

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	<ul style="list-style-type: none"> <li>• “Our company covered (X%) of palm oil derivative volumes used across all our products manufactured in (YEAR) with smallholder credits.”</li> <li>• “We are RSPO certified. Ask us for our RSPO certified products.”</li> </ul>		
4.6	<p>RSPO non-certified members are allowed to make product-related claims in their corporate communication tools by doing the following:</p> <p>A. Use the RSPO Trademark with a valid trademark licence number to promote its membership of RSPO. It is sufficient for non-certified members to indicate this only once in their communication.</p> <p>B. Claim statements are limited to the following examples:</p> <ol style="list-style-type: none"> <li>“The rate of RSPO-certified palm oil procurement was (X%). We aim to achieve (X%) sustainable procurement by fiscal year (YEAR).”</li> <li>X% of palm oil sourced by our organisation are certified through the Roundtable on Sustainable Palm Oil (RSPO) supply chains as (a) Identity Preserved, (b) Segregated, (c) Mass Balance, or (d) Book and Claim.</li> </ol> <p>C. In cases wherein an organisation/member would like to indicate their commitment to sourcing RSPO certified volumes, the statement shall be accompanied with a disclaimer: “This reported figure is not audited through RSPO Certification”.</p>	NA as the mill is an RSPO member under its parent company, Johor Corporation.	Not Applicable
<b>Product-specific communications</b>			
<b>5.1 General</b>			
5.1.1	Product-specific communications refer to any public statement about an individual product that contains RSPO certified sustainable palm oil. These product-specific communications	NA as no product specific communication was made.	Not Applicable

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	can be made on pack and/or off pack such as shipping documents, advertisements, flyers, brochures, posters, displays, newsletters, websites, emails, letters, offerings, invoices, (annual) reports, or media interviews.		
5.1.2	Product-specific communications are voluntary.	NA as no product specific communication was made.	Not Applicable
5.1.3	Wherever the RSPO Label is displayed for product-specific communications, the applicable trademark licence number must be shown immediately under or next to the RSPO Label or the statement itself.	NA as no product specific communication was made.	Not Applicable
5.1.4	Use of any other trademark or label to highlight the presence of RSPO certified sustainable palm oil products is an unauthorised product-specific communication.	NA as no product specific communication was made.	Not Applicable
5.1.5	<p>If any organisation, which does not further modify end products or does not need to undergo Supply Chain Certification such as retailers, traders or distributors, enters into any agreement whereby the RSPO certified supplier labels products with the retailers/traders/distributors RSPO Trademark licence number, the following conditions shall be met as shown below</p> <ul style="list-style-type: none"> <li>• RSPO members should be registered on the RSPO IT Platform and complete the information under 'description of products' field.</li> <li>• Both parties shall inform their certification body in writing about the agreement.</li> <li>• The RSPO certified supplier is responsible for ensuring that the buyer's RSPO Trademark licence number is used only on products that are supplied to that buyer.</li> </ul>	NA as no product specific communication was made.	Not Applicable
5.1.6	Organisations that do not further modify end products or that do not need to undergo Supply Chain Certification such as retailers, traders, or distributors who intend to use the RSPO	NA as no product specific communication was made.	Not Applicable



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	Label with their own RSPO Trademark licence number in any of their product-specific communications, can do so by undergoing a remote audit. A remote audit shall be conducted by an RSPO-accredited certification body (CB) prior to the use of the RSPO Label whereby the organisation will need to demonstrate that the use is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain.		
<b>5.2 Off pack claims</b>			
5.2.1	Off pack claims are product-specific communications regarding the certified sustainable palm oil contained within the product(s) made on any communication materials such as shipping documents, advertisements, flyers, brochures, posters, displays, newsletters, websites, emails, letters, offerings, invoices, (annual) reports, or media interviews. The RSPO Label should be used together with the valid trademark licence number wherever an off pack claim is made.	NA as no off-pack claim was made.	Not Applicable
5.2.2	When confirming the sale of certified palm oil 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.	NA as no off-pack claim was made.	Not Applicable
5.2.3	Where a distributor or wholesaler takes title to products containing certified sustainable palm oil products, the requirements of the RSPO SCCS can follow either one of these two options: <ul style="list-style-type: none"> <li>• If the distributor or wholesaler holds only a distributor licence, it may only communicate RSPO certified palm oil products by linking the product to the manufacturer using the manufacturer's SCCS certificate number. This covers both brand</li> </ul>	NA as no off-pack claim was made.	Not Applicable

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	<p>and own brand products. However, in the case of own brand products, it is essential that customers are aware that the products have been made on behalf of the distributor or wholesaler, with specific evidence either through on pack claims or documentation.</p> <ul style="list-style-type: none"> <li>• If the distributor or wholesaler is supply chain certified, they should follow the requirements outlined in section 5.2.2.</li> </ul>		
<b>5.3 On pack claims</b>			
5.3.1	<p>Only RSPO members who have supply chain certification and members who have undergone remote audit as per 5.1.6 are allowed to make on pack claims about the certified sustainable palm oil contained within the product(s) as per Module A, B, C and E. RSPO members who have purchased RSPO Credits are entitled to claim their support for the production of certified sustainable palm oil as per Module D.</p>	NA as no on-pack claim was made.	Not Applicable
5.3.2	<p>In case of limited space, RSPO allows flexibility to use a one-line arrangement claim together with a valid trademark licence number for on pack communications as below without having to use any RSPO Label. The licence number has to measure at least 4pt (1.4mm) in size and the font must be Calibri. The following options shall be considered:</p> <p>A) For Identity Preserved (IP)/ Segregated (SG) Certified Products:</p> <ul style="list-style-type: none"> <li>• RSPO IP/SG CERTIFIED*</li> <li>• Contains RSPO IP/SG palm oil*</li> <li>• Contains RSPO certified palm oil (IP/SG)*</li> </ul> <p>*Add RSPO TM Licence Number below or next to the claim.</p>	NA as no on-pack claim was made.	Not Applicable
	<p>B) or Mass Balance (MB) Certified Products:</p> <ul style="list-style-type: none"> <li>• RSPO MIXED*</li> </ul>	NA as no on-pack claim was made.	Not Applicable

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	<ul style="list-style-type: none"> <li>• Contributes to the production of RSPO certified palm oil*</li> <li>• Contains RSPO certified palm oil (MB)*</li> </ul> <p>*Add RSPO TM Licence Number below or next to the claim.</p>		
	<p>C) For Partially Certified Products:</p> <ul style="list-style-type: none"> <li>• RSPO 50% MIXED*</li> <li>• Contains at least 50% RSPO certified palm oil*</li> </ul> <p>*Add RSPO TM Licence Number below or next to the claim.</p>	NA as no on-pack claim was made.	Not Applicable
	<p>D) For Products covered with Book and Claim (B&amp;C):</p> <ul style="list-style-type: none"> <li>• RSPO CREDITS*</li> <li>• Supports the production of RSPO certified palm oil*</li> <li>• Contains palm oil covered by the purchase of RSPO Credits*</li> </ul> <p>*Add RSPO TM Licence Number below or next to the claim.</p>	NA as no on-pack claim was made.	Not Applicable
5.3.3	On pack claims shall not include information about the claimant's RSPO membership status.	NA as no on-pack claim was made.	Not Applicable
5.3.4	Members shall not communicate to consumers information about their suppliers' RSPO membership status.	NA as no on-pack claim was made.	Not Applicable
5.3.5	Use of the RSPO Label is restricted to claims about RSPO certified sustainable palm oil contained in products and is not authorised for use in relation to any other ingredient.	NA as no on-pack claim was made.	Not Applicable
5.3.6	All members making on pack claims are encouraged to submit the information and images of their end products that carry the RSPO Label via the MyRSPO portal.	NA as no on-pack claim was made.	Not Applicable
<b>MODULE A – IDENTITY PRESERVED</b>			
	95% of the palm oil content must be RSPO IP certified.	Oil palm content is 100% CPO and claim as RSPO IP-certified.	Complied

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	If 100% of RSPO IP certified palm oil content cannot be sourced, a maximum of 5% volume from other non-certified sources is allowed and the reason for this must be fully justified. The volume of the non-certified palm oil content shall be covered by the purchase of RSPO Credits of equivalent volume.	Oil palm content is 100% CPO and claim as RSPO IP-certified. All infeed material (FFB) is RSPO certified.	Complied
<b>Messaging</b>			
	<p>Messaging ALLOWED for storytelling in product-specific communications may include any of the following elements:</p> <ul style="list-style-type: none"> <li>• The palm oil products contained in this product have been certified to come from RSPO sources. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• By choosing this product, you are sure that it contains RSPO certified palm oil. For more information: <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• RSPO certified sustainable palm oil products were kept apart from other palm oil products throughout the supply chain. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• Certified sustainable palm oil 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 according to stringent environmental and social criteria. <a href="http://www.rspo.org">www.rspo.org</a></li> </ul>	No evidence of storytelling in product related communication. Hence, this requirement is not applicable.	Not Applicable
<b>Product-Specific Communications Labelling</b>			
	<p>Members are allowed to use the RSPO Label in one of the following ways:</p> <ul style="list-style-type: none"> <li>• RSPO Trademark that includes the tag "CERTIFIED"; or</li> <li>• RSPO Trademark that includes the tag "This product contains certified sustainable palm oil".</li> </ul>	NA as no product-specific communications labelling was made by the facility.	Not Applicable

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<b>MODULE B – MASS BALANCE SPECIFIC RULES</b>			
<b>Mass Balance palm oil content</b>			
	95% of the palm oil content must be RSPO MB-certified.	NA as the mill opted for IP model.	Not Applicable
	If 100% of RSPO MB certified palm oil content cannot be sourced, a maximum of 5% volume from other non-certified sources is allowed and the reason for this must be fully justified. The volume of the non-certified palm oil content shall be covered by the purchase of RSPO Credits of equivalent volume.	NA as the mill opted for IP model.	Not Applicable
<b>Messaging</b>			
	<p>Messaging ALLOWED in storytelling in product-specific communications includes:</p> <ul style="list-style-type: none"> <li>• [Palm oil products]/[palm oil]/[palm kernel oil] from RSPO certified mills and plantations were mixed with non-certified palm oil products in the supply chain.</li> <li>• The volume of [palm oil 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> </ul>	NA as the mill opted for IP model.	Not Applicable
<b>Product-Specific Communications Labelling</b>			
	<p>Members are allowed to use the RSPO Label in one of the following ways:</p> <ul style="list-style-type: none"> <li>• The RSPO Label MUST contain the tag "MIXED". The tag "MIXED" designates palm oil products sourced under the Mass Balance (MB) supply chain system, which administratively balances inputs and outputs 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.</li> </ul>	NA as the mill opted for IP model.	Not Applicable

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	<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> </ul>		
<b>Principle 4: Respect community and human rights and deliver benefits</b>			
<b>Criterion 4.1:</b> The unit of Certification respects human rights, which includes respecting the rights of Human Rights Defenders.			
4.1.1	<p><b>(C)</b> A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.</p> <p>- Critical (Major) compliance -</p>	Kulim (Malaysia) Berhad's has established Sustainability Policy which signed by Managing Director on 1 <sup>st</sup> October 2020. The policy which among others, states its commitment to respect, support and protect international human rights against violence, threats, all forms of retaliation, and effective elimination of all forms of violation of human rights which include against HRD, whistle-blowers, complainants and community spokespersons. For example, this Policy was communicated to all levels of workforce during briefing held at Mungka Estate on 20/03/23.	Complied
4.1.2	<p>The unit of certification does not instigate violence or use any form of harassment in their operations.</p> <p>- Minor compliance -</p>	There is no evidence of any use of violence or the instigation of violence within the Palong Cocoa POM & its supply base. This was further verified during interviews held with external stakeholders such as villagers from Kg Paya Besar and Kg Melayu Bukit Siput.	Complied
<b>Criterion 4.2:</b> There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties			
4.2.1	<p><b>(C)</b> The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistle-blowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.</p> <p>- Critical (Major) compliance -</p>	Kulim (M) Berhad has established a policy named Grievance Policy which signed by Managing Director dated 7 <sup>th</sup> December 2021. An agreed and documented system which deals with complaints and grievances is available and documented as Grievance Procedure Doc No. SQD/SMS/4.1 dated 1 August 2020. This SOP is to ensure that the Company has a documented system for dealing with complaints and grievances that is agreeable to all sides and accepted by all stakeholders. This SOP is applicable to all parties who deal with the Company who may have complaints and grievances. Clause 5.8 states that complainants' anonymity would be respected and protected if requested.	Complied

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4.2.2	Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties. - Minor compliance -	Briefings on grievance procedures are given to ensure that the system is understood by affected parties. The external stakeholders were briefed on 9 <sup>th</sup> September 2023 during stakeholder meeting via online platform.  To ensure understanding by illiterate parties, the briefings were given verbally, and when necessary, translators from among the workers (usually a worker representatives) are sought to translate documents including procedures for dealing with complaints and grievances. This was duly confirmed by the workers interviewed.	Complied
4.2.3	The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders. - Minor compliance -	Based on complaints book sighted, aggrieved parties were informed of the progress of their grievance, and the outcome was communicated and acknowledged by the complainant.	Complied
4.2.4	The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator. - Minor compliance -	Clause 5.5 of Grievance Mechanism Doc. No. SQD/SMS/4.1 Issue No. 1 dated 1 August 2020 gives the option to engage independent legal, technical advice and third-party mediator.	Complied
<b>Criterion 4.3:</b> The unit of Certification contributes to local sustainable development as agreed by local communities.			
4.3.1	Contributions to community development that are based on the results of consultation with local communities are demonstrated. - Minor compliance -	Contributions to local development offered by Palong Cocoa Mill and its supply base include providing job opportunities to the local communities. The estate also pays for the kindergarten's general maintenance, electricity, water and class furniture. On group level, the below community development has been planned and executed for 2023 as such; <u>Education</u> - School uniform subsidy - School, education institution - Free transportation	Complied

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		<div>- Academic excellence ceremony</div> <div>Corporate Sponsorship</div> <div>- Yayasan Johor Corporation (YPJ)</div> <div>- Collaboration with Johor Land Berhad</div> <div>- Partnership with Wakaf An-Nur Corporation</div> <div>- Johor Cerebral Palsy Association</div> <div>Community Development Initiative</div> <div>- Woman onWards (WOW)</div> <div>- Mental Health Awareness</div> <div>- As-Sajadah : programme encourages voluntary contributions and donations from one employee to another</div> <div>- Recruitment programme: Initiative such as "Program Temu Duga Khas Golongan Gelandangan 2.0 Negeri Johor"</div>																	
Criterion 4.4: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.																			
4.4.1	<div>(C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents Related to the history of land tenure and the actual legal or customary use of the land are available.</div> <div>- Critical (Major) compliance -</div>	<div>Copies of land titles were available and verified. Details of the respective land titles (sample) to demonstrate the right to use the land as shown below. Quit rents were paid accordingly. There was no evidence of any part of the land overlapping with customary landowners.</div> <table><tr><th rowspan="2"></th><th rowspan="2">Mill/Estates</th><th colspan="4">Land title</th></tr><tr><th>HS(D) No.</th><th>PTD Ref</th><th>Size (ha)</th><th>Expiry date/land use type</th></tr><tr><td>1</td><td>Palong Cocoa POM (located in Ladang Mungka, separated by fencing)</td><td>11071</td><td>1354</td><td>17.03</td><td>18/8/2044</td></tr></table>		Mill/Estates	Land title				HS(D) No.	PTD Ref	Size (ha)	Expiry date/land use type	1	Palong Cocoa POM (located in Ladang Mungka, separated by fencing)	11071	1354	17.03	18/8/2044	Complied
	Mill/Estates	Land title																	
		HS(D) No.	PTD Ref	Size (ha)	Expiry date/land use type														
1	Palong Cocoa POM (located in Ladang Mungka, separated by fencing)	11071	1354	17.03	18/8/2044														



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		2	Mungka Estate Total of 4 land titles (5,629.9824 ha)	52398	PTD 15678	3,406	11/9/2112 (Agriculture)	
		3	UMAC estate Total of 10 land titles (1,620.8328 ha)	3888	PTD 336	182.1083	Leasehold until 25/02/2074 (Oil Palm)	
		4	Labis Bahru Estate Total of 20 titles (2,108.16 ha)	38197	1265	1,237.51	Freehold (no specific term)	
		5	Palong Estate Total of 4 land titles (1,915.65 ha)	52397	15677	806.5	Freehold (no specific term)	
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	<p>During the audit, it was found that a certified surveyor who was appointed by Kulim Plantations on 11/05/2020 had found that an area of approximately 14ha (34.5 acres) at P09 Block 1,2 and 3 belonging to UMAC Estate had been overplanted by FELCRA Bukit Serok. This area is part of the land developed by FELCRA Bukit Serok for oil palm plantations with the intention of benefitting the Orang Asli community from RPK Bukit Serok. Each Orang Asli beneficiary receives RM800 per month. Following the final survey, UMAC Estate proceeded to peg the actual boundary.</p> <p>To discuss this matter, two preliminary meetings were held on 07/12/2021 and 23/03/2022 between UMAC Estate, Kulim Plantations, FELCRA Bukit Serok, JAKOA and the Tok Batin of RPK Kg Bukit Serok. Copies of the meeting minutes evidencing discussions between affected parties were sighted and verified.</p>						Complied

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		<p>The situation as of the audit remains as follows:</p> <ul style="list-style-type: none"> <li>a. FELCRA continues to harvest the FFB on the overplanted land.</li> <li>b. The Orang Asli beneficiaries continue to receive RM800 per month from FELCRA as confirmed by the Tok Batin of Kg Bukit Serok.</li> <li>c. During the 23/03/2022 meeting, parties considered several options of settlement and the costs involved for each. However, no decision was made during this meeting.</li> </ul> <p>UMAC Estate is currently waiting for FELCRA Bukit Serok to revert with a formal proposal for settlement.</p>	
4.4.2a	<p>Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.</p> <p>- Minor compliance -</p>	<p>Based on the preliminary meetings held on 07/12/2021 and 23/03/2022 between UMAC Estate, Kulim Plantations, FELCRA Bukit Serok, JAKOA and the Tok Batin of RPK Kg Bukit Serok evidence was available that discussions are being held in good faith with all affected groups, and information are being shared to all affected groups for purposes of decision making.</p> <p>Copies of the meeting minutes dated 07/12/2021 and 23/03/2022 evidencing discussions between affected parties were sighted and verified.</p>	Complied
4.4.2b	<p>Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken.</p> <p>- Minor compliance -</p>	<p>Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, the community's decision to give or withhold is not relevant nor applicable.</p>	Not Applicable
4.4.2c	<p>Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land.</p> <p>- Minor compliance -</p>	<p>Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.</p>	Not Applicable

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4.4.3	<b>(C)</b> Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable
4.4.4	All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable
4.4.5	<b>(C)</b> Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose. - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable
4.4.6	There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable
<b>Criterion 4.5:</b> No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			
4.5.1	<b>(C)</b> Documents showing identification and assessment of demonstrable legal, customary and user rights are available. - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable

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4.5.2	<p><b>(C)</b> FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.</p> <p>- Critical (Major) compliance -</p>	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable
4.5.3	<p>Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.</p> <p>- Minor compliance -</p>	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable
4.5.4	<p>To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.</p> <p>- Minor compliance -</p>	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable
4.5.5	<p>Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.</p>	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable

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	- Minor compliance -		
4.5.6	Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator. - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable
4.5.7	New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations. - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, no new lands were acquired for plantations and mills after 15/11/2018. Therefore, this Indicator is not applicable.	Not Applicable
4.5.8	<b>(C)</b> New lands are not acquired in areas inhabited by communities in voluntary isolation. - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, no new lands have been acquired in areas inhabited by communities in voluntary isolation. Therefore, this Indicator is not applicable.	Not Applicable
<b>Criterion 4.6:</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.			
4.6.1	<b>(C)</b> A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable
4.6.2	<b>(C)</b> A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable

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4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable
4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any dispute with any previous owner or occupants. The overplanting by FELCRA Bukit Serok into UMAC Estate's land does not involve legal or customary use of the land, and as such, this Indicator is not applicable.	Not Applicable
<b>Criterion 4.7:</b> Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.			
4.7.1	<b>(C)</b> A mutually agreed procedure for identifying people entitled to compensation is in place. - Critical (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 04/09/2007. This procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly.	Complied
4.7.2	<b>(C)</b> A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. - Critical (Major) compliance -	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. Since there are no land disputes related to customary or user rights, no participatory monitoring, evaluation and corrective actions have been carried out.	Complied
4.7.3	Communities that have lost access and rights to land for plantation expansion are given opportunities including	Based on documents sighted and interviews conducted with stakeholders from nearby villagers, there was no evidence of any communities having lost	Complied

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	employment and supply contracts to benefit from plantation development. - Minor compliance -	access and rights to land for plantation expansion. Therefore, this Indicator is not applicable.	
<b>Criterion 4.8:</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.			
4.8.1	Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable
4.8.2	<b>(C)</b> Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms. - Critical (Major) compliance -	Based on documents sighted and interviews conducted with stakeholders, there was no evidence of any dispute with any previous owner or occupants. Palong Cocoa POM and its supply base were not newly acquired units. Therefore, this indicator is not applicable.	Not Applicable
4.8.3	Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4) - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders, there was no evidence of any acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations. Therefore, this indicator is not applicable.	Not Applicable

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4.8.4	For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). - Minor compliance -	Based on documents sighted and interviews conducted with stakeholders, there was no evidence of any dispute with any previous owner or occupants. Therefore, this indicator is not applicable.	Not Applicable
<b>Principle 5: Support smallholder inclusion</b>			
<b>Criterion 5.1:</b> The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.			
5.1.1	Current and previous period prices paid for FFB are publicly available and accessible by smallholders. - Minor compliance -	The Palong Cocoa POM is an Identity Preserved Mill as evidenced by Certificate No. RSPO 613087 which is valid from 19 March 2019 to 22 Jan 2024. The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Complied
5.1.2	<b>(C)</b> Evidence is available that the unit of certification explains the FFB pricing to smallholders on request from individual smallholders (at least once a year or upon request). - Critical (Major) compliance -	The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Not Applicable
5.1.3	<b>(C)</b> Fair pricing, calculated as a portion of the international CPO price less costs is provided to smallholders in the supply base and documented. - Critical (Major) compliance -	The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Not Applicable
5.1.4	<b>(C)</b> Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.	The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Not Applicable



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	- Critical (Major) compliance -		
5.1.5	Contracts are fair, legal and transparent and have an agreed timeframe. - Minor compliance -	<p>Sighted during the audit were the following contracts:</p> <ol style="list-style-type: none"> <li>1. Between Kulim Plantations and an Indonesian manpower supplier, PT Hamparan Karya Insani dated 27 May 2022;</li> <li>2. Between Ladang Palong and Messers Perusahaan Juta Cemerlang dated 22/12/2022;</li> </ol> <p>The above contracts are fair, legal and transparent as they contain agreed time frame, scope of work, fees and payment of services, rights and obligations of both parties, mutual termination clause, force majeure, etc. This was further confirmed during audit interviews conducted with contractors and suppliers.</p>	Complied
5.1.6	<b>(C)</b> Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given. - Critical (Major) compliance -	Audit interviews held with all local suppliers and contractors confirmed that payments are made in a timely manner, often within one week of invoice. Palong Cocoa Mill and its supply base were able to demonstrate that payments were made within 30 days of invoice as agreed in the contracts	Complied
5.1.7	Weighbridges used for determining payment to smallholders are verified by an independent third party on a regular basis (this can be government). - Minor compliance -	The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Complied
5.1.8	The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. - Minor compliance -	The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Complied
5.1.9	<b>(C)</b> The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.	The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Complied

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	- Critical (Major) compliance -		
<b>Criterion 5.2:</b> The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.			
5.2.1	The Company consults with interested smallholders (irrespective of type) within the Unit of Certification, including women or other partners in their supply base, to assess their needs for support to improve their livelihoods and their interest in RSPO certification. - Minor compliance -	The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Not Applicable
5.2.2	The unit of certification develops and implements smallholder support programme to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Independent Smallholder Standard or RISS). - Minor compliance -	The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Not Applicable
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. - Minor compliance -	The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Not Applicable
5.2.4	<b>(C)</b> Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. - Critical (Major) compliance -	The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Not Applicable
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the Smallholder support programme. - Minor compliance -	The Mill processes only FFB from its own estates namely Kemedak, Sepang Loi, Palong, Mungka, UMAC, Labis Bahru Estates. No independent smallholder crop is received and therefore this Indicator is not applicable.	Not Applicable
<b>Principle 6: Respect workers' rights and conditions</b>			
<b>Criterion 6.1:</b> Any form of discrimination is prohibited.			

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6.1.1	<p><b>(C)</b> A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.</p> <p>- Critical (Major) compliance -</p>	<p>The Policies that have been developed by Kulim (Malaysia) Berhad to deal with equal opportunity and non-discrimination are:</p> <ol style="list-style-type: none"> <li>Business Policy</li> <li>Core Labour Standard</li> <li>People Policy</li> </ol> <p>where fairness and equal opportunities for relevant group such as all employees, including foreign and local are embedded. These Policies prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age. At Mungka Estate, latest briefing to workers was done 12/7/23 during muster briefing.</p>	Complied
6.1.2	<p><b>(C)</b> Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for foreign workers.</p> <p>- Critical (Major) compliance -</p>	<p>Reviewed during the audit was contract dated 27/05/2022 sent by Kulim (Malaysia) Berhad to PT Hamparan Karya Insani for manpower supply from Indonesia. The agreement states among others that cost of workers' transportation to the respective estates/mill will be borne by Kulim following Kulim's 'Zero Cost Policy'. No recruitment fees are imposed on any of the foreign workers, and this was further confirmed by foreign workers interviewed.</p>	Complied
6.1.3	<p>The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available.</p> <p>- Minor compliance -</p>	<p>Palong Cocoa Mill and its supply base were able to demonstrate that recruitment, selection, hiring, access to training and promotion are based on skills, medical fitness for the job available. Sighted in their personal files were job application forms, academic qualifications, previous job experience, medical examination results, letter of job offer and appraisal records.</p>	Complied
6.1.4	<p>Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.</p> <p>- Minor compliance -</p>	<p>Based on interview held with the Medical Assistants at UMAC Estate, Palong Estate, Palong Cocoa Mill and representatives of Women OnWards (WOW) Committee members, pregnancy testing are not conducted as a discriminatory measure, but only when it is legally mandated (i.e. where the job requires the female workers to handle chemicals). However, it was verified during the audit that no women employees handle chemicals. Visits</p>	Complied

		to the field also confirmed this where female workers at the nursery in Mungka Estate informed that spraying and fertilising were specifically carried out by male workers.	
6.1.5	<b>(C)</b> A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women. - Critical (Major) compliance -	All the units within Palong Cocoa Mill and its supply base have in place the Women OnWards (WOW) committee which is a committee of women employees whose members were female employees and housewives who live in the estate/mill housing. Based on interviews conducted with WoW committee members and a review of their meeting minutes, evidence was available that WoW was set up to raise awareness on issues of concern to women such as domestic violence, sexual harassment, reproductive rights, and complaints and grievance channel for such abuses.  Sampled WoW committee meetings were reviewed as follows: Palong Estate: 24/09/2023 Labis Bahru Estate: 27/09/2023 Mungka Estate: 15/8/2023	Complied
6.1.6	There is evidence of equal pay for the same work scope. - Minor compliance -	From payslips reviewed, evidence was available that workers receive equal pay for the same work scope. They were paid according to the Minimum Wage Order 2022 without any form of discrimination. This was also evident through interview with sampled workers.	Complied
<b>Criterion 6.2:</b> Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).			
6.2.1	<b>(C)</b> Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand. - Critical (Major) compliance -	Kulim (Malaysia) Berhad is a member of the Malaysian Agricultural Producers Association (MAPA) and is therefore subjected to the agreement between MAPA and the National Union of Plantation Workers (NUPW). Applicable labour laws related to duration, hours of work, overtime, annual/medical leave, public holiday, mutual termination, salary deductions, maternity entitlement, etc are contained in workers' employment contracts. Sampled were employment contracts for Malaysian and Indonesian workers which have been prepared in Bahasa Malaysia. For Bangladeshi workers, the	Complied

		<p>contracts were in the workers' language, i.e. Bengali. Clause 9 of the employment contract also specifically states that unless otherwise stated, all terms and conditions of contract are subjected to the Employment Act 1955 and SOCSO Act 1969, and the current MAPA/NUPW contract. Also confirmed via sampled payslips that wages were paid in accordance with the Minimum Wages Order 2022 (from May 2022 onwards). Salary deductions and overtime were in accordance with relevant laws and permit (SOCSO, EPF, EIS) and Labour Office permits. Worker's sampled based on square root of total workers x 0.8 for each operating units as per the following:</p> <table> <tr> <th>Estate/Mill</th><th>Worker No</th><th>Contract signed</th><th>Payslips reviewed For 2023</th></tr> <tr> <td rowspan="10">Mungka Estate (11 workers sampled)</td><td>E820000890</td><td>31/10/2020</td><td>April (low crop)</td></tr> <tr> <td>E820000840</td><td>01/11/2020</td><td>July (average crop)</td></tr> <tr> <td>E820000972</td><td>02/03/2023</td><td>September (high crop)</td></tr> <tr> <td>E820000986</td><td>27/05/2015</td><td></td></tr> <tr> <td>E820001000</td><td>28/10/2013</td><td></td></tr> <tr> <td>E820000865</td><td>28/10/2013</td><td></td></tr> <tr> <td>E820000947</td><td>23/12/2022</td><td></td></tr> <tr> <td>E560000756</td><td>20/02/2017</td><td></td></tr> <tr> <td>E560000703</td><td>02/08/2022</td><td></td></tr> <tr> <td>E560000747</td><td>28/03/2023</td><td></td></tr> <tr> <td rowspan="6">UMAC Estate (10 workers sampled)</td><td>E460003702</td><td>01/02/2023</td><td>April (low crop)</td></tr> <tr> <td>E460003746</td><td>13/04/2023</td><td>July (average crop)</td></tr> <tr> <td>E460000814</td><td>01/07/2018</td><td>September (high crop)</td></tr> <tr> <td>E460003458</td><td>07/08/2022</td><td></td></tr> <tr> <td>E460003514</td><td>04/09/2022</td><td></td></tr> <tr> <td>E460002426</td><td>01/11/2022</td><td></td></tr> </table>	Estate/Mill	Worker No	Contract signed	Payslips reviewed For 2023	Mungka Estate (11 workers sampled)	E820000890	31/10/2020	April (low crop)	E820000840	01/11/2020	July (average crop)	E820000972	02/03/2023	September (high crop)	E820000986	27/05/2015		E820001000	28/10/2013		E820000865	28/10/2013		E820000947	23/12/2022		E560000756	20/02/2017		E560000703	02/08/2022		E560000747	28/03/2023		UMAC Estate (10 workers sampled)	E460003702	01/02/2023	April (low crop)	E460003746	13/04/2023	July (average crop)	E460000814	01/07/2018	September (high crop)	E460003458	07/08/2022		E460003514	04/09/2022		E460002426	01/11/2022		
Estate/Mill	Worker No	Contract signed	Payslips reviewed For 2023																																																						
Mungka Estate (11 workers sampled)	E820000890	31/10/2020	April (low crop)																																																						
	E820000840	01/11/2020	July (average crop)																																																						
	E820000972	02/03/2023	September (high crop)																																																						
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			E460003609 E46000023 E460001399 94XX&301@& %7	18/11/2022 18/06/2019 1/06/2022 3/10/2023		
		Labis Bahru (sampled 10)	E150000912 E150001484 E150001129 E150000611 E150000642 E150001152 E150001568 E150001587 E150001595 E150001503	09/05/2017 01/08/2022 01/09/2018 06/10/2014 09/01/2015 08/01/2023 01/02/2023 12/04/2023 22/05/2023 01/09/2022	April (low crop) July (average crop) September (high crop)	
		Palong (sampled 13)	E810002349 E810002369 E810000697 E810002214 E810002349 E810002218 E810000972 E810000623 E810001210 E810002256 E810000516 E810002336	09/01/2023 20/04/2018 01/07/2016 08/08/2019 28/10/2013 04/09/2018 20/02/2017 11/03/2015 28/11/2013 10/09/2022 04/05/2014 06/01/2023	April (low crop) July (average crop) September (high crop)	

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			E810002337	06/1/2023		
6.2.2	<p><b>(C)</b> Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.</p> <p>- Critical (Major) compliance -</p>	<p>Details of payments and conditions of employment are stated and documented in the employment contracts given to all workers. The contract contains terms related to duration, hours of work, overtime, annual/medical leave, public holiday, mutual termination, salary deductions, maternity entitlement, etc. The terms are in compliance with the Employment Act 1955, Minimum Wages Order 2022, SOCSO Act 1969, EPF Act 1991, EIS Act 2017, and the MAPA/NUPW agreement.</p> <p>Payroll documents, namely the payslip, also give accurate information on compensation for all work done. This includes those who receive daily-rated wages, piece rated wages, payment for any overtime work done, and public holiday pay. Also confirmed via sampled payslips that wages were paid in compliance with national legal requirements. Salary deductions and overtime were in accordance with the relevant laws (SOCSO, EPF, EIS) and Labour Office permits. None of the sampled workers had any family members performing work. Among the contracts sampled were those in Indicator 6.2.1 above.</p>	Complied			
6.2.3	<p><b>(C)</b> There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</p> <p>- Critical (Major) compliance -</p>	<p>Based on review of punch cards, workers’ employment contracts and payslips, evidence was available that Palong Cocoa POM and its supply base were able to demonstrate compliance with Employment Contracts 1955 related to regular working hours, overtime, sickness and holiday entitlement, maternity leave, etc. This includes statutory deductions (SOCSO, EPF, EIS) and non-statutory deductions (e.g. mosque funds, electricity bills, etc) in accordance with Labour Office permits. These permits are as follows:</p> <p>A. Mungka Estate: JTK Ref: TK (NJ) U-24 dated 06/01/2020 for electricity and water deductions;</p> <p>B. UMAC Estate: JTK Serial No. PP3/21/005/2008 dated 12/09/2008 for electricity and water deductions;</p>	Complied			

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		<p>C. Palong Cocoa Mill: JTK Ref BHG PU/9/134 Jld 17 (16) dated 30/11/2018 for maximum overtime of up to 130 hours per month. And JTK Ref BHG PU/9/135 Jld 16 (15) dated 30/11/2018 allowing women to work from 10PM to 5AM</p> <p>D. Labis Bahru Estate: JTK Ref: TK (NJ) U-24 dated 02/12/2018 for electricity, water, surau and temple monthly deductions.</p> <p>It was also verified during the audit that written requests were made by the workers from each operating unit making the abovementioned deductions.</p>	
6.2.4	<p><b>(C)</b> The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5years) is allowed to upgrade the infrastructure.</p> <p>- Critical (Major) compliance -</p>	<p>Based on interviews with workers, documentation review and visits made to the mill and estate housing areas, Palong Cocoa Mill and its supply base were able to demonstrate that adequate housing, sanitation facilities, water supplies, medical and welfare amenities are being provided to all employees and their family members. Houses have between 2 to 3 bedrooms with between 2 to 3 occupants per house. Electricity and water are available 24 hours a day. Available amenities include estate clinic, children's playground, takraw court, volleyball court, surau and grocery stores.</p> <p>Linesite inspections are carried out on weekly as verified from records sighted for all operating units. The clinics are visited on a fortnightly basis by a Visiting Medical Officer who supervises the estate medical/health assistants, conduct linesite inspections and attend to patients at the estate clinics.</p>	Complied
6.2.5	<p>The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance -</p>	<p>Evidence is available that efforts are made to improve workers' access to adequate, sufficient and affordable food. Each operating unit within Palong Cocoa Mill has its own canteen and sundry shops. All units require estate shops to submit price lists regularly for purposes of price monitoring. This price monitoring can be further improved if price comparisons were made between the estate shops and various external shops.</p>	Complied
6.2.6	<p>A DLW is paid to all workers, including piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p>	<p>Based on pay slips sighted, all sampled workers who complete the number of days offered in a month receive at least minimum wages applicable, which is RM1,500 per month, or more.</p>	Complied



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#### PROCEDURAL NOTE:

##### STATEMENT FROM THE RSPO STANDARDS STANDING COMMITTEE REGARDING INDICATOR 6.2.6 ON DECENT LIVING WAGE

With reference to procedural note of indicator 6.2.6, the RSPO has published a guidance on the DLW calculation in June 2019. The RSPO Secretariat will endeavour to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist (As of September 2019, GLWC has developed national benchmarks in Bangladesh, Belize, Brazil, China, Colombia, Costa Rica, Dominican Republic, Ecuador, Ethiopia, Ghana, Guatemala, India, Kenya, Malawi, Mexico, Nicaragua, Pakistan, South Africa, Sri Lanka, Uganda and Vietnam. These benchmarks are developed based on banana, coffee, floriculture, textile, manufacturing, seafood processing and tea industry. The RSPO is in the process of commissioning benchmarks for Malaysia and Indonesia for the palm oil sector and will develop methods to calculate and/or define DLW applicability for all palm oil producing countries in which RSPO members operate).

*Where a GLWC living wage standard (benchmark), or one that fulfils the basic requirements of the RSPO-endorsed living wage methodology, has been established in the country or region of operation, the same should be used as benchmarks.*

In the absence of such benchmarks, the RSPO will collaborate with the GLWC and/or local experts on developing oil palm industry benchmarks (Benchmark in this context may include other approaches and/or methods to calculate the applicability of DLW in the country or region in accordance to the RSPO endorsed method for determining a DLW. Local applicability for benchmarks is important and it may differ based on the needs of each locality or country). These benchmarks will be developed in collaboration and consultation with relevant stakeholders such as palm oil industry members, workers' union, authorities and/or relevant organisations.

*For countries where no living wage standard is established, until such time that an RSPO endorsed benchmark for the country is in place, national minimum wages shall be paid to all workers. In addition to the payment of minimum wages, the Unit of Certification (UoC) shall conduct an assessment of the prevailing wages and in-kind benefits provided to workers in the Unit of Certification aligned with the RSPO Guidance for Implementing a Decent Living Wage (RSPO Guidance for Implementing a Decent Living Wage). The RSPO will also develop further guidance and tools to calculate DLW in line with the RSPO*

Palong Cocoa Mill and its supply base have also carried out the calculation of prevailing wages and in-kind benefits in 2022. The calculation took into account housing, electricity, water, education and healthcare. Below is the breakdown of the prevailing wage calculation as of 2022:

Mill/Estate	In-kind benefits (RM)	Average take-home pay (RM)	Prevailing wage (RM)
Palong Cocoa Mill	1,463.31	2,038.16	3,501.47
UMAC	721.67	1500.00	2,221.67
Palong	647.90	1,619.73	2267.63
Labis Bahru	608.72	1342	1950.72
Mungka	1,061.95	1,816.67	2,878.62

Based on the breakdown given, the calculation of prevailing wages including in-kind benefits is reasonable.

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	<p>endorsed methodology which may include independent studies by local experts in their respective region or country).</p> <p>Once these benchmarks are available, this procedural note is no longer applicable. UoC shall have an implementation plan towards the payment of a DLW with specific targets, and a phased implementation process including:</p> <ul style="list-style-type: none"> <li>• Updated assessment on prevailing wages and in-kind benefits</li> <li>• There is annual progress on the implementation of living wages</li> <li>• Where a minimum wage, based on equivalent of baskets of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment</li> <li>• The UoC may choose to implement the living wage payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before eventual scale up of the living wage implementation.</li> </ul> <p>- Minor compliance -</p>		
6.2.7	<p>Permanent, full-time employment including contractors' workers and contracted workers is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal</p> <p>- Minor compliance -</p>	Based on documents sighted and interviews conducted with workers and management, Palong Cocoa Mill its supply base only employ full-time employees. All employees are employed on either permanent or contractual full-time basis. There is no casual, temporary or day labour employed.	Complied
<p><b>Criterion 6.3:</b> The unit of Certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>			
6.3.1	<p><b>(C)</b> A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.</p> <p>- Critical (Major) compliance -</p>	<p>A published statement on freedom of association in Bahasa Malaysia and English are available and displayed at the main notice boards within the Palong Cocoa Mill and its supply base. Also sighted were:</p> <ul style="list-style-type: none"> <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> </ul>	Complied

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		- Kulim (Malaysia) Berhad's x Standards on Rights of Employees which states that Kulim recognises and respects the rights of employees to form and/or join trade unions of their choice which are given due recognition by KULIM. This is demonstrably implemented when all workers (foreign and local) are free to become NUPW members. For example, latest briefing was carried out on 4/10/23 at Palong Cocoa Mill.	
6.3.2	Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request. - Minor compliance -	It was verified during the audit that NUPW representatives were freely elected by the workers, as confirmed by records dated 28/09/2018 sighted at Mungka Estate. Minutes of meetings between the NUPW representatives and management were also sampled during the audit. These minutes were documented and prepared in Bahasa Malaysia and were duly verified at Palong Estate (26/09/2023), Mungka Estate (13/07/2023) and at Labis Bahru Estate (12/10/2023).	Complied
6.3.3	Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers. - Minor compliance -	Based on interviews held with NUPW representatives, review of minutes of meeting between NUPW representatives, evidence was available that management does not interfere with the formation of operation of the NUPW. Workers' representatives were chosen from among the workers as confirmed by the workers during interview.	Complied
<b>Criterion 6.4: Children are not employed or exploited.</b>			
6.4.1	A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements. - Minor compliance -	Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1 <sup>st</sup> October 2021 where they will not engage in or support the use of Child Labour and will provide adequate support to enable children of its employees to attend and remain in school until no longer a child. The minimum age of workers to recruit is 18 years old. This requirement is also included in all agreements with its contractors via Addendum to the Agreement. Sighted were the addendums signed by the following contractors:  - Between Kulim Plantations and an Indonesian manpower supplier, PT Hamparan Karya Insani dated 27 May 2022	Complied

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		<ul style="list-style-type: none"> <li>- Between Mahamurni Plantations and GP Subramaniam Enterprise dated 26/05/2022</li> <li>- Between dated Mahamurni Plantations and Sg Rezeki Sdn Bhd 17/08/2022</li> </ul>	
6.4.2	<p><b>(C)</b> There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.</p> <p>- Critical (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 workers' NRIC and passports, all workers were at least 18 years old when employed.	Complied
6.4.3	<p><b>(C)</b> Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.</p> <p>- Critical (Major) compliance -</p>	Based on the workers list of all Palong Cocoa Palm Oil Mill and its supply base, interviews conducted, and observations made, there is no evidence that young persons are being employed.	Complied
6.4.4	<p>The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.</p> <p>- Minor compliance -</p>	<p>Kulim (Malaysia) Berhad has established Core Labour Standard Policy dated 1 May 2018 where they are not engaging in or support the use of Child Labour and will provide adequate support to enable children of its employees to attend and remain in school until no longer a child. This Policy is displayed on main notice boards.</p> <p>This Policy was also communicated during stakeholder meeting held on 9/10/2023. Further, an Addendum to agreements signed with contractors also contains a provision which states that the contractor shall comply with applicable labour and employment laws regarding and prohibit any form of child labour, forced or trafficked labour. Reviewed during the audit were the contract Addendum signed by the following contractors:</p> <ul style="list-style-type: none"> <li>- Between Kulim Plantations and an Indonesian manpower supplier, PT Hamparan Karya Insani dated 27 May 2022</li> <li>- Between Mahamurni Plantations and GP Subramaniam Enterprise dated 26/05/2022</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>- Between dated Mahamurni Plantations and Sg Rezeki Sdn Bhd 17/08/2022</li> </ul> <p>Interviews held with contractors and suppliers also confirmed their understanding of this obligation.</p>	
<b>Criterion 6.5:</b> There is no harassment or abuse in the workplace, and reproductive rights are protected.			
6.5.1	<p><b>(C)</b> A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.</p> <p>- Critical (Major) compliance -</p>	<p>A Policy to prevent sexual and other forms of harassment are available in Sexual Harassment Policy dated 7<sup>th</sup> December 2021 signed by Managing Director. This Policy has been communicated to all levels of workforce via WoW meetings and muster briefings held as follows:</p> <ul style="list-style-type: none"> <li>- Palong Cocoa POM: WoW meeting (9/10/2023)</li> <li>- Mungka Estate: Muster briefing (5/4/2023)</li> </ul> <p>Interviews held with employees of both genders confirmed their awareness of this Policy and its implementation.</p>	Complied
6.5.2	<p><b>(C)</b> A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.</p> <p>- Critical (Major) compliance -</p>	<p>Kulim (Malaysia) Berhad's Core Labour Standard dated 1<sup>st</sup> October 2021 signed by Managing Director provides protection of reproductive rights of all workers. The Labour Standard specifies that the Company recognizes the rights of employees to reproduction and reproductive health, including the right to make decision on reproduction. Based on interviews with the workers, there is evidence that this Standard is being implemented where female workers are entitled to 60 days paid maternity leave, and pregnant women are given light work to do. This Standard has been communicated to all levels of workforce during muster briefings and WoW meetings as follows:</p> <ul style="list-style-type: none"> <li>- Palong Cocoa POM: WoW meeting (9/10/2023)</li> <li>- Mungka Estate: Muster briefing (11/04/2023)</li> </ul> <p>Interviews held with employees of both genders confirmed their awareness of this Policy and its implementation.</p>	Complied

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6.5.3	<p>Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.</p> <p>- Minor compliance -</p>	<p>Assessment of new mothers' needs were done via a census form. The census form assessed the mothers' needs for creche/childcare, antenatal, vaccination, maternity and paternity, postpartum care, prenatal check-up, nursing facilities, awareness and counselling.</p> <p>At Mungka Estate, total of 6 new mothers recorded and an assessment was done on 18/7/23. Based on the assessment result, no request or issue reported as most of them were satisfied with what has been provided to the new mothers.</p>	Complied
6.5.4	<p>A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>Available and reviewed during the audit was Grievance mechanism Doc. No. SQD/SMS/4.1 Issue No. 1 dated 1 Aug 2020. The aim of this mechanism is to have a documented system for dealing with complaints and grievances that is agreeable and accepted by all stakeholders. The scope covers all parties who deal with Kulim (Malaysia) Berhad who may have complaints or grievances. Clause 5.8 states that anonymity of complainants will be respected and protected if requested.</p>	Complied
<b>Criterion 6.6:</b> No forms of forced or trafficked labour are used.			
6.6.1	<p><b>(C)</b> All workers have entered into employment voluntarily and the following are prohibited:</p> <ul style="list-style-type: none"> <li>Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes)</li> <li>Charging the workers for recruitment fees.</li> <li>Contract substitution</li> <li>Involuntary overtime</li> <li>Lack of freedom of workers to resign</li> <li>Penalty for termination of employment</li> <li>Debt bondage</li> </ul>	<p>Palong Cocoa Mill and its supply base are able to demonstrate that all workers have entered into employment voluntarily. This was further confirmed from interviews conducted with the workers themselves.</p> <ul style="list-style-type: none"> <li>Passports <ul style="list-style-type: none"> <li>All foreign workers now keep their own passports. except for administration purposes including legalisation and renewal processes.</li> </ul> </li> <li>Charging the workers for recruitment fees <ul style="list-style-type: none"> <li>Contract dated 19/05/2022 between Kulim (Malaysia) Berhad to PT Hamparan Karya Insani for manpower supply from Indonesia. The agreement states among others that cost of workers' transportation to the respective estates/mill will be borne by Kulim following Kulim's 'Zero Cost Policy'. No recruitment fees are imposed on any of the</li> </ul> </li> </ul>	Complied

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	<ul style="list-style-type: none"> <li>• Withholding of wages</li> <li>- Critical (Major) compliance -</li> </ul>	<p>foreign workers, and this was further confirmed by foreign workers interviewed.</p> <ul style="list-style-type: none"> <li>• Contract substitution <ul style="list-style-type: none"> <li>- Verified during interviews conducted with foreign workers at all the estates that the workers knew about the work they would be doing before leaving their countries of origin (Indonesia and Bangladesh). There is no contract substitution.</li> </ul> </li> <li>• Involuntary overtime <ul style="list-style-type: none"> <li>- All overtime work are carried out on a voluntary basis as seen from the overtime request form signed by the workers at Palong Cocoa Mill and estates. This was further confirmed by the workers themselves during audit interviews.</li> </ul> </li> <li>• Lack of freedom of workers to resign <ul style="list-style-type: none"> <li>- Clause 5 of employment contracts allows for early termination of contract by giving of 2 months' notice (upon confirmation) and 2 weeks' notice (on probation). There is no mention of any penalty payable.</li> </ul> </li> <li>• Penalty for termination of employment <ul style="list-style-type: none"> <li>- Clause 5 of employment contracts allows for early termination of contract by giving of 2 months' notice (upon confirmation) and 2 weeks' notice (on probation). There is no mention of any penalty payable.</li> </ul> </li> <li>• Debt bondage <ul style="list-style-type: none"> <li>- Based on payslips sighted and interview with workers, there was no evidence of any debt bondage and withholding of wages. Interview with the workers also confirmed this.</li> </ul> </li> <li>• Withholding of wages</li> </ul>	
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		Based on payslips sighted and interview with workers, there was no evidence of any debt bondage and withholding of wages. Interview with the workers also confirmed this.															
6.6.2	<p><b>(C)</b> Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.</p> <p>- Critical (Major) compliance -</p>	<p>A special labour policy and procedures have been established under the Kulim (Malaysia) Berhad Core Labour Standard signed by Executive Director dated 1 May 2018. This Policy:</p> <ul style="list-style-type: none"><li>- prohibits the employment of children and young persons, forced and bonded labour</li><li>- provides for signing of written employment contracts in a language they understand with clear remuneration and description of duties</li><li>- workers' entitlement to housing and basic amenities which are at par with statutory requirements</li><li>- free of discrimination, coercion or violence</li><li>- rights of employees to join trade unions</li><li>- accessibility to grievance procedure</li><li>- entitled to one day off per week.</li></ul> <p>Based on pay slips, employment contracts, punch cards reviewed, and interviews conducted with workers, Palong Cocoa Mill and its supply base are able to demonstrate the implementation of this Policy.</p>	Complied														
<b>Criterion 6.7:</b> The unit of certification ensures that the working environment under its control is safe and without undue risk to health.																	
6.7.1	<p><b>(C)</b> The responsible person(s) for H&amp;S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.</p> <p>- Critical (Major) compliance -</p>	<p>The estates and mill management have conducted the regulated quarterly safety committee meeting with the participation of workers representative. Minutes of meetings were made available for verification which dated as follows:</p> <table><tr><th rowspan="2">OU</th><th colspan="4">Quarter and dates</th></tr><tr><th>03/2023</th><th>02/2023</th><th>01/2023</th><th>04/2022</th></tr><tr><td></td><td></td><td></td><td></td><td></td></tr></table>	OU	Quarter and dates				03/2023	02/2023	01/2023	04/2022						Complied
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	03/2023	02/2023	01/2023	04/2022													



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		<table><tr><td>PC POM</td><td>26/07</td><td>16/05</td><td>12/03</td><td>11/12</td></tr><tr><td>Sepang Loi</td><td>10/09</td><td>11/06</td><td>20/03</td><td>07/12</td></tr><tr><td>Mungka</td><td>19/09</td><td>14/06</td><td>20/03</td><td>21/12</td></tr><tr><td>UMAC</td><td>06/09</td><td>19/06</td><td>30/03</td><td>07/11</td></tr><tr><td>Labis Bahru</td><td>19/09</td><td>21/06</td><td>22/03</td><td>20/12</td></tr><tr><td>Palong</td><td>15/09</td><td>12/06</td><td>06/03</td><td>01/12</td></tr></table> <p>Generally, among the agenda discussed in the meetings are:</p> <ul style="list-style-type: none"><li>• Confirmation of minutes previous meeting</li><li>• Workplace inspection report</li><li>• Accident report</li><li>• General Safety</li><li>• Complaint from Employee/External Party</li><li>• Other matters</li></ul> <p>Workplace inspections were made prior to the committee meeting. The respective operating units' managers were appointed as the chairman of the committees based on a letter dated 15/09/2021 [ref.: SQD/ADMIN/020/021] from the Kulim's ESG Committee (Occupational Safety &amp; Health) Chairman.</p>	PC POM	26/07	16/05	12/03	11/12	Sepang Loi	10/09	11/06	20/03	07/12	Mungka	19/09	14/06	20/03	21/12	UMAC	06/09	19/06	30/03	07/11	Labis Bahru	19/09	21/06	22/03	20/12	Palong	15/09	12/06	06/03	01/12	
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6.7.2	Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.  - Minor compliance -	<p>The procedures for accident and emergencies have been established. There is formation of ERP Team &amp; ERP for all the identified incidences. In addition, the procedures have been summarized in a flow chart form and displayed for information of all employees in the estates/mill. They include emergencies relating fire, chemical spillage, flood, and accident at the workplace.</p> <p>a) <i>Ahli J/Kuasa Pasukan Bertindak Kecemasan headed by the Estate/Mill Manager</i></p> <p>b) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Kebakaran</i></p> <p>c) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Berlaku Banjir</i></p> <p>d) <i>Carta Aliran Pelan Tindakan Kecemasan Semasa Berlaku Tumpahan Kimia</i></p>	Complied																														

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		<p>The organization chart for the ERP team was established and displayed for information of the employees. The important telephone contact numbers were also provided therein. Procedures and guidelines were issued by SQD and amended to tailor to the situation differences in the estates and mill.</p> <p>ERT members have been provided with training on emergency procedures appropriate to their respective workplace and level of risk. The trainings were conducted by an accredited or qualified organization who can demonstrate their suitability to provide training.</p> <p>The trained personnel for the First Aid were among the employees working as field staff/mandores. The first aid boxes were available at various points in the estate office, workshop, and store. The estate distributed the first aid box to the mandores and brought along to the field during operations.</p> <p>Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA (Lost Man Day MC). Records of accidents were summarized in the JKKP 8 form annually and submitted to the authority (Dept. of Safety &amp; Health) as regulated. Records are well kept in the office for verification.</p>	
6.7.3	<p><b>(C)</b> Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>- Critical (Major) compliance -</p>	<p>The management provides appropriate PPE to the employees in accordance with HIRARC and Standard Operating Procedure. PPE issuance records were well maintained and made available for verification. Among the information available in the record was name of employee, type of PPE (i.e., apron, safety shoes, rubber boots, N95 mask, respirator, cartridge, helmet, goggle, cotton gloves, nitrile gloves, etc.), date of PPE received and receipt acknowledgement by the recipient. On site verification and interview with workers showed that the appropriate PPE was provided for free and worn accordingly. Sanitation facilities such as shower room, PPE washing area, personal clothing locker for those applying pesticides are available, so that workers can change out of PPE, wash, and put on their personal clothing were provided and well maintained.</p>	Complied

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6.7.4	<p>All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law.</p> <p>- Minor compliance -</p>	<p>Should there be any medical care needed by the employees, clinics with certified Medical or Hospital Assistants in-charge were provided at all the sampled management units. Based on site visits, all the clinics were well maintained and managed. Records of medical inventory, VMO visits, and patients treated were made available for verification.</p> <p>The sampled estates and mill are subscribing to SOCSO to cover the accident insurance for all their workers. Latest monthly contributions were verified and confirmed the following details:</p> <table border="1"> <thead> <tr> <th>Estates/mill</th><th>Transaction date</th><th>Payment voucher Ref. No.</th><th>No. of employees covered</th></tr> </thead> <tbody> <tr> <td>PC POM</td><td>09/10/2023</td><td>ACR102230255417</td><td>115</td></tr> <tr> <td>UMAC</td><td>05/10/2023</td><td>23000903</td><td>185</td></tr> <tr> <td>Labis Bahru</td><td>12/10/2023</td><td>20231011094232386</td><td>196</td></tr> <tr> <td>Palong</td><td>05/10/2023</td><td>2301023</td><td>296</td></tr> <tr> <td>Mungka</td><td>04/10/2023</td><td>23000804</td><td>173</td></tr> <tr> <td>Sepang Loi</td><td>04/10/2023</td><td>23000461</td><td>95</td></tr> </tbody> </table>	Estates/mill	Transaction date	Payment voucher Ref. No.	No. of employees covered	PC POM	09/10/2023	ACR102230255417	115	UMAC	05/10/2023	23000903	185	Labis Bahru	12/10/2023	20231011094232386	196	Palong	05/10/2023	2301023	296	Mungka	04/10/2023	23000804	173	Sepang Loi	04/10/2023	23000461	95	Complied
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6.7.5	<p>Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</p> <p>- Minor compliance -</p>	<p>The RSPO's Lost Time Injury Frequency Rate (LTIFR) metrics was used to record the number of lost time injuries and total hours worked for the period of Jan - Dec of 2022. Verification against the certification unit's other records such as JKPP 8 found the data to be accurate.</p>	Complied																												
<b>Principle 7: Protect, conserve and enhance ecosystems and the environment</b>																															
<b>Criterion 7.1:</b> Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.																															

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7.1.1	<p><b>(C)</b> IPM plans are implemented and monitored to ensure effective pest control.</p> <p>- Critical (Major) compliance -</p>	<p>The sampled estates continued to monitor the Implementation of Integrated Pest Management (IPM) plans.</p> <ul style="list-style-type: none"> <li>- The estates had in place the documented IPM plan which covered the monitoring of pest, control of pest population levels at below threshold levels by using cultural, biological, physical/mechanical and use of pesticides. The plan was guided by ARM Section J01-J10.</li> <li>- In order to minimize use of insecticides on leaf-eating pest, the estates planted beneficial plants such as Turnera, Cassia cobanensis, Antigonon leptopus, along the roadsides and designated points in the fields and also within the nursery perimeter.</li> <li>- The plan also advocated single layer compost mulching to prevent the breeding of rhinoceros beetles. Monthly detection and observation of leaf eating pests, mammalian pests and diseases had been continued. These monthly detection and observations were carried by staff.</li> <li>- Census records for Ganoderma affected palms were verified. All the estates carried census on rat damage and diseases like Ganoderma.</li> <li>- Barn owls are used as predators to suppress the population of rats</li> </ul>	Complied
7.1.2	<p>Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.</p> <p>- Minor compliance -</p>	<p>There was no evidence that species referenced in the Global Invasive Species Database and CABI.org are being used in all the sampled estates.</p>	Complied
7.1.3	<p>There is no use of fire for pest control unless in exceptional circumstances such as plantation sanitation, i.e. where no other effective methods exist, and with prior approval of government authorities.</p> <p>- Minor compliance -</p>	<p>There was no evidence that use of fire for pest control at all the sampled estates.</p>	Complied
<p><b>Criterion 7.2:</b> Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.</p>			

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7.2.1	<p><b>(C)</b> Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised.</p> <p>- Critical (Major) compliance -</p>	The justification of all pesticides used in the estate were documented in Kulim (M) Bhd Agricultural Manual (dated 01/07/2013), Section H, Justification of Chemical Use. The manual provides the guideline on type of agrochemical use, target pest/weed/disease, weed situation, recommended chemical brand name, application rate, and method of application. Verification of chemical register, chemical issuance records, and site visits showed that the pesticides used were in accordance with the justification in the manual.	Complied
7.2.2	<p><b>(C)</b> Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided.</p> <p>- Critical (Major) compliance -</p>	Records of pesticides use (including active ingredients used and their LD 50, area treated, amount of a.i. applied per ha and number of applications) had been maintained and kept by the estate. Based on the records, the total a.i. per ha for 2022 and 2023 (year to-date) was less than 1 lt a.i./ha for both matured and immature areas.	Complied
7.2.3	<p><b>(C)</b> Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.</p> <p>- Critical (Major) compliance -</p>	<p>The quantity of agrochemicals required for various field conditions is documented and justified in Kulim (M) Bhd Agricultural Manual (dated 01/07/2013), Section H, Justification of Chemical Use. The manual provides the guideline on type of agrochemical use, target pest/weed/disease, weed situation, recommended chemical brand name, application rate, and method of application. Verification of chemical register, chemical issuance records, and site visits showed that the pesticides used were in accordance with the justification in the manual.</p> <p>The implementation in the field is consistent with the SOP established. Class I herbicide is no longer in used by all the sampled estates.</p>	Complied
7.2.4	<p>There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.</p> <p>- Minor compliance -</p>	There was no evidence of prophylactic use of pesticide at all the sampled estates.	Complied
7.2.5	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional	There was no evidence of pesticides that are categorized as World Health Organization Class 1A or 1B, or that were listed by the Stockholm or Rotterdam Conventions been used.	Complied

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	<p>circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks.</p> <p>The due diligence refers to:</p> <ul style="list-style-type: none"> <li>a) Judgment of the threat and verify why this is a major threat</li> <li>b) Why there is no other alternative which can be used</li> <li>c) Which process was applied to verify why there is no other less hazardous alternative</li> <li>d) What is the process to limit the negative impacts of the application</li> <li>e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.</li> </ul> <p>- Minor compliance -</p>		
7.2.6	<p><b>(C)</b> Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criteria 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.</p> <p>- Critical (Major) compliance -</p>	<p>Trainings on safe handling of chemical and right method of spraying were given to the relevant employees which include the storekeeper, pre-mixers, and herbicides sprayers. This is also in-line with the recommendation by the CHRA assessor. Various methods of training such as briefing, practical training and on-the-job supervisions were used to ensure effective delivery of knowledge. Records of training were well maintained for verification.</p>	Complied
7.2.7	<p><b>(C)</b> Storage of all pesticides is in accordance with recognised best practices.</p> <p>- Critical (Major) compliance -</p>	<p>The pesticides were kept in the designated stores at all the sampled estates in accordance with the regulations. The stores were equipped with locks, ventilation and accessibility was limited to authorized personnel only. Appropriate hazard signage was also put up to create safety caution.</p>	Complied
7.2.8	<p>All pesticide containers are triple rinsed and punctured before being disposed of and/or handled responsibly if used for other purposes.</p> <p>- Minor compliance -</p>	<p>Empty pesticides containers were disposed through scheduled wastes method. Labelling of the containers was found to be in accordance with the legal requirements that has the information about type of scheduled waste, waste code, name &amp; address of the generators, and date of generations.</p>	Complied

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		Hazard label used was also found to be appropriate. Verification of inventory records and consignment notes (transaction receipts) confirmed that the containers were collected by the authorised vendors.																					
7.2.9	<p><b>(C)</b> Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.</p> <p>- Critical (Major) compliance -</p>	Aerial spraying of pesticides is not practiced in the sampled estates.	Complied																				
7.2.10	<p><b>(C)</b> Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.</p> <p>- Critical (Major) compliance -</p>	<p>Medical surveillances were conducted in timely manner by the estates as per CHRA recommendation for employees involved in pesticides handling such as spraying operators and store clerks by DOSH registered OH doctors. Based on the medical surveillance latest reports, all the employees had passed the tests and declared fit to work.</p> <table><tr><th>Estates</th><th>Date</th><th>Workers composition</th><th>Result s</th><th>OHD Reg. No.</th></tr><tr><td>Mungka</td><td>03/08/2023</td><td>Total: 44 22 pesticides 20 fertilisers 1 mineral oil</td><td>All fit</td><td>HQ/11/DOC/00/235</td></tr><tr><td>Sepang Loi</td><td>03/08/2023</td><td>Total: 17 8 pesticides 7 fertilisers 1 mineral oil</td><td>All fit</td><td>HQ/11/DOC/00/235</td></tr><tr><td>UMAC</td><td>02/08/2023</td><td>Total: 43 26 pesticides</td><td>All fit</td><td>HQ/11/DOC/00/235</td></tr></table>	Estates	Date	Workers composition	Result s	OHD Reg. No.	Mungka	03/08/2023	Total: 44 22 pesticides 20 fertilisers 1 mineral oil	All fit	HQ/11/DOC/00/235	Sepang Loi	03/08/2023	Total: 17 8 pesticides 7 fertilisers 1 mineral oil	All fit	HQ/11/DOC/00/235	UMAC	02/08/2023	Total: 43 26 pesticides	All fit	HQ/11/DOC/00/235	Complied
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		<table><tr><td></td><td></td><td>16 fertilisers 1 mineral oil</td><td></td><td></td></tr><tr><td>Labis Bahru</td><td>19/09/2023</td><td>Total: 9 9 pesticides</td><td>All fit</td><td>HQ/11/DOC/00/235</td></tr><tr><td>Palong</td><td>02/08/2023</td><td>Total: 55</td><td>All fit</td><td>HQ/11/DOC/00/235</td></tr></table>			16 fertilisers 1 mineral oil			Labis Bahru	19/09/2023	Total: 9 9 pesticides	All fit	HQ/11/DOC/00/235	Palong	02/08/2023	Total: 55	All fit	HQ/11/DOC/00/235	
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Labis Bahru	19/09/2023	Total: 9 9 pesticides	All fit	HQ/11/DOC/00/235														
Palong	02/08/2023	Total: 55	All fit	HQ/11/DOC/00/235														
7.2.11	<p><b>(C)</b> No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.</p> <p>- Critical (Major) compliance -</p>	Based on the database of employees and monthly medical check-up records by HA, there was no evidence that persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions were undertaking work with pesticides.	Complied															
<b>Criterion 7.3:</b> Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.																		
7.3.1	<p>A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.</p> <p>- Minor compliance -</p>	<p><u>Mungka and Sepang Loi Estate, UMAC Estate.</u></p> <p>Sampled documented and implemented a Waste and Pollution Management Plan, date reviewed 01/08/2022 where type of waste and source of waste clearly determined and action needed to reduce. Among them included:</p> <p><u>Scheduled waste</u></p> <ul style="list-style-type: none"><li>• Empty Pesticides /Chemicals Container (SW409) (from Chemicals store)</li><li>• Empty Pesticides /Chemicals packaging (SW409) (from Workshop)</li><li>• Empty hydrocarbon containers (SW409) (from Workshop)</li><li>• Batteries (SW102) (from Workshop)</li><li>• Spent Oil (SW305) (from Workshop)</li><li>• Contaminated rags/sacks (SW410) (from Fertilizer store)</li><li>• Hydrocarbon/pesticides spillage (SW408)</li></ul>	OFI															



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		<ul style="list-style-type: none"> <li>• Contaminated Soils (Leakage/spillage during transfer) (SW408)</li> </ul> <p><u>Non-Scheduled Waste</u></p> <ul style="list-style-type: none"> <li>• Domestic (from line site)</li> <li>• Plastic, bottle-recyclable material (from Line site)</li> <li>• Garden waste (from Line site)</li> <li>• Kitchen Waste (from Line site)</li> <li>• Scraps items (from Workshop)</li> <li>• Empty Bags-fertilizer (from Manuring)-Reuse for line site waste disposal, sand and soil bagging</li> <li>• Nursery polybags (from Nursery)</li> <li>• Pesticides Containers (from Chemicals store)</li> </ul> <p><u>By-Products</u></p> <ul style="list-style-type: none"> <li>• EFB (EFB Application and biocompost)</li> </ul> <p>All action plan , frequency, records and responsibility for implementation found clearly.</p> <p><u>Palong Cocoa POM</u></p> <p>Waste and Pollution Management Plan dated reviewed 01/08/2023 that almost having similar contents with above established in the estates except no waste involving source from field operations such as spraying, manuring. All actions were clearly defined with progress of implementation recorded.</p> <p><u>Labis Bahru Estate, Palong Estate and Kemendak Estate</u></p> <p>Sighted Waste and Pollution Management Plan, date reviewed 02/08/2023 (Labis Bahru Estate) and 01/08/2023 (Palong &amp; Kemendak Estate). The format clearly identified type of waste generated and its sources with action plan to management them as below:</p>	
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		Type of wastes	Sources	Action Plan		
		Domestic	Line site	Provide garbage bins, recycle bins, encourage recycling, burning of was prohibited.		
		Plastics, bottles (Recyclable materials)	Line site	Where possible, recycle them		
		Garden waste	Line site	Segregate and place at frond stacking row to degrade.		
		Kitchen waste	Line site	Dispose at landfill		
		Scheduled waste	Process of chemicals , workshop	Storage at store and dispose as SW Regulations.		
		Used paper, printer inks, bulbs, plastics,	Office	Recycle if possible, send to landfill, return back to suppliers+		
		Empty Fertilizer bags	Process of prond pruning	Refer to agriculture manual		
		Biomass (replanting)	Replantin g	Refer to agriculture manual		

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		Waste Management Plan on use of chemicals (fertilizer) contaminated empty bags that sensitive to aquatic live and water quality to be further considered and strengthen. (OFI)	
7.3.2	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.</p> <p>- Minor compliance -</p>	<p>Sighted a landfill in Mungka &amp; Sepang Loi Estate and UMAC Estate that just newly open in the filed visit. Recycling stations also sighted in line site where 3 bins allocated for papers, plastics and metals.</p> <p>While for schedule waste disposal sighted consignment notes as below that verified with actual balance stock inventory in the Scheduled Waste Store,</p> <p><u>UMAC Estate</u></p> <p>Inventory of Scheduled Waste (5<sup>th</sup> Schedule) as at September 2023:</p> <p>SW103 (Waste of batteries contains cadmium, nickel, mercury etc) Qty: 00</p> <p>SW109 (Waste containing mercury) Qty: 0.0064 MT</p> <p>SW305 (Spent lubricating Oil) Qty: 0.0550 MT</p> <p>SW306 (Spent hydraulic oil) Qty: 0.0250 MT</p> <p>SW404 (Clinical waste) Qty: 0.0010 MT</p> <p>SW409 (Disposed container, bags contaminated with chemicals/pesticides) Qty: 0.0060 MT)</p> <p>Consignment Note sampled:</p> <p>#CN: 2017820010013, Collected by Kualiti Alam on 18/05/2023</p> <p>Collected item: SW404 (Clinical waste), Qty: 0.80 Kg</p> <p>Driver: Ismail Ishak, Lorry No ALF 3122, Date received: 19/05/2023.</p> <p>#CN 2023101008AKS2EC, Collected by Kualiti Alam on 10/10/2023</p> <p>Collected item: SW109 (Waste containing Mercury or its compound), Qty: 0.0096 MT.</p> <p>Driver: Mohd Fikri, Lorry No.MDE 6455, Date received: 10/10/2023</p>	Complied

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		<p>#CN: 20231010087ZHA4W, Collected by Kualiti Alam on 10/10/2023.          Collected item: SW305 (Spent lubricating oil), Qty: 0.0900 MT          Driver: Mohd Fikri, Lorry No. MDE 6455, Date received 10/10/2023.</p> <p><u>Palong Cocoa POM</u></p> <p>Scheduled waste was found properly managed at Schedule Waste Store as visit conducted and interview was conducted with storekeeper which found understand on the requirements of storage and disposal of scheduled waste. Among sighted in the Inventory of scheduled waste (August 2023) and sighted in store included:</p> <ul style="list-style-type: none"> <li>• SW110 (Electrical waste) Qty 0.0044 MT</li> <li>• SW305 (Spent lubricating oil) Qty 0.2316 MT</li> <li>• SW306 (Spent hydraulic oil) Qty 0.0040 MT</li> <li>• SW410 (Contaminated filters) Qty 0.0157 MT</li> <li>• SW409 (Empty containers) Qty 0.0310 MT</li> <li>• SW429 (Hexane) Qty 0.158 MT.</li> </ul> <p>As sampled consignment note for scheduled waste disposal done on April 2023 as below found records kept and retained:</p> <ul style="list-style-type: none"> <li>• CN No.2023041309GWZ1NP, date submitted 13/04/2023 for SW305 (Spent Lubricating Oil), Qty 0.2393 MT. Contractor: Kualiti Alam, Driver Mohd Fikri b. Muhamad Nor, Lorry No: MDE 6455.</li> <li>• CN No.2023041309XVL6WJ. Date submitted 13/04/2023 for SW410 (Contaminated gloves/rags) Qty 0.0863 MT. Contractor: Kualiti Alam, Driver Mohd Fikri b. Muhamad Nor, Lorry No: MDE 6455.</li> <li>• CN No. 202304130996DFKT Date submitted 13/04/2023 for SW409 (Empty Containers). Qty 0.1538 MT. Contractor: Kualiti Alam, Driver Mohd Fikri b. Muhamad Nor, Lorry No: MDE 6455.</li> </ul>	
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	<ul style="list-style-type: none"><li>• CN No. 2022070509YQRTNI Date submitted 05/07/2022 for SW404 (Clinical waste) Qty 0.0027 MT. Contractor: Kualiti Alam, Driver Johari b. Ghani, Lorry No, PNW 9958. (From Mill Clinic, after this disposal all clinical waste been transferred to Kemendak Estate and no generation and disposal at mill's clinic.</li></ul> <p><u>Labis Bahru</u></p> <p>A visit to Scheduled Waste store located next to workshop and found scheduled wastes were properly stored, labelled and maintained in a locked store equipped with spill kits, containments, waste card (displayed), fire extinguishers safety signage. All scheduled waste as in the Waste and Pollution Management Plan found kept within 180 days and 20 MT as explained by the assigned storekeeper. Sighted Inventory of Scheduled Waste for month of October 2023 as below:</p> <p>SW404 (Clinical waste) Qty 0.0012 MT</p> <p>SW409 (Used Containers) Qty 0.2270 MT</p> <p>SW410 (Oil Filter) Qty 0.0336 MT</p> <p>The recent disposal of scheduled waste was made by the estate on 13/08/2023:</p> <table><tr><th>C/Note</th><th>Waste</th><th>SW Code</th><th>Qty (MT)</th><th>Transporter</th></tr><tr><td>2023081315BHOUJ6</td><td>Electrical waste (Fluorescent tube)</td><td>110</td><td>0.0060</td><td>Kualiti Alam</td></tr><tr><td>2023081315DUOQH2</td><td>Electrical Waste (LED)</td><td>109</td><td>0.1104</td><td>Kualiti Alam</td></tr></table>	C/Note	Waste	SW Code	Qty (MT)	Transporter	2023081315BHOUJ6	Electrical waste (Fluorescent tube)	110	0.0060	Kualiti Alam	2023081315DUOQH2	Electrical Waste (LED)	109	0.1104	Kualiti Alam	
C/Note	Waste	SW Code	Qty (MT)	Transporter													
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		2023081314TFY SLC	Spent Lubricating oils	409	0.625 0	Kualiti Alam
		2023081315Q7G OEL	Used Containers	305	0.983 0	Kualiti Alam
		20230813KLK7C D	Spent Mineral Oil Water Emulsion	307	0.064 0	Kualiti Alam
		2023081314TGG BSG	Contaminated soil	408	0.335 0	Kualiti Alam
		2023081314KYH G	Oil filters	410	0.049 2	Kualiti Alam
		2023051614EZH 219	Clinical Waste	440	0.001 5	Kualiti Alam (16/06/20 23)
<p>Palong Estate &amp; Kemendak Estate</p> <p>Sighted Inventory of Schedule Waste for month of September 2023, where current verified in the Scheduled Waste Store the balance of storage quantity as below:</p> <ul style="list-style-type: none"><li>• SW109 (Electrical waste) Qty 0.0009 MT</li><li>• SW110 (Electrical waste) Qty 0.0004 MT</li><li>• SW305 (Spent lubricating oil) Qty 0.0180 MT</li><li>• SW307 (Oil water emulsion) Qty 0.0420 MT</li><li>• SW404 (Clinical waste) Qty 0.0002 MT</li><li>• SW408 (Contaminated soil) Qty 0.0306 MT</li><li>• SW409 (Used Plastic pesticide containers) Qty 0.0125 MT</li></ul>						

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		<ul style="list-style-type: none"> <li>• SW410 (Contaminated bag/paper/cotton) Qty 0.0020 MT</li> <li>• SW410 (Used filter) Qty 0.0024 MT.</li> </ul> <p>Labelling and storage found adequately managed and locked.</p>	
7.3.3	<p>The unit of certification does not use open fire for waste disposal.</p> <p>- Minor compliance -</p>	<p><u>Mungka &amp; Sepang Loi Estate, UMAC Estate and Labis Bahru Estate.</u></p> <p>There was no evidence that fire had been used to prepare land for replanting in the estate. No fire was used for waste disposal as sampled in Line site of both divisions and landfill.</p>	Complied
<b>Criterion 7.4:</b> Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
7.4.1	<p>Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.</p> <p>- Minor compliance -</p>	<p>The estates are managing their soil fertility to optimise yield and minimise environmental impacts guided by the Kulim (M) Berhad Agriculture Manual which was last updated on 03/09/2019. In the manual SOPs are categorised into several topics, which are:</p> <ul style="list-style-type: none"> <li>A) Replanting</li> <li>B) Roads, drains, bridges, culverts and fences</li> <li>C) Construction of estate buildings</li> <li>D) Manuring</li> <li>E) Harvesting</li> <li>F) Pruning and ablation</li> <li>G) Soil conservation</li> <li>H) Justification of chemical use</li> <li>I) Weeds management</li> <li>J) Integrated pest management</li> <li>K) Plant diseases</li> </ul>	Complied

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		The practices consistently monitored by estate operation management and estate inspectorate. The recommendations for improvements are given to maintain the sustainable practices.	
7.4.2	Periodic tissue and soil sampling is carried out by Companies to monitor and manage changes in soil fertility and plant health. - Minor compliance -	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 is annually, whereas for soil analysis, the frequency is once in 4 years. Reports of foliar and soil analysis were made available for verification at all the sampled estates.	Complied
7.4.3	A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers. - Minor compliance -	EFB, POME and bio-compost were applied as per following 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.  Application of bio-compost and EFB in the field was observed at the sampled estate in accordance with the recommendations by Kulim's agronomy department. Records of application were maintained by the estates and made available for verification. Among the information available in the records is field number, quantity of EFB/POME/compost being applied (mt) and date of application.	Complied
7.4.4	Records of fertiliser inputs are maintained. - Minor compliance -	Records of fertiliser input were well maintained in various documents such as store issuance record, bin cards and month end account to name a few. Among the information available in the records was type of fertiliser, quantity and field number applied including date of application. Based on sampled fields, the amount of fertilisers issued out (i.e. applied) from the store according to J.D. Edwards software system was in-line with the recommendations by agronomist, for all the sampled estates.	Complied
<b>Criterion 7.5:</b> Practices minimise and control erosion and degradation of soils.			



7.5.1	<p><b>(C)</b> Maps identifying marginal and fragile soils, including steep terrain, are available.</p> <p>- Critical (Major) compliance -</p>	<p>Description of the soil characteristics such as texture, depth, drainage, parent material and key aspect for management was available. The main soil series (in %) in the estates based on the soil maps which were sourced from the Department of Agriculture, are as follows:</p> <table><tr><th>Soil series</th><th>Mungka</th><th>UMAC</th><th>Labis Bahru</th><th>Palong &amp; Kemedak</th></tr><tr><td>Kompleks Aluvium Setempat</td><td>42.31</td><td>0.98</td><td></td><td>8.29</td></tr><tr><td>Bungor</td><td>30.45</td><td>24.73</td><td></td><td>17.04</td></tr><tr><td>Melaka</td><td>15.49</td><td>-</td><td>2.21</td><td>20.21</td></tr><tr><td>Rasau</td><td>-</td><td>9.02</td><td></td><td></td></tr><tr><td>Tai Tak</td><td>-</td><td>8.97</td><td></td><td></td></tr><tr><td>Harimau</td><td>-</td><td>8.23</td><td></td><td></td></tr><tr><td>Kampong Pasu</td><td>-</td><td>7.72</td><td></td><td></td></tr><tr><td>Gajah Mati</td><td>-</td><td>6.63</td><td>62.37</td><td>19.09</td></tr><tr><td>Serok</td><td>-</td><td>6.29</td><td>4.73</td><td></td></tr><tr><td>Tai Tak</td><td></td><td>8.97</td><td></td><td></td></tr><tr><td>Tebok</td><td></td><td>2.84</td><td></td><td>3.14</td></tr><tr><td>Telemong</td><td></td><td>0.59</td><td></td><td></td></tr><tr><td>Terap</td><td></td><td>1.92</td><td></td><td></td></tr><tr><td>Chat</td><td></td><td></td><td>15.53</td><td></td></tr><tr><td>Gong Chenak</td><td></td><td></td><td>3.88</td><td></td></tr><tr><td>Lubok Itek</td><td></td><td></td><td>0.09</td><td></td></tr><tr><td>Sitiawan</td><td></td><td></td><td>0.43</td><td>3.22</td></tr><tr><td>Sogomana</td><td></td><td></td><td>7.33</td><td>3.83</td></tr><tr><td>Tepus</td><td></td><td></td><td>1.58</td><td></td></tr><tr><td>Terap</td><td></td><td></td><td>1.51</td><td></td></tr><tr><td>Katong</td><td></td><td></td><td></td><td>10.98</td></tr><tr><td>Kedah</td><td></td><td></td><td></td><td>1.32</td></tr></table>	Soil series	Mungka	UMAC	Labis Bahru	Palong & Kemedak	Kompleks Aluvium Setempat	42.31	0.98		8.29	Bungor	30.45	24.73		17.04	Melaka	15.49	-	2.21	20.21	Rasau	-	9.02			Tai Tak	-	8.97			Harimau	-	8.23			Kampong Pasu	-	7.72			Gajah Mati	-	6.63	62.37	19.09	Serok	-	6.29	4.73		Tai Tak		8.97			Tebok		2.84		3.14	Telemong		0.59			Terap		1.92			Chat			15.53		Gong Chenak			3.88		Lubok Itek			0.09		Sitiawan			0.43	3.22	Sogomana			7.33	3.83	Tepus			1.58		Terap			1.51		Katong				10.98	Kedah				1.32	Complied
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		Tok Yong				0.43	
		There were no problematic or marginal soils in the 4 sampled estates. Data source: GPS Survey (2005)/Kulim’s Agronomic Advisory Service Department.					
7.5.2	No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25 degrees) larger than 25 Ha within the Unit of Certification. - Minor compliance -	The estates visited in CU continued to have a management strategy for planting on slopes in order to minimize and control erosion and degradation of soils. The plantings on slopes between 9 and 25 degrees was guided by: a) Slope & River Protection Policy in Section A17 KMB Manual b) Buffer Zone & 25-degree slope in Section A07 KMB Manual c) Land Preparation for Terracing in Section A08 KMB Manual. It was observed that practices to minimize and control erosion and degradation of soils were in place through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction of terraces, road maintenance and maintenance of soft vegetation in the interlines. Cover crops were planted in the replanting areas and in certain matured areas. The cover crop such as mucuna bracteata had been planted along the exposed slopes by management. Large areas with neprolepis biserrata in the inter rows were sighted during the visit. The slope maps were provided by the AASD (Agronomy Advisory Service Dept).					Complied
7.5.3	There is no new planting of oil palm on steep terrain. - Minor compliance -	This commitment is addressed in the Sustainable Policy - “Slope and River Protection” signed by the Executive Director dated May 2018 stating the following among others: “Slope of >25 degree to be excluded from any new plantation development and replanting program. Nonetheless, there is no new planting on steep terrain at all the sampled estates.					Complied
<b>Criterion 7.6:</b> Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.							

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7.6.1	<p><b>(C)</b> To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.</p> <p>- Critical (Major) compliance -</p>	Soil surveys and topographic information were made available in the form of maps at all the sampled estates. The information was used to manage the drainage and in-field road system. There is no new planting or plan to develop new area at all the sampled estates.	Complied
7.6.2	<p>Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.</p> <p>- Minor compliance -</p>	Soil surveys and topographic information were made available in the form of maps at all the sampled estates. The information was used to manage the drainage and in-field road system. There is no new planting or plan to develop new area at all the sampled estates.	Complied
7.6.3	<p>Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.</p> <p>- Minor compliance -</p>	Soil surveys and topographic information were made available in the form of maps at all the sampled estates. The information was used to manage the drainage and in-field road system. There is no new planting or plan to develop new area at all the sampled estates.	Complied
<b>Criterion 7.7:</b> No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.			
7.7.1	<p><b>(C)</b> There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.</p> <p>- Critical (Major) compliance -</p>	There is no peat soil or soil categorized as marginal or fragile at the sampled estates. There was also no new planting in the estates. Thus, this indicator is not applicable.	Not Applicable
7.7.2	<p>Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat.</p> <p><b>PROCEDURAL NOTE:</b>            Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).</p> <p>- Minor compliance -</p>	There is no peat soil or soil categorized as marginal or fragile at the sampled estates. There was also no new planting in the estates. Thus, this indicator is not applicable.	Not Applicable

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7.7.3	<p><b>(C)</b> Subsidence of peat is monitored, documented and minimised.</p> <p>- Critical (Major) compliance -</p>	There is no peat soil or soil categorized as marginal or fragile at the sampled estates. There was also no new planting in the estates. Thus, this indicator is not applicable.	Not Applicable
7.7.4	<p><b>(C)</b> A documented water and ground cover management programme is in place.</p> <p>- Critical (Major) compliance -</p>	There is no peat soil or soil categorized as marginal or fragile at the sampled estates. There was also no new planting in the estates. Thus, this indicator is not applicable.	Not Applicable
7.7.5	<p><b>(C)</b> For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation.</p> <p>This is subject to transitional (5 years: 2019 to 2024) arrangement stated in the Drainability Assessment Procedure.</p> <p>Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.</p> <p>- Critical (Major) compliance -</p>	There is no peat soil or soil categorized as marginal or fragile at the sampled estates. There was also no new planting in the estates. Thus, this indicator is not applicable.	Not Applicable
7.7.6	<p><b>(C)</b> All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	There is no peat soil or soil categorized as marginal or fragile at the sampled estates. There was also no new planting in the estates. Thus, this indicator is not applicable.	Not Applicable

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7.7.7	<p><b>(C)</b> All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as “peatland conservation areas”; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the ‘RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat’, version 2 (2019) and associated audit guidance.</p> <p>- Critical (Major) compliance -</p>	There is no peat soil or soil categorized as marginal or fragile at the sampled estates. There was also no new planting in the estates. Thus, this indicator is not applicable.	Not Applicable
<b>Criterion 7.8:</b> Practices maintain the quality and availability of surface and groundwater.			
7.8.1	<p>A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:</p> <p>a) The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</p> <p>b) Workers have adequate access to clean water.</p> <p>- Minor compliance -</p>	<p><u>Mungka &amp; Sepang Loi Estate, UMAC Estate and Labis Bahru Estate</u></p> <p>Water Management Plan, date reviewed 01/09/2023 (Mungka &amp; Sepang Loi Estates), established and documented. The sources of water from reservoir/pond, rain and river. Actions plan found covering promote, protect and avoid negative impacts such as:</p> <ul style="list-style-type: none"> <li>• Buffer zone protection</li> <li>• Water analysis and sampling</li> <li>• Maintenance and inspection of water treatment plant</li> <li>• Avoid water pollution from chemicals/pesticides</li> <li>• Outsourcing water during draught season</li> <li>• Monitor water usage</li> <li>• Flood management and clearing clogged drain</li> </ul> <p>Found sighted continuous disruption of water supply base from stakeholder consultation in the estate that effected workers, shop operator issues found not clearly included and defined to have action for consistent supply of water as sampled in the Water Management Plan mentioned as below:</p> <p>(Line site)</p>	Non-compliance

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		<p>Water use: Household activities (UMAC Estate)</p> <p>Possible threats:</p> <ul style="list-style-type: none"> <li>• Draught (Every household supply with containers to store water during draught season, Schedule water supply to avoid overuse of water)</li> </ul> <p>Sighted water sampling for Mungka Estate conducted by Decagon Lab &amp; Analytical Testing Sdn. Bhd. (Accredited Lab) dated 07/06/2023 conducted on 25/05/2023. Sampled collected Drinking water collected at:</p> <p>Inlet (Raw material): Result all parameters tested are within the limit specified under Raw Water Quality Standard, MOH Malaysia, Engineering Services Division Year 2010,</p> <p>Outlet (Treated water): Result all parameters tested are within the limits as specified under Drinking Water Quality standards, MOH, Engineering Division, Year 2010. The water can be used as drinking water.</p> <p>Similar in Sepang Loi Estate conducted on 25/05/2023. All Inlet and Outlet results were within the limit such as in Mungka Estate as stated in the Analysis Report.</p> <p>However, the water management plan, dated 01/08/2023, for UMAC Estate was not adequately established to consider addressing the following issues:</p> <ol style="list-style-type: none"> <li>1) Feedback from stakeholders' consultation regarding to continuous disruption of water supply in UMAC Estate which has affected the workers and canteen operator.</li> <li>2) Since UMAC Estate location is isolated and far from other JPB's estates, the action to get water supply from those other estates during water disruption as part of the water management plan seems to be irrelevant.</li> <li>3) Only the unavailability of water during draught season is captured and included the Water Management Plan. The current condition i.e., water disruption from the public domain was not considered.</li> </ol> <p>Thus, a non-conformity report was assigned due to this lapse.</p>	
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		<p><u>Palong Cocoa POM</u></p> <p>Sighted Mill Water Management Plan dated reviewed on 01/08/2023. Source of water from pond/reservoir, rain and river in the nearby estate. Water is use mainly for mill operation (boiler, hydrocyclone, press, oil room, housekeeping) including line site for household activity. Various action plan were established for managing water pollution, drought season, mill processing, cleaning, household activity and waste water and also dealing with flood. Sighted the timeline and status of action and progress clearly recorded.</p> <p><u>Palong Estate &amp; Kemendak Estate</u></p> <p>Available a Water Management Plan, date reviewed 01/08/2023, that included:</p> <p>(Field Operation)</p> <p>Source of water: reservoir, pond, rain, river, SAJ (except Kemendak).</p> <p>Activity: Spraying, manuring (including green project)</p> <p>Water Use: Chemical mixing, triple rinse for pesticides containers, watering.</p> <p>Possible threats:</p> <ul style="list-style-type: none"> <li>• Water pollution and degradation of water quality,</li> <li>• Sedimentation and erosion near water way and pond,</li> <li>• Draught</li> <li>• Water Rationing by SAJ</li> <li>• Water deficit from oil palm</li> <li>• Flood</li> <li>• Waste of water</li> <li>• Interruption of water flow at field drainage system because of flood and rain.</li> </ul>	
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		<p>(Line site)</p> <p>Water use: Household activities</p> <p>Possible threats:</p> <ul style="list-style-type: none"> <li>• Draught (Every household supply with containers to store water during draught season, Schedule water supply to avoid overuse of water)</li> <li>• Water rationing by SAJ and water treatment (Kemendak) (Water supply from reservoir, every house supply with container to store water, Schedule water supply to avoid overuse of water, Transport water to supply water to line site)</li> <li>• Waste of water (Monitor use of water, Awareness briefing on water efficiency, Monitor leakage &amp; maintenance)</li> <li>• Water pollution and degradation of water quality (Prohibit workers from any activities at water source, monitor condition of septic tank, Follow SW Management procedure)</li> <li>• Interruption/clogging of water flow at line site drainage system (Monitor condition of drainage, Upkeep drain program)</li> <li>• Flood (Maintenance of drainage by desilting/cleaning, Follow ERP for flood.)</li> </ul> <p>Water sampling and Testing Report dated 07/06/2023 was conducted by Decagon Lab &amp; Analytical Testing Sdn. Bhd. (Accredited Lab)</p> <p>Sampling Location: Sg Kemendak on 25/05/2023</p> <p>Sampled collected: Drinking Water collected at inlet (raw water) and Outlet (Treated water)</p> <p>Results: Inlet: All parameters within the limits as Raw Water Quality standard, MOH 2010. Outlet: All parameters were within the v Raw Water Quality standard, MOH 2010. The water can be used as drinking water.</p>	
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7.8.2	<p><b>(C)</b> Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017) or applicable National legislation or specific environmental permit. Smallholders may replant existing planted areas provided there is no evidence of environmental deterioration having occurred during the previous cycle.</p> <p>- Critical (Major) compliance -</p>	<p>Sampled HCV2 Area in Mungka Estate (pond and river) and Sepang Loi (Swamp and river) where a clear signage of Buffer Zone sighted and maintained. No spraying of activities sighted during sampling.</p> <p>Sampled in UMAC Estate and Labis Bahru a protection of riparian and buffer zones where sighted signages of buffer zones, no hunting and unauthorized entry. For protection from spray and manuring sighted a marking and paint of blue and white on trees in riparian area or water course. Found no evidence of environmental deterioration in the protected area.</p>	Complied										
7.8.3	<p>Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.</p> <p>- Minor compliance -</p>	<p><u>Palong Cocoa POM</u></p> <p>Mill effluent is treated and managed as requirements stated in the license issued by DOE. The quality of discharged effluent was analysed every month an accredited laboratory (SAMM No. 307) and the parameters are T, pH, BOD, COD, TS, SS, O&amp;G, AN and TN. POME final water discharge sampling (quarterly) and result particularly as in Compliance Schedule for License No. 004720 (01/07/2023-30/06/2024) set BOD for effluent discharge through land application not exceeding 2,500 mg/l, and results as below:</p> <table><tr><th>Month</th><th>Results</th></tr><tr><td>September 2023</td><td>176 mg/l</td></tr><tr><td>August 2023</td><td>178 mg/l</td></tr><tr><td>July 2023</td><td>196 mg/l</td></tr><tr><td>Jun 2023</td><td>90 mg/l</td></tr></table>	Month	Results	September 2023	176 mg/l	August 2023	178 mg/l	July 2023	196 mg/l	Jun 2023	90 mg/l	Complied
Month	Results												
September 2023	176 mg/l												
August 2023	178 mg/l												
July 2023	196 mg/l												
Jun 2023	90 mg/l												
7.8.4	<p>Mill water use per tonne of FFB is monitored and recorded.</p> <p>- Minor compliance -</p>	<p><u>Palong Cocoa POM</u></p> <p>Records of water use per tonne FFB found maintained on monthly basis in year 2023 as below:</p>	Complied										

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		Month	Total Water Usage Processing (MT)	Total Water Usage Domestic (MT)	FFB Processed (MT)	Ratio Mill Processing (Water Use/FFB Process)	Target 2023																				
		Jan	20,370	5,260	13,839.56	1.85	1.31																				
		Feb	16,337	4,283	11,343.48	1.82	1.33																				
		Mac	17,893	5,237	11,851.47	1.95	1.58																				
		Apr	13,157	4,843	9,163.84	1.96	1.45																				
		May	14,193	4,767	9,800.21	1.93	1.32																				
		Jun	14,411	4,509	9,432.41	2.01	1.31																				
		Jul	16,956	4,644	12,671.82	1.70	1.30																				
		Aug	19,533	4,857	16,478.57	1.48	1.38																				
		Sep	22,187	4,443	18,884.34	1.41	1.36																				
		Total	155,037	42,834	113,465.71	1.74	1.20																				
Criterion 7.9: Efficiency of fossil fuel use and the use of renewable energy is optimised																											
7.9.1	A plan for efficiency of the use of fossil fuels and to optimise renewable energy is implemented, monitored and documented. - Minor compliance -	Mungka & Sepang Loi A monitoring data of fuel consumption found maintained for year 2021-2023. (January-December). <table><tr><td colspan="3">2022</td><td colspan="3">2023 (Until September)</td></tr><tr><td>Diesel</td><td>FFB</td><td>Diesel/ FFB</td><td>Diesel</td><td>FFB</td><td>Diesel/ FFB</td></tr><tr><td>Litre</td><td>MT</td><td>L/MT</td><td>Litre</td><td>MT</td><td>L/MT</td></tr></table>							2022			2023 (Until September)			Diesel	FFB	Diesel/ FFB	Diesel	FFB	Diesel/ FFB	Litre	MT	L/MT	Litre	MT	L/MT	Complied
2022			2023 (Until September)																								
Diesel	FFB	Diesel/ FFB	Diesel	FFB	Diesel/ FFB																						
Litre	MT	L/MT	Litre	MT	L/MT																						

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			34,650	51,746.02	0.67	31,762	25,984.11	1.22		
			Petrol	FFB	Petrol/ FFB	Petrol	FFB	Petrol/ FFB		
			Litre	MT	L/MT	Litre	MT	L/MT		
			5,574.33	51,746.02	0.11	5,227	25,984.11	0.20		
			<u>UMAC Estate</u>							
			2022			2023 (Until September)				
			Diesel	FFB	Diesel/ FFB	Diesel	FFB	Diesel/ FFB		
			Litre	MT	L/MT	Litre	MT	L/MT		
			74,541	34,227.56	2.18	45,488	17,959.06	2.53		
			2022			2023 (Until September)				
			Petrol	FFB	Petrol/ FFB	Petrol	FFB	Petrol/ FFB		
			Litre	MT	L/MT	Litre	MT	L/MT		
			3,247.56	34,227.56	0.09	45,488	17,959.06	0.16		
			<u>Labis Bahru Estate</u>							

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		2022			2023 (Until September)			
		Diesel	FFB	Diesel /FFB	Diesel	FFB	Diesel/ FFB	
		Litre	MT	L/MT	Litre	MT	L/MT	
		40,942	42,616.35	1.19	27,048	23,127.43	1.17	
		2022			2023 (Until September)			
		Petrol	FFB	Petrol/ FFB	Petrol	FFB	Petrol /FFB	
		Litre	MT	L/MT	Litre	MT	L/MT	
		5,147.88	42,616.35	0.12	4,305.24	23,127.43	0.19	
		<u>Palong Estate &amp; Kemendak Estate</u>						
		2022			2023 (Until September)			
		Diesel	FFB	Diesel /FFB	Diesel	FFB	Diesel /FFB	
Litre	MT	L/MT	Litre	MT	L/MT			
116,507	88,732.57	1.31	74,178	44,357.96	1.67			

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		2022			2023 (Until September)		
		Petrol	FFB	Petrol/F FB	Petrol	FFB	Petrol/F FB
		Litre	MT	L/MT	Litre	MT	L/MT
		7165.76	88,732. 57	0.08	7100	44,357. 96	0.16
<u>Palong Cocoa POM</u>							
Sighted recorded and maintained a diesel usage as below in 2023 recorded on monthly basis (Jan-Dec). This cover usage for Genset, Vehicle, Wheel Loader/Tractor and others:							
Electricity							
		Month	Kwh		Month	Kwh	
1		Jan	48,269	7	July	27,328	
2		Feb	29,812	8	Aug	23,331	
3		Mac	28,562	9	Sept	19,279	
4		April	26,298	10	Oct	19,174	
5		May	30,766	11	Nov	16,689	
6		Jun	22,890	12	Dec	18,037	
						Total	310,435
Year 2022							

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				Month	Diesel/FFB		Month	Diesel/FFB			
			1	Jan	0.31	7	July	0.28			
			2	Feb	0.29	8	Aug	0.30			
			3	Mac	0.37	9	Sept	0.33			
			4	April	0.36	10	Oct	0.33			
			5	May	0.25	11	Nov	0.34			
			6	Jun	0.25	12	Dec	0.31			
				B/line	0.23		Total	66,639			
			Year 2023								
			Month	FFB Processed (MT)	Total Diesel Usage (Lit)	Litre/MT FFB	Target				
			Jan	13,839.56	5,040	0.36	0.40				
			Feb	11,343.84	3,468	0.31	0.40				
			Mac	11,851.47	3,885	0.33	0.40				
			Apr	9,163.85	2,462	0.27	0.40				
			May	9,800.21	2,769	0.28	0.40				
			Jun	9,432.41	3,206	0.34	0.40				
			Jul	12,671.82	2,754	0.22	0.40				
			Aug	16,478.57	4,251	0.26	0.40				

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		Sep	18,884.34	4,090	0.22	0.40		
		Total	113,465.71	31,925	0.28	0.40		
<b>Criterion 7.10:</b> Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.								
7.10.1	<b>(C)</b> GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported. - Critical (Major) compliance -	Palong Cocoa Palm Oil Mill and estates had identified emission of greenhouse gas (GHG) from their operations such as emission from their operation in mill and estates. The management from both mill and estates had planned to reduce emission by daily inspection and monitoring of their operation to prevent any adverse impact the environment such as from fuel consumption, peat Oxidation, POME and reported in the Palm GHG Summary Report.					Complied	
7.10.2	<b>(C)</b> Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development). - Critical (Major) compliance -	Palong Cocoa Palm Oil Mill and estates has calculated the GHG using RSPO Palm GHG calculator version 4. There was no new development within the certified area.					Complied	
7.10.3	<b>(C)</b> Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored. - Critical (Major) compliance -	Sighted in Palong Cocoa Palm Oil Mill and all estates, an assessment of all polluting activities such as in Environmental Aspect and Impact Assessment that has been conducted and revised annually. This included the gaseous emissions, particulate / soot emissions and effluent. Environmental Improvement Action Plan is used to identify the waste products and sources of pollution, was in place and is reviewed accordingly. <u>UMAC Estate</u> Sighted Environmental Management Plan					Complied	
<b>Criterion 7.11:</b> Fire is not used for preparing land and is prevented in the managed area								
7.11.1	<b>(C)</b> Land for new planting or replanting is not prepared by burning.	There was no evidence that fire had been used to prepare land for replanting in the estate No fire was used for waste disposal. There is no land preparation					Complied	

	- Critical (Major) compliance -	by burning at Palong Complex Management Unit. Kulim (M) Berhad owned policy on sustainable crude oil palm has included zero open burning policy which signed by Managing Director on 1/10/2021. Management complying with the Malaysian environmental law – EQA and Regulations 1974.	
7.11.2	The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification. - Minor compliance -	SOP for Fire Protection and Prevention dated 01/08/2020. Established and documented with prevention measures such as prohibition of fire and burning at strategic places, subscribed to ASEANFireAlert for the whole group estate's for aerial monitoring. ERT Team formed, with fire fighting equipment provided and ready to be used such as fire extinguishers., FWI @ Fire Weather Index will be identified at each estate (i.e. high risk area – peat soil) to monitor changes in FWI.  ASEANFireAlert will triggers any changes in FWI and a notification will be sent to HQ personnel via mobile phone. Regular training and drill conducted. Operating unit's personnel will be informed and reported to fire department for further action.	Complied
7.11.3	The unit of certification engages with adjacent stakeholders on fire prevention and control measures. - Minor compliance -	Engaged smallholders on the fire prevention and control measures. This was mentioned in the stakeholder meeting of respective units conducted on 09/10/2023 at Hotel VIP Segamat. Item 3.2.2.4 Fire Prevention and Control from Minutes of Meeting mentioned that all stakeholders and local community to cooperate, prevent and control any fire or open burning. In the presentation slide noted information shared such as: <ul style="list-style-type: none"> <li>• Avoid doing open burning</li> <li>• Burning of waste in field, crops, or on peat soils to be avoided.</li> <li>• Don't throw any source of fire, cigarette in field or peat soils.</li> <li>• If detected or discover any fire in the estate, field or adjacent land, immediately call manager of estate of Palong Kompleks or Bomba.</li> <li>• Support extinguish fire with equipment, firefighting facilities such as water, hydrant, hose reel and etc.</li> </ul>	Complied



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<b>Criterion 7.12:</b> Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.			
7.12.1	<p><b>(C)</b> Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests.</p> <p>A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.</p> <p>- Critical (Major) compliance -</p>	Not applicable as no new development within Palong Cocoa Palm Oil Mill.	Not Applicable
7.12.2	<p><b>(C)</b> HCVs, HCS forests and other conservation areas are identified as follows:</p> <p>a) For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.</p> <p>b) Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.</p> <p><b>PROCEDURAL NOTE:</b> Requirement is further clarified under the Interpretation of Indicator 7.12.2 and Annex 5 (approved by BOG on 12 June 2019).</p> <p>- Critical (Major) compliance -</p>	<p>Biodiversity Assessment was conducted by A.J.F.M Dekker in July 2008 (Final report July 2009) for all the estates under Palong Cocoa Palm Oil Mill certification unit. 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&amp;C relevant to biodiversity conservation and HCV.</p> <p><u>UMAC Estate</u> Similar assessment was conducted dated 24/09/2007.</p> <p><u>Palong Estate &amp; Kemendak Estate</u> Biodiversity assessment was conducted by A.J.F.M. Dekker (Consultant) as Final Report July 2009. As in the report HCV habitats such as mangrove swamps are present in adjacent estates (Siang and Pasir Logok). Outside boundary of estate such as Bukit Payung, Siang, Pasir, Tunjuk Papan potential HCV such as elephant, tiger, tapir, langurs mousedeer, loris may still be present due to cleared logged in early 2008. However within estates no sighting were reported.</p>	Complied
7.12.3	<i>Indicator is not applicable in Malaysia context</i>	Not applicable.	Not Applicable

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7.12.4	<p><b>(C)</b> Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).</p> <p>- Critical (Major) compliance -</p>	<p>The sampled estates have established and documented HCV area/Biodiversity management Plans. Generally, among the plans established were:</p> <ul style="list-style-type: none"> <li>• Maintaining appropriate buffer zones at identified HCVs</li> <li>• Maintaining appropriate signages</li> <li>• Continue to record HCV monitoring such as wildlife sighting, encroachment and illegal hunting</li> <li>• Enhancing HCV awareness among employees and neighbouring stakeholders.</li> </ul> <p>The estates continue to train the workers on HCV and RTE Species. Signage on prohibition of illegal hunting or fishing, no swimming and chemical application at buffer zone area were erected at the HCV area. Noted during site visit, all the buffer zones and signage was well maintained. Records of HCV and Biodiversity Awareness Trainings were available for verification.</p>	Complied
7.12.5	<p>Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peat land and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.</p> <p>- Minor compliance -</p>	<p>As in the HCV Report, found no local communities have been identified in existing oil palm development within Kulim RSPO Certified Plantations, Peninsular Malaysia by Dr Reza Azmi (ALS14012RA) from Wild Asia (Malaysia) dated May 2019 within Labis Bahru and UMAC Estate.</p>	Complied
7.12.6	<p>All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.</p> <p>- Minor compliance -</p>	<p><u>Mungka &amp; Sepang Loi Estate, UMAC Estate</u></p> <p>In then Assessment Report stated list of protected species (Wild animals and birds) sighted such as:</p> <ul style="list-style-type: none"> <li>• Macaca fascicularis/Long-tailed Macaque (Protected: II)</li> <li>• Elanus caeruleus/Black-winged Kite (Protected: II)</li> <li>• Gallus gallus/Red Junglefowl (Protected: IV)</li> <li>• Halcyon Pileata/Balc-capped Kingfisher (Protected: III)</li> </ul>	Complied

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		<ul style="list-style-type: none"> <li>• Tyto alba/Ban owl (Protected: III)</li> <li>• Lehtyophaga ichthyatu/Grey-headed Fish Eagle (Protected:III).</li> </ul>	
7.12.7	<p>The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.</p> <p>- Minor compliance -</p>	<p><u>Mungka &amp; Sepang Loi Estate</u>  Sighted Biodiversity Improvement Plan 2023 reviewed dated January 2023. All action plan based on Rapid Biodiversity Assessment (RBA).</p> <ul style="list-style-type: none"> <li>• HCV 4 (Stream)</li> <li>• HCV 2 (Shrubland)</li> <li>• HCV 4 (Reservoir &amp; Swamp)</li> </ul> <p>From observation at site sighted no disturbance and maintenance of the area with signage, marking to protect buffer zone from spraying activity, No hunting signage</p> <p><u>UMAC Estate</u>  Hcv Area mainly riparian area, pond were identified and marked with sign boards sighted during site visit. (HCV Area Marked with No. 1-12). No peatland as verified.</p> <p><u>Labis Bahru Estate</u>  Sighted Biodiversity Improvement Plan 2023 approved by Estate Manager on 09/01/2023. Among action plan, Implemented and monitored included:  Immediate Measure  Bird Survey (Within estate):  1. Organized bird survey at respective OU (WCS-birds and bats survey 2010). Status: Survey done by WCS.  2. Animal sighting records  Status: To record animal sighting records and sent to SQD Monthly-on-going  Buffer zone establishment (all HCV area):  1. To map area that falls into buffer zone base on Agriculture Manual</p>	Complied

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		<p>2. To put buffer zone peg on the ground  Status: Buffer zone Maintenance Programme 2020-Twice a year.  Long Term Measure  Water Quality (eutrophication):</p> <ol style="list-style-type: none"> <li>1. Ensure no manuring and spraying conducted near water course as per Agriculture Manual.</li> <li>2. To Train workers on Manuring and Spraying.</li> <li>3. To send water sample for nitrate and phosphate testing to UTCL</li> </ol> <p>Status: Yearly Maintenance Program Buffer Zone, Buffer zone map and training for sprayer and manurers conducted.</p> <p><u>Palong &amp; Kemendak Estates</u></p> <p>Found in Palong Estate riparian area swamp area protected with signboard of no spraying, hunting and trees painted blue and white as limit for chemical applications. In Biodiversity Improvement Plan 2023 sighted natural ecosystems and RTE species is monitored. Outcomes of this monitoring found included in the management plan.</p> <p>Immediate Measure  HCV 4 &amp; HCV 2 (Retain unplanted area)</p> <ol style="list-style-type: none"> <li>1. Installation of signage of prohibited activities to ensure no entry in HCV area</li> <li>2. Conduct regular patrolling to detect any encroachment and recording.</li> </ol> <p>Status: Ongoing improvement (replanting forest trees) programme. Establish collaboration with relevant research institute/University to conduct wetland ecological studies.</p> <p>RTE Species Protection</p> <ol style="list-style-type: none"> <li>1. To brief workers on RTE species sighted inside and outside estate</li> <li>2. To immediate report on RTE species sighted to SID/Perhilitan</li> </ol>	
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		<p>Long Term Measure</p> <p>HCV 2 &amp; 4 (Unplanted, stream, buffer zone)-Protect and retain</p> <ol style="list-style-type: none"> <li>1. Increase the buffer area by removing some plants planted nearby the steep and bridge area.</li> <li>2. To map area that fall into buffer zone base on Agriculture Manual.</li> <li>3. Put the buffer zone peg on the ground.</li> <li>4. Install signage about prohibited activities at site.</li> </ol> <p>Wildlife and habitat protection-RTE</p> <ol style="list-style-type: none"> <li>1. Ensure SOP minimize threat from estate activities-spraying &amp; manuring,</li> <li>2. To record threats, fire, flood and disturbance for monitoring.</li> </ol> <p>Status: Training and briefing to workers and currently record book to update threat.</p>	
7.12.8	<p><b>(C)</b> Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.</p> <p>- Critical (Major) compliance -</p>	<p>No land clearing without prior HCV assessment since November 2005 occurred at all four visited estates.</p>	Complied

## Appendix B: GHG Reporting Executive Summary

The GHG emissions that were produced in 2022 for Palong Cocoa Palm Oil Mill and supply base was calculated using the PalmGHG Calculator version 4.0. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in Palong Cocoa Palm Oil Mill and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	0.34
PKO	0.34

Extraction	%
OER	19.93
KER	5.46

Production	t/yr
FFB Process	214,147.32
CPO Produced	42,689.85
PKO Produced	11,691.56

Land Use	Ha
OP Planted Area	9,645.63
OP Planted on peat	0.00
Conservation (forested)	25.40
Conservation (non-forested)	91.50
<b>Total</b>	<b>9,762.53</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	93,833.30	0.44	0.00	0.00	0.00	0.00	93,833.30	0.44
CO <sub>2</sub> Emission from fertilizer	4,681.20	0.02	0.00	0.00	0.00	0.00	4,681.20	0.02
NO <sub>2</sub> Emission	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fuel Consumption	879.47	0.00	0.00	0.00	0.00	0.00	879.47	0.00
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Sink</b>								
Crop Sequestration	-88,941.62	-0.42	0.00	0.00	0.00	0.00	-88,941.62	-0.42
Conservation Sequestration	-228.90	-0.02	0.00	0.00	0.00	0.00	-228.90	-0.02
<b>Total</b>	<b>13,840.01</b>	<b>0.06</b>	0.00	0.00	0.00	0.00	<b>13,840.01</b>	<b>0.06</b>

\*Note: Includes both estates and smallholders

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#### Summary of Mill Emission and Credit

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emission</b>		
POME	9,048.12	0.04
Fuel Consumption	207.91	0.00
Grid Electricity Utilization	208.41	0.00
<b>Credit</b>		
Export of Grid Electricity	0.00	0.00
Sales of PKS	-5,041.74	-0.02
Sales of EFB	0.00	0.00
<b>Total</b>	<b>4,422.71</b>	<b>0.02</b>

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

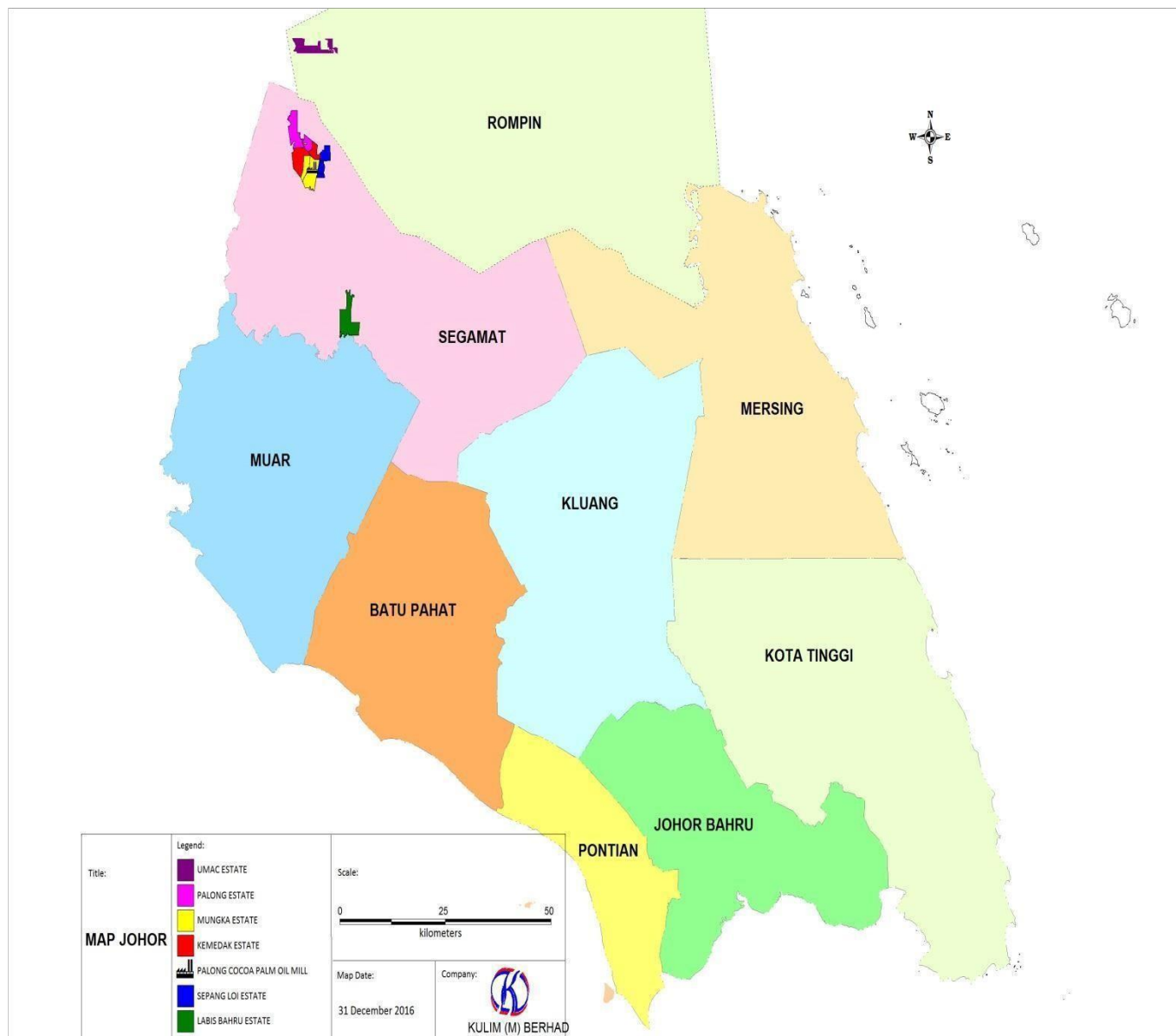
Emissions	tCO <sub>2</sub> e
PK from own mill	0
PK from other source	0
Fuel Consumptions	0
<b>Total Crusher emissions</b>	<b>0</b>

\*This mill has no kernel crusher operation.

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

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

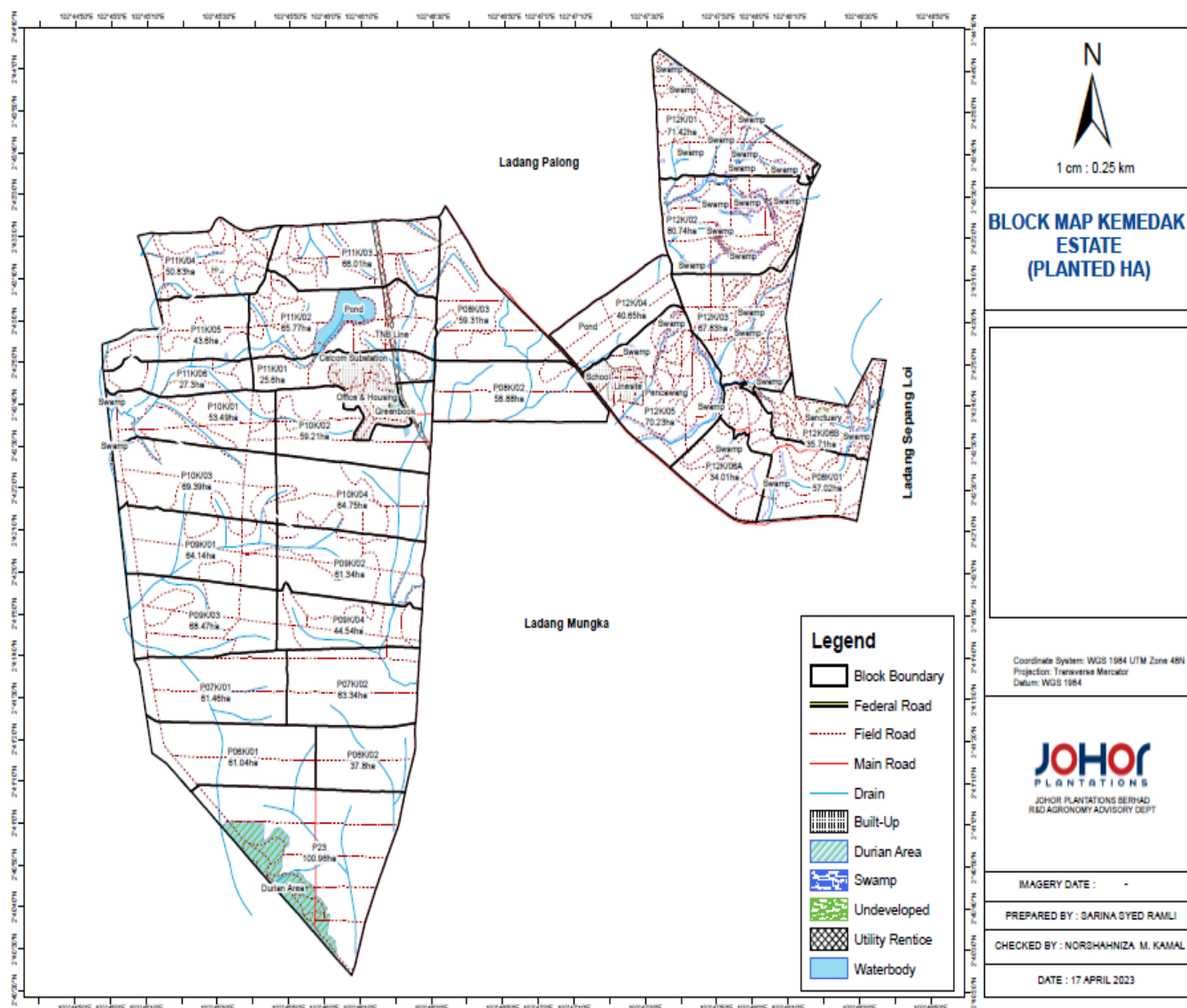
**Appendix C: Location Map of Certification Unit and Supply bases**





## Appendix D: Estate Field Map

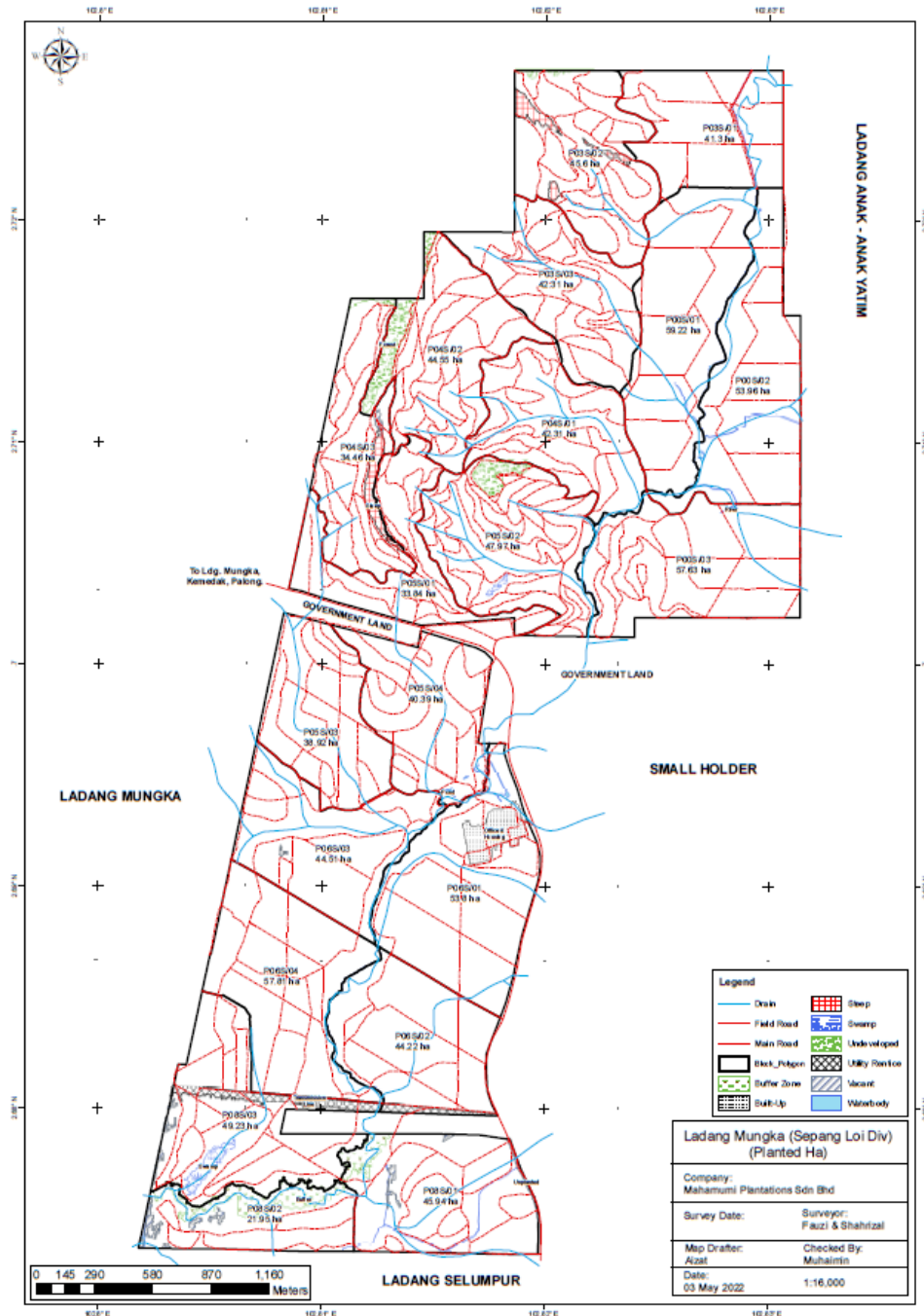
## Palong Estate (Kemedak Division)



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### Mungka Estate (Main Division)



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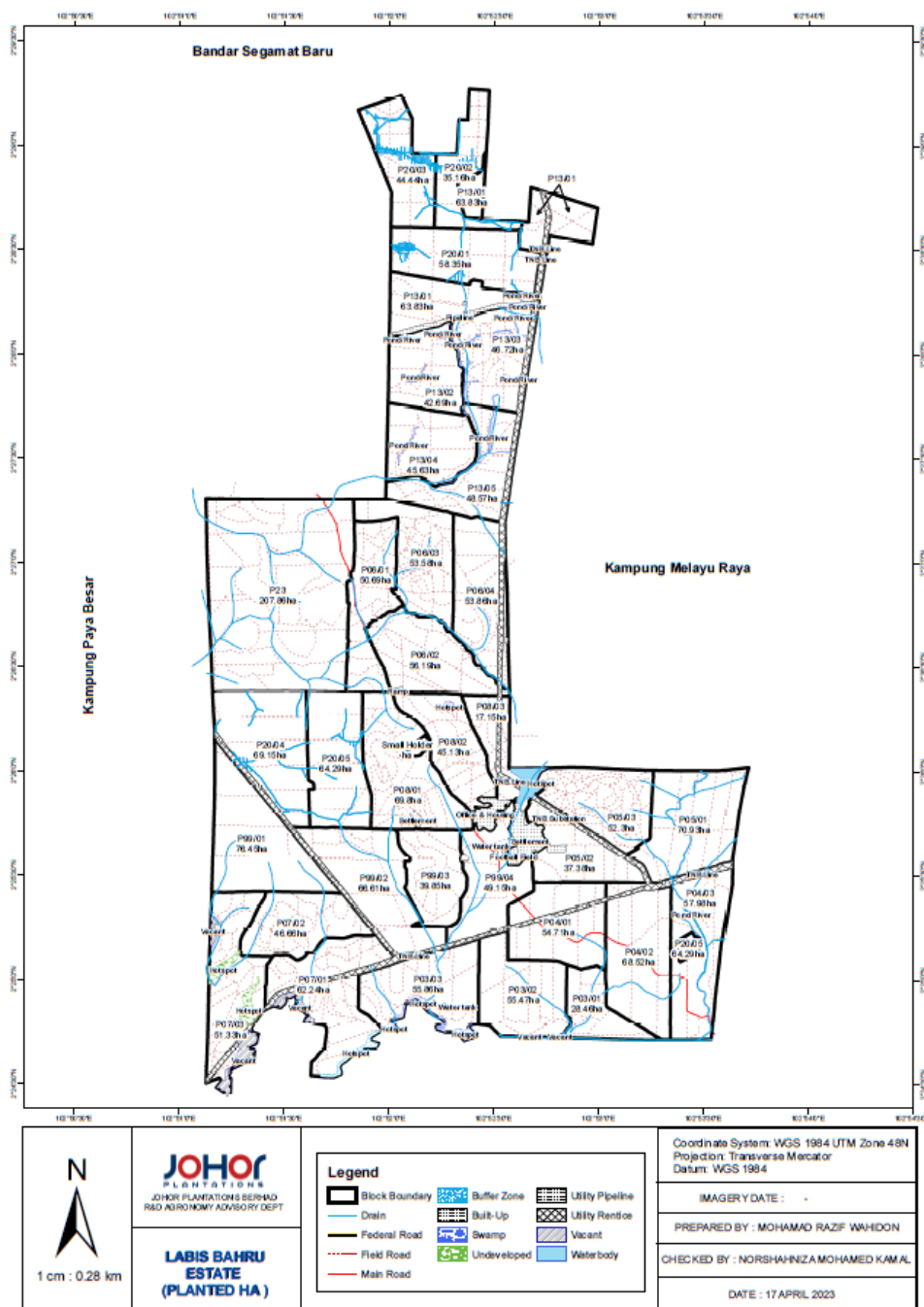
**UMAC Estate**



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## Labis Bahru Estate



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**Appendix E: List of Smallholder Registered and/or sampled**

No	Name of farmer	Location	GPS Reference		Area Summary (Ha)		Forecasted annual FFB Production (MT)	Date of joining	Smallholder ID
			Latitude (N)	Longitude (E)	Total Certified Area	Planted Area			
Not Applicable									
Total									
Note: * are smallholders sampled in this audit.									

**Appendix F: 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
ISS	Independent Smallholder Standard
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