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PUBLIC SUMMARY REPORT

RSPO 4th ANNUAL SURVEILLANCE ASSESSMENT (ASA04)

Keresia Palm Oil Mill Bintulu, Sarawak, Malaysia

Report Author:

Senniah Appalasamy – Revised December 2014

PT BSI Group Indonesia
Menara Bidakara 2, 17th Floor, Unit 5,
Jalan Jend. Gatot, Subroto, Kav. 71-73, Pancoran,
12870 Jakarta Selatan, Indonesia.
Tel +62 8379 3174
Fax +62 8379 3287
Aryo Gustomo : aryo.gustomo@BSIgroup.com
www.BSIgroup.sg

BSI Services Malaysia Sdn Bhd (Co.Reg. 804473 A)
B-08-01 (East), Level 8 Block B, PJ8,
No. 23, Jalan Barat, Seksyen 8
46050 Petaling Jaya, Selangor
MALAYSIA
Tel +6 03-7960 7801
Fax +6 03-7960 5801

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SUMMARY

BSI has conducted the Fourth Annual Surveillance Assessment (ASA 4) of Keresia Plantations (RSPO membership No.: 1-00077-09-000-00), Certification Unit Keresia Palm Oil Mill and supply base located in Bintulu, Sarawak, Malaysia comprising one mill, three supply bases, support services and infrastructure.

The onsite assessment was conducted on 22 – 26 September 2014.

Based on the assessment result, BSI concludes that Keresia Palm Oil Mill and supply base comply with the RSPO requirements [RSPO P&C MYNI-2010; RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance; and Supply Chain Certification Standard: November 2011, Module E – CPO Mills: Mass Balance.

BSI recommends the continuation of the approval of Keresia Palm Oil Mill and supply base operations as a producer of RSPO Certified Sustainable Palm Oil.

ABBREVIATIONS USED

ASA 4	Annual Surveillance Assessment 4
BOD	Biological Oxygen Demand
CAP	Corrective Action Plan (for nonconformity)
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
IPM	Integrated Pest Management
MSDS	Material Safety Data Sheet
MY-NI	Malaysian National Interpretation
NREB	Natural Resources and Environment Board
PPE	Personal Protective Equipment
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
TQM	Total Quality Management

1.0 SCOPE OF CERTIFICATION ASSESSMENT

1.1 Identity of Certification Unit

The Keresia Palm Oil mill and estates are located in Sarawak, Malaysia (Figure 1). The oil mill is located within the Sujan estate in Bintulu, Sarawak, Malaysia. Additional map included (Figures 2) showing Keresia Estates (Jiba and Sujan) layout. The GPS location of the mill is shown in Table 1.

Table 1: Mills GPS Locations

MILL	EASTING	NORTHING
Keresia Palm Oil Mill Processing Capacity: 30mt/hour	113° 35' 59.1"	03° 09' 49"

1.2 Production Volume

The estimated tonnages reported for the ASA 4 and the actual production for previous year are detailed in Table 2 below for comparison. For the period Sept 2014 – Aug. 2015, the projected Certified CPO from estate is 30,822mt and PK is 6,604mt. Projected Smallholder certified CPO is 1,944mt and PK is 415mt.

Table 2: Production tonnages certified for Sept –Aug.

FPOM	FFB	CPO	PK
Sept 2013-Aug 2014 Estimate	140,772	30,588	6,058
Sept 2013-Aug 2014 Actual	146,808	30,125	6,195
Sept 2014-Aug 2015 Estimate	156,029	32,766	7,021

1.3 Certification details

RSPO Membership No: 1-00077-09-000-00
BSI RSPO Certificate No: SPO 559278
Date of Certification: 21 October 2010
Date of ASA 1: 9 – 13 October 2011
Date of ASA 2: 2 – 6 September 2012
Date of ASA 3: 25 – 29 August 2013
Date of ASA 4: 22 – 26 September 2014

1.4 Description of Supply Base and Supply Chain

The supply base is the FFB from two own estates and certified small holders. In addition, FFB received from outside suppliers from time to time. This tonnage is excluded from the Table 2 and 3 and from the certified tonnages. The actual FFB production and projected production is shown in Table 3 below.

It is noted that Keresia Palm Oil Mill uses the Mass Balance system for the supply chain because the mill purchase FFB from out growers. The out growers are not associated and have choices of selling their FFB to any mill that pays higher FFB price. Supply chain element was checked and described in Appendix D.

Table 3: Actual and Projected Certified FFB Tonnages

Supply Base	Estimate Sept 2013- Aug 2014	Actual Sept 2013- Aug 2014	Estimate Sept 2014- Aug 2015
Sujan	80,515	82,221	82,570
Jiba	55,257	56,109	64,199
Small Holders (Keresia Smallholder Group Scheme)	5,000	8,478	9,260
TOTAL	140,772	146,808	156,029

* The production from the out growers is excluded from the above tonnage and Certificate of Keresia Palm Oil Mill

The projected figures show an increase compared with actual in 2013 financial years. This increase expected by the operating units considering the age profile and favourable weather experienced. Apart from that the crop forecast through bunch census indicated that there will be some increase in FFB production.

Table 4a: Age Profile of Palms

AGE (years)	Supply Base and % of Planted Area		
	Sujan	Jiba	Small Holders (KSGS)
25 – 30	-	-	-
21 – 25	17	21.55	19.81
11 – 20	63	64.45	39.59
4 – 10	18	5.91	37.40
0 – 3	2	8.09	3.20
TOTAL	100.00	100.00	100.00

Table 4b: Supply Bases and Areas Planted

Supply Base	Mature (ha)	Immature (ha)	Total (ha)
Sujan	3,078.08	0	3,078.08
Jiba	2,268.82	0	2,268.82
Small Holders (KSGS)	357.00	0	357.00
TOTAL	5,703.9	0	5,703.9

1.5 Other Certifications Held

Keresia Palm Oil Mill holds ISCC-EU Certificate valid till September 2015.

1.6 Organizational Information / Contact Person

Keresia Plantations
P.O Box 2607,
97008 Bintulu,
Sarawak, MALAYSIA

Contact Person: Mr Abdul Aziz Bin Zainal Abidin
Assistant General Manager,
Total Quality Management

Phone: +6086-336725

Fax: +6086-336724

Email: aziz@keresia.com.my

1.7 Time Bound Plan

Keresia Plantations Sdn Bhd (henceforth referred to as "Keresia") comprises of a mill and approximately 5,696ha (Including smallholder) planted to oil palm, in Sarawak, Malaysia. Keresia has advised BSI that there are no land disputes, legal non-compliances or litigations at its operations. In addition Keresia has not developed on HCVF as all the holdings are on previously existing plantations.

This is Keresia's only oil palm operation and therefore no time bound plan is required. However, Keresia recently developed an additional estate through leasing land which excluded in the scope during this audit. The new area now is put on hold under the RSPO compensation procedure.

Progress of Associated Smallholders/Out growers towards RSPO Compliance

Similar to previous assessment, small Holders who are associated with Keresia directly have been included in the assessment. Smallholders are not under any obligation or contract to supply to the mill but are associated to the company through geography and logistics. There is no government or national extension services yet present in Sarawak, therefore Keresia has included smallholders in the company-wide awareness programs, compliance surveys and other RSPO related work.

Keresia operates a Small Holder Affairs Department (Keresia Small Holder Group Scheme – KSGS) that is supporting the smallholders who supply fruit to the company's mill. The company has appointed a dedicated person to look after small holder affairs. The position was created and the title is Small Holder co-coordinator. The smallholders' land has been mapped and Keresia has verified their rights to the land via confirmation from land department and consultation with head of the respective long houses. Keresia supplies oil palm seedlings to the smallholders and assists them by coordinating pest and disease surveys and treatment of pest outbreaks.

BSI examined in detail the smallholder survey database and concluded that the information showed the majority of smallholders met conformance with the relevant indicators of the MY NIWG (November 2010). The validity of the smallholder survey results was tested by selecting a sample of 6 smallholders (Total of 54 smallholders) that were representative of a range of conditions and subjecting these to field audits. This figure is well in excess of the RSPO sampling guidelines of smallholders. BSI concluded that the survey results for the included smallholders plus the physical audits and the interviews of the smallholder representatives provided substantive evidence of conformance with the RSPOP&C.

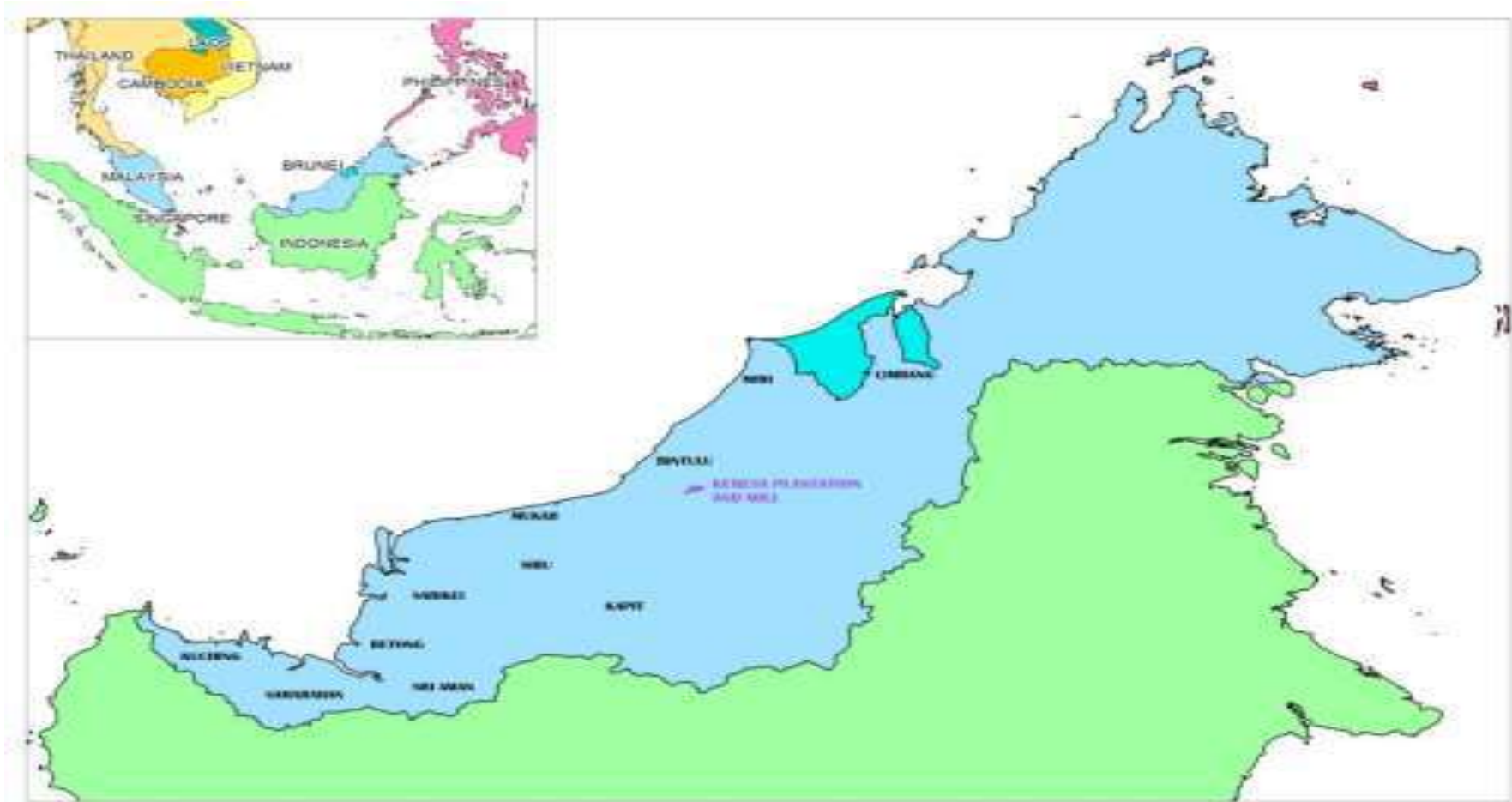


Figure 1: Location of Keresu Palm Oil Mill and Supply Bases in Bintulu, Sarawak, Malaysia.

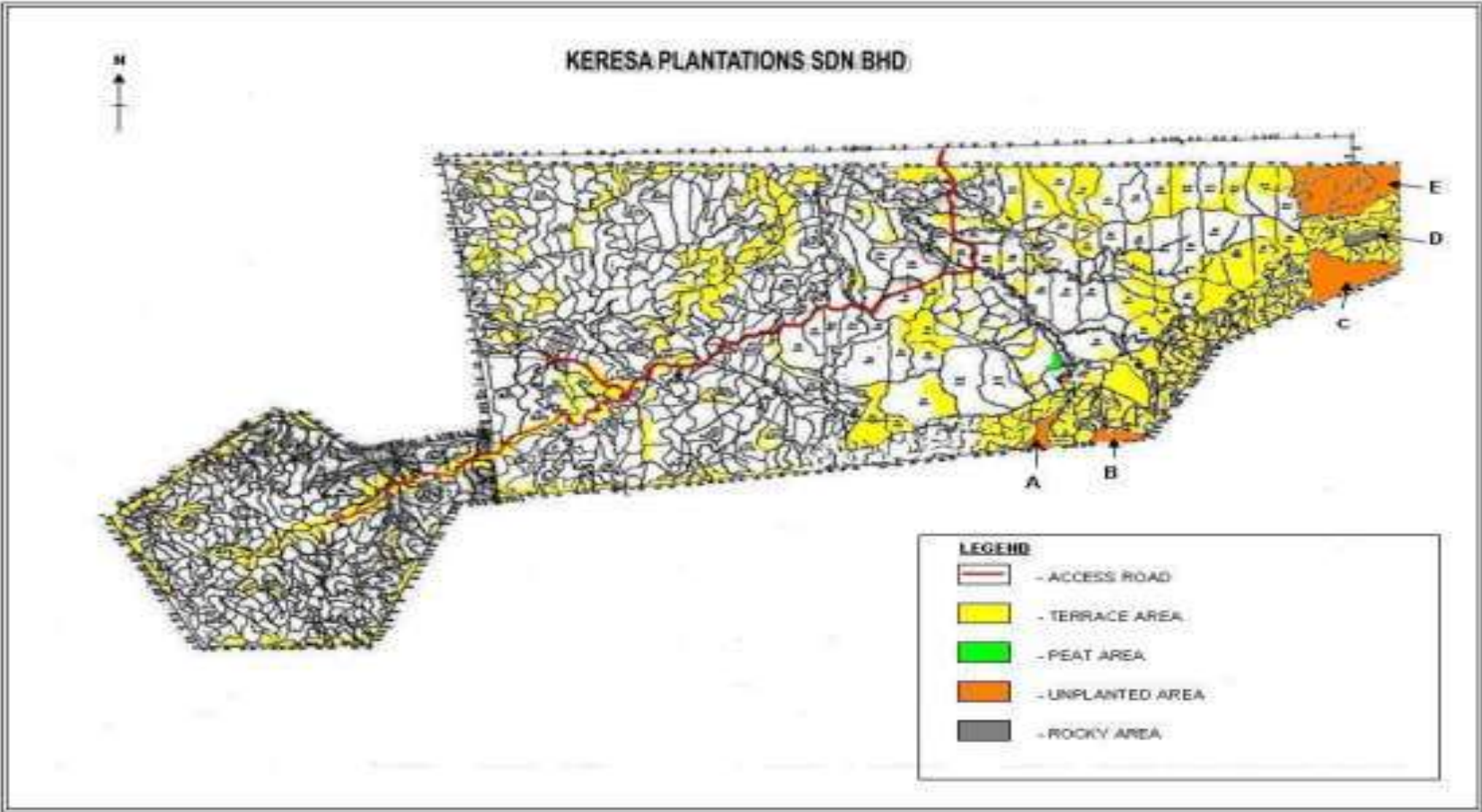


Figure 2: Jiba and Sujan Estates location map

2.0 ASSESSMENT PROCESS

2.1 Certification Body

PT BSI Group Indonesia
Menara Bidakara 2, 17th Floor, Unit 5,
Jalan Jend. Gatot, Subroto, Kav. 71-73, Pancoran,
12870 Jakarta Selatan, Indonesia.
Tel +62 8379 3174
Fax +62 8379 3287

RSPO Scheme Manager: Mr Aryo Gustomo
Phone: +65 6270 0777
Fax: +65 6270 2777
Email: aryo.gustomo@BSIgroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI has a Regional Office in Singapore, and an Office in Kuala Lumpur, Jakarta and Thailand.

2.2 Qualifications of the Lead Assessor and Assessment Team

Senniah Appalamy – Lead Assessor

He holds degree in Resource Economics from Agriculture University, Malaysia. He has vast experience in Plantation crop management covering oil palm plantation, rubber, cocoa and pepper for more than 10 years. He is also experience in manufacturing sector as a quality controller and production management. He is involved in RSPO implementation and assessment since 2008 as a team member and subsequently as a lead auditor with RSPO approved certification body covering assessment with RSPO P&C, RSPO SCCS, RSPO NPP and RSPO Group Certification in Malaysia, Indonesia and Thailand. He has completed ISO 9001:2008, RSPO SCCS awareness training, RSPO Lead Auditor Training Course, RSPO SCCS Lead Auditor Training Course, RSPO – RED Lead Auditor Training Course, International Sustainable Carbon Certification (ISCC) Lead Auditor training, Sustainability Report Assurance (SRA) Assessor Training, ISO 14001 Lead Auditor Training Course and OHSAS 18001 Lead Auditor Training Course. Besides RSPO, he is also qualified as ISCC lead auditor and SRA Lead Assessor. He have experience in other standards i.e. Global Gap Option 1 and 2 (Fruit, vegetable and aquaculture) and GMP B+ as team member.

Muhammad Haris B. Abdullah – Team member

He graduated from the Open University Malaysia with a Bachelor of Business Administration (Hons) Majored in Human Resource Development and completed his Master's Degree in Business Administration from the University Utara Malaysia in January 2014. He has more than 3 years working experience in oil palm plantation and conducting social impact assessments of agriculture,

agriculture best practices, and environmental impact assessment and workers welfare. He completed the RSPO Lead Auditor Training in April 2013 and passed the course. He is also passed the ISO 14001 Lead Auditor Training, OHSAS 18001 Lead Auditor Training Course and qualified as EICC auditor. He has completed International Sustainable and Carbon Certification (ISCC) Lead Auditor Training Courses. He had assisted with conducting audits of oil palm plantation for more than 7 companies against the RSPO P&C in Indonesia and in Malaysia for the past 4 years. During this assessment, he assessed on the aspect of environment, Safety and Health, Legal, Social and community engagements, Stakeholders consultation, and workers welfare. He is able to speak and understand Bahasa Malaysia, English, Tamil and Bahasa Indonesia.

2.3 Assessment Methodology, Programme, Site Visits

The Fourth Annual Assessment was conducted on 22 - 26 September 2014. The audit programme is included as Appendix B.

The approach to the audit was to treat the mill and its supply bases as an RSPO Certification Unit. Mill was audited together with Sujan estate, Jiba estate and 6 smallholders. A range of environmental and social factors were covered. These included consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families, review of documentation and monitoring data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders were also taken into account in the assessment.

The nonconformities and observations that were identified during the ASA3 were followed up to check the effectiveness of corrective actions and implementation. The ASA4 findings are detailed in Section 3.3.

This report is structured to provide a summary for each Principle, together with details for selected indicators. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

Mr. Aryo Gustomo, BSI RSPO Scheme Manager, has reviewed this report for conformance with BSI Procedures and the RSPO Certification System requirement.

2.4 Stakeholder 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 environmental and social performance.

Meetings were held with stakeholders by social auditor in the team 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 auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions continued. The auditor recorded comments made by stakeholders and verified with the management before incorporating into the assessment findings.

Employee interviews with male and female workers and staff were held in private at the workplace in the mill and the estate. 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 meetings were held with the local community leader. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix C.

2.5 Date of Next Visit (Re-Certification)

The date of Re-certification visit will be approximately scheduled after 9 month of certificate and before end of 12 months.

3.0 ASSESSMENT FINDINGS

3.1 Summary of Findings

As outlined in Section 2.3, objective evidence was obtained separately for each Principle, together with details for selected Criteria for the mill and the estates. The results for each selected indicator from each of these operational areas have been aggregated to provide an assessment of overall conformance of the Company's operations with each selected Criterion. A statement is provided for the Indicators to support the finding of the assessment team.

During the ASA4, there were two major and two minor nonconformities were identified. Keresa Certification Unit has prepared a Corrective Action Plan for addressing the identified nonconformities that was reviewed and accepted by BSI audit team. The close out evidence for major nonconformities were reviewed and accepted on 25 November 2014. Minor nonconformities and Observations raised during the ASA3 were followed up. Minor nonconformities raised during the ASA4 will be followed up during the re-certification assessment. Details are in section 3.2 and 3.3.

BSI recommends the continuation of Certification for Flemington Certification Unit and maintain as a producer of RSPO Certified Sustainable Palm Oil.

PRINCIPLE 1: Commitment to Transparency

The certification unit and supply base has maintained up to date policies, procedures and management plans for

provision of information to the public upon request. The company have effective system for receiving and responding to the request of information to the public and has kept the record of request and responses.

Criterion 1.1: Oil palm growers and millers provide adequate information to other stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages & forms to allow for effective participation in decision making.

Similar to last assessment, records of requests and responses are being maintained. Keresa ensures that any requests for information or assistance or grievances are recorded and makes records of informal requests and telephone enquiries. Most of the requests are from internal such as housing repair. Requestors name, address and contact details and specifics of the request are recorded. There is a record kept of the action taken including timeliness orbwhere requests are denied.

Criterion 1.2: Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

Inspection of document confirmed that mill and estate keep copy of management documents (land titles/user right, health and safety plan, plan and impact assessment relating to environmental and social impacts, pollution prevention plan, details of complaints and grievances, negotiation procedures and continues improvement plan) and this are publicly available.

PRINCIPLE 2: Compliance with Applicable Laws and Regulations

Inspection of records showed that Keresa Mill and its supply base complied with all of their respective permit conditions and legal requirements. This confirmed that the internal audits and checks were effective for monitoring compliance is effectively conducted. All the operation units hold a land title and no land dispute issues were sighted or highlighted by the stakeholders.

Criterion 2.1 – There is compliance with all applicable local, national and ratified international laws and regulations.

The Mill and Estate have kept a list of legal requirements. Company has owned mechanism to ensure all relevant legal requirements are comply. I.e. document of Mechanism on Tracking of Law Changes which includes list of laws, regulation reference, permit and license to manage. In addition, each operation has a List of Licenses showing the expiry dates. Inspection of a sample of licenses and permits confirmed all valid. i.e. MPOB license No. 516060011000 valid until 31/10/2014, Diesel permit valid until 16/9/2015 (Ref. No.:BTU.P.33/07(D)), DOE permit No. 000709 valid until 30/6/2015 and weighbridge license No.: B733540 valid till 1/2/2015.

Review of internal audit reports showed that the Mill and the Estate had maintained legal compliance with applicable laws and regulations, in particular for Safety, Social, and Environmental regulations. The latest review was done on September 2014.

However, at Keresa, Mill, it was found that No typhoid injection for food handlers and audiometric for worker at boiler station. Therefore, Major non-conformity has been raised as below:

1097198M1: *Major nonconformity against indicator 2.1.1 was raised. At Keresa Mill, during the visit to the mill canteen it was noted that the food preparation was done by operators who have not gone for the typhoid injection and audiometric for worker at boiler station was not available.*

Similar to ASA3, Smallholders illustrated awareness of the relevant customary, local and national laws. Company carried out internal audit for the smallholders including legal compliance at least once every two years. Sample of smallholders' MPOB permits checked found all are valid till 2015.

Criterion 2.2 – The right to use the land can be demonstrated and is not legitimately contested by local communities with demonstrable rights.

Keresa Estate operation is on lease land. There are documents in place showing legal ownership or lease and a history of land tenure. As reported during the last assessment, estate was developed on State Lease Land, issued by Department of Land and Survey; Bintulu Division dated 28 December 1996 for 99 years (between 01 January 1981 and 01 January 2080) over an area of 6,023 ha in Lot No. 1 Block 17 Lavang Land District, Bintulu Sarawak.

The Estates have maps showing the locations of boundary stones that have been physically located and marked. Inspection of a sample of boundary stones at Sujan Estate confirmed that they were clearly marked and maintained.

Criterion 2.3 – Use of the land for oil palm does not diminish the legal rights of other users without their free, prior and informed consent.

The mill and estates are on lease land. Interview of local community representatives confirmed that there is no land dispute or any claim of customary land within the estate.

As reported during ASA3, the Temuda land although according the land lease is inside Keresa Plantation it was decided by the company not to continue this proposed development. The land was put into status quo. Keresa has given permission to local people to plant on these lands however selling of the land is prohibited, since it was under Keresa land title. This remains the case.

It was confirmed that all land used for oil palm planting by smallholders are under Native Customary Right (NCR), see above. There's has been no land acquisition from previous owner.

PRINCIPLE 3: Commitment to Long Term Economic and Financial Viability

Keresa Certification Unit has well developed internal management system for monitoring and improvement of their operations against operation target to achieved long term economic and financial viability. Monthly reports are produced and send to head office for monitoring purpose. In addition Total Quality Management (TQM) department conduct inspection toward production related issue and provide technical assistant for the estate including RSPO certification and monitoring of compliance.

Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.

Mill and estate has annual operating cost and production projected for two years. Mill and estate has prepared 2 Year Business Plan for period covering 2014 - 2016 and reviewed annually. The last review was carried out on December 2014 prior to end of financial year 2013. The plan includes environment, social (workers and staffs welfare), and health and safety component and associated capital expenditure for improvement.

Similar to last assessment, there is no requirement for an annual replanting programme at this stage as the earliest plantings were in 1997 so there will no replanting programme until at least 2023.

PRINCIPLE 4: Use of Appropriate Best Practices by the Growers and Millers

Keresa Palm Oil Mill and the supply base estate have implemented management systems for monitoring and control of best practice implementation. This includes a program of regular internal audits, visit by the General Manager, Agronomist and Mill Advisor. Visit reports are used as a monitoring tool and improvement made based on the findings and recommendations.

Criterion 4.1: Operating procedures are appropriately documented and consistently implemented and monitored.

Keresa has prepared Standard Operating Procedures (SOPs) for mill and estates covering all the relevant operations. Inspection to the field and mill confirm that the SOPs are implemented. Assistant Managers and staff monitor the implementation.

Mill advisor make regular visit to evaluate the performance of the mill. General Manager visits the estates on weekly basis to review estate performance against Keresa SOP. Latest mill advisor visit was in August 2014. Issues highlighted were rectified by the mill management. Keresa Mill and Estates maintain

DOSH and DOE Visit Records as well. DOE last visited on 11 August 2014. Recent internal RSPO compliance audit was conducted on 4 February 2014. There were no major issues. All identified minor non compliance was addressed by the operating units.

Similar to ASA3, the Smallholders Coordinator has carried out training on Best Practice including safe use of chemical, MPOB training, soil training, best management practice on agronomic (harvesting, fertilizer application, and pesticide application); block maintenance, and social related training. Regular field to every member block visit was carried out to monitor the best practice implementation at least once every two years. Audit finding was presented in the longhouse. During the last three years, all smallholders' blocks have been visited.

Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility, to a level that ensures optimal and sustained yield.

Agronomist visits the estates prior to fertilizer recommendation. Result of the leaf, soil sampling and visual observation used as a guidance to prepare the fertilizer recommendation. Recommendation for the year 2014 dated September 2013. Application records are documented in the daily costing book. Sample checked found that for field number 07K3, MOP was applied as per recommendation with 1.25kg/palm. Record shows the application date, filed number, dosage applied per palm, type of fertilizer and number of applicators.

Small Holders demonstrated that they understand the requirements and techniques to maintain soil fertility and this were explained to them by company representatives.

Criterion 4.3: Practices minimise and control erosion and degradation of soils.

Groundcover with soft grass and soft weeds are being maintained. Replanted area is established with cover crops and vegetation is well established. There is no significant erosion risk was noted during the field visit. There is no soil categorized as problematic or fragile soil at both estates. There is only very shallow peat on Keresa estates in an area less than 60 hectares which this has been surveyed and marked on soil maps.

Estates have implemented annual road maintenance programme. During audit, ongoing road maintenance was carried out with road grading and patching. Road inspected are generally in a good condition and well maintained. The road maintenance programme has also included the progress work and detail of the work such as field number and total hectareage is clearly documented in the progress report.

Criterion 4.4: Practices maintain the quality and availability of surface and groundwater.

Keresa has a water management plan for mill and estate operations in file "KP 2-201". A number of areas planted prior to 2003 are encroaching into buffer zones, however management at Keresa have left these areas and will not cultivate them. There will be no spraying of these areas and they will be left in place and unharvest to form part of the buffer zone. Hence the required buffer zones will be established according to requirements of 2007. No bunds/weirs/dams were constructed across the main waterways in the estate.

Operating units carried out water analysis in the river (upstream and downstream) with the last sampling was on 23 May 2014, result number (CK/ML105/83003/14) shows all parameter are within the standard i.e. BOD is 1.5mg/L. The sampling point was clear indicated by signage at the point where sampling is carried out.

Keresa mill has maintained monitoring on water usage which recorded every day and summarised on monthly basis. Water consumption varies from 1.35 M3 – 1.57 M3 per tonne FFB processed.

Similar to ASA3, small Holders are aware that they should protect water courses and do not plant in these areas. There are no bunds or weirs constructed on small holders land. A Baseline survey in August in 2010 indicated most rivers close to the smallholders' block were less than 5 meters. Inspection of sample fields indicated the palm was planted before joining "Keresa Scheme". Group manager has provided guidance to preserve the buffer zone and abandoned palm planted on the buffer zone.

Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.

The implementation on biological method of controlling pest in the plantation through IPM such as Beneficial plants *Cassia cobanensis*, *Turnera subulata* and *Antigonon leptopus* as a preventive measure to control leaf eating pest were planted in all the estates. Also included is the use of pheromones to control *Rhinoceros* beetles although there has been no outbreak for some time. There is also a policy of not killing snakes in Keresa and this has led to a substantial reduction in the number of rats in the plantation. This is further evidenced by the fact that rat bait has not been purchased for more than 3 years.

There are no serious outbreaks of major pests at this time. Results of census or monitoring indicated that no large scale pest's outbreaks were identified. Pest & Disease detection is carried out during the monthly Field Audit Observation report. The individual Assistant Managers for each estate also record any detection in their monthly field report.

Similar to AS3, there are records of pesticide usage which includes amounts used, total quantity of active ingredients used, where applied and number of

applications. There are records in place for all blocks in both Jiba and Sujan estates. Keresa is also measuring the active ingredients of all chemicals being used.

Interview of smallholders indicated that they have better understanding of IPM and several of them have planted beneficial plants on their plots but it has not been consistently implemented at all smallholders blocks.

Criterion 4.6: Agrochemicals are used in a way that does not endanger health or the environment. There is no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. Where agrochemicals are used that are categorised as World Health Organisation Type 1A or 1B, or are listed by the Stockholm or Rotterdam Conventions, growers are actively seeking to identify alternatives and this is documented.

The agrochemical used are those registered under the Pesticides Act 1974 and there is a register which records product use; when required; amounts to be used and frequency of use. This is documented within the field operations' SOP specific for pesticide usage, which ensures that the most effective and least harmful chemicals are always the first choice and there is avoidance of prophylactic and indiscriminate spraying.

No paraquat use since October 2013.

Annual medical surveillance carried out for all operators as per CHRA. The last medical surveillance was done on 24 July 2014 at "Clinic Medan Jaya" by OHD Doctor and the result shows all confirmed fit for work.

Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented.

Keresa's OHS Policy signed by the top management provides guidance for all OSH related matters. This policy communicated to all employees onsite during safety meeting and morning briefing.

The annual review of the HIRARC was carried out by onsite safety officer who is a green book holder (Reg. No.: 5258 – JKPP IS 127/438/2/7007) valid till 18/4/2016. The last review was done on August 2014. Mill and estate have individual training program to address all the safety requirement and work procedures. Safety awareness is ongoing all the time through morning briefing which includes safety at work and records are maintained.

Visit to the mill and estate field reveal that good awareness of safety is practiced. Both operating units supply appropriate PPE that suits individual work requirement. It is also noted that PPE use is implemented and monitored.

All workers at agrochemical spraying were complete PPE. However, PPE such as rubber boot was not provided by company for agrochemical sprayers. Also,

First aid kit was not available at work site in the field at estates. Therefore, Major non-conformity has been raised as below:

1097198M2: Major nonconformity against indicator 4.7.1 was raised. At Keresa Mill and estates, during the visit to the filed in the estates noted that rubber boot purchased by workers and first aid kit was not available. The safety officer is the person responsible for any OSH issues and communicates and updates the managers accordingly.

OSH meetings are conducted quarterly by the onsite safety officer. Meeting minutes dated 25 June 2014 was checked and found that there are no any pending issues. Meeting was attended by representative from all categories of workers.

The mill has emergency evacuation plan complete with emergency contact details, organisation chart, responsibility and training was conducted to communicate the plan. The OSH training includes firefighting training, first aid training by Hospital assistant, internal safe driving training etc. Recent internal safety and health audit was conducted by TQM executives May 2014.

Accident records are documented if there are any accidents. There is no fatal accident but minor common injuries are noted. Local workers are covered by Socso and foreign workers are covered by Allianz accident insurance (Policy No.: 14WKU700104) valid till 2/6/2016.

Criterion 4.8: All staff, workers, smallholders and contractors are appropriately trained.

Keresa Mill and Estate have annual training program based on a training need analysis carried out at the operating unit level for each work-station and work area. The program includes the frequency of training/retraining on an annual basis. Training includes formal courses conducted using external resources and "on-the job" instruction and briefing. For example, mill has conducted safety training on 20/9/14 for 12 workers, FFB Grading training for KSGS smallholders on 18/7/14, ERT and fire drill on 5/7/14 for 39 workers. Sujan estate has conducted fertilizer application training on 20/2/14, harvesting training on 17/8/14 for 6 harvesters and chemical handling training for 7 workers on 9/6/14.

Contractors confirmed during interview that they were included in the training activities and have undergone safety training before they start work on site and are required to attend safety briefings as well.

PRINCIPLE 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity

Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified and plans to mitigate the negative impacts and promote the positive

ones are made, implemented and monitored to demonstrate continuous improvement.

The mill and all estates carry out the annual review of environmental impacts in term of Environmental Impact Assessment management Action Plans and Continuous Improvement Plans with latest reviewed on January 2014. A list of Actions for Improvement of environmental performance has been revised for each of the significant impacts. The review for mill was done on 7/1/14 includes impacts on landfill.

Criterion 5.2: The status of rare, threatened or endangered species and high conservation value habitats if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and their conservation taken into account in management plans and operations.

As reported during ASA3, there were no protected, rare or threatened species identified in the Keresas area and adjacent land which appears to be all government land under forestry projects. A number of riparian areas have been identified as HCV areas and these have been signposted. The HCV report concludes that there is no HCV in the areas apart from the identified riparian areas around the various rivers running through the estate.

Enhancement of the river buffer zones are also being carried out. Habitat protection includes prevention of disturbance by workers through awareness campaigns and regular patrols of the area. Inspection of housing areas and interview of residents confirmed workers are aware of the company policy that prohibits illegal hunting.

Small Holders are aware of any restrictions and appear to abide by signs in place. There is no identified HCV in small holder estates. No hunting was observed during this audit. Communities recognize the company's policy on no hunting in the property.

Criterion 5.3: Waste is reduced recycled, re-used and disposed of in an environmentally and socially responsible manner.

Keresas mill and estate have identified waste products and sources of pollution in the Environmental Impact Assessment and Pollution Prevention Plan which was reviewed in January 2014. However, site visit to the mill compound found pollutions were not mitigated in some of the areas. Therefore, a nonconformity was raised as per below.

NC Ref: 1097198N1: Minor nonconformity against indicator 5.3.2: Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution. At Keresas Mill, during the visit to the diesel storage at the gen-set room noted that diesel second containment was broken. Also, at the ramp area shovel was parked without the oil tray (PCD) although hydraulic oil leakages noted.

Domestic waste is collected twice a week and disposed at the landfill within the estates fields. The control of household and other waste at all line sites is under better control and this was demonstrated by the each line site being in a tidy condition.

Mill operational waste such as EFB, Fiber and Shell are recycled. EFB is applied in the field is monitored and well. POME final discharge analysis report dated 17/9/14 by ESI Laboratory (Ref. No.: ELS/KMSB/02/183/14) shows BOD is 18mg/L which is below the permitted limit of 20mg/L.

The company has continued managing scheduled waste stores at the mill and each of the estates. Schedule waste is disposed (combine mill, and estates) through licensed collector. For example, Mill has disposed schedule waste on 23/4/2014 through Waste way (M) Sdn. Bhd (Consignment Note No.: 4655).

Criterion 5.4: Efficiency of energy use and use of renewable energy is maximised.

The Mill monitors and reports energy usage monthly to head office through monthly report. The company has optimized the use of renewable energy. The energy usage varies depending on the FFB supplied by the estates. During low crop there is a slight increase in use of diesel fuel for processing. Monitoring of fuel used is based on per tonne of FFB. Average of 0.95 renewable energy used/MT FFB processed.

Criterion 5.5: Use of fire for waste disposal and for preparing land for replanting is avoided except in specific situation, as identified in the ASEAN guidelines or other regional best practice.

No any sign of burning activities in the field. During replanting palms are felled, chipped and mulched on the field where replanting is being carried out. Inspection to the newly replanted area confirmed that zero burning techniques are implemented during replanting.

Similar to ASA3, fire is not being used in anyway at all by Keresas for land preparation for replanting neither is fire used for waste disposal by Keresas. There is no previous crop at Keresas and replanting will not occur until at least 2023. Small Holders do not use fire for either clearing or replanting and this has been discouraged by Keresas management.

Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases are developed, implemented and monitored.

The mill and all estates Pollution Prevention Plan was documented in the Environmental Impacts Identification and Improvement Plan, reviewed for the financial year 2014. Inspection confirmed the Mill and Estates have implemented appropriate controls for preventing pollution from point source emissions to air and discharges of wastewater.

The estates carried out environmental monitoring on quarterly basis as required by Sarawak NREB regulation. Latest monitoring was done by Chemsain Konsultant Sdn. Bhd. Dated 22/7/2014 (Report No.: CK/Mo102-210/2/14) found all parameters are within the approved limit.

Smoke emission quality test at the mill was done every 6 month in accordance to the Environmental Quality Regulation. The latest test was conducted by ESI Sampling Sd. Bhd on 8 April 2014. Test result dated 30/4/14 (Ref. No.: KMSB/ST-B2/2014/1) shows that all parameters were complied with the standard requirements.

As reported in ASA3, there is a small portion of shallow peat (depth: 1-1.5 feet deep). It is not a continuous peat and certain parts consist of mineral soil. The 60 hectares is located in field 2005NP and the planting of oil palm was completed in March 2005. Before oil palm, it was planted with rattan. Drainage was done before planting rattan and before rattan it was a secondary jungle.

PRINCIPLE 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers

Keresa Mill and estate maintain good relationship with internal and external stakeholders such as employees, contractors, surrounding communities and regulatory bodies. Improvement on social obligation includes improvement of the housing and facilities for the employees and contribution to the surrounding community development such as road maintenance.

Criterion 6.1: Aspects of plantation and mill management, including replanting, that have social impacts are identified in a participatory way and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continuous improvement.

Social Impact Assessment is valid for 5 years and was last prepared in 7th October 2011 with the participation of affected parties by external consultant and being reviewed annually. The TQM department is responsible to perform the SIA assessment review. Internal SIA was done through satisfaction survey conducted on 31 July 2014 which has been participated by 47 the representative from mill and estate.

Keresa Mill and Estate have carried out a review of the Social Impact Register on 7th September 2014 following separate consultation with external stakeholders such as local villagers and government departments on 26 June 2014. There were no major issues highlighted.

Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.

The Mill and Estate engage in communication with local communities and interested parties. The communication procedure is as per Keresa communication policy which shows flow chart of the communication procedure. This was confirmed during interview with the local community representative and village representatives.

At each operating units the TQM executives or Mill and Estate Manager is the person responsible for communications with communities and other stakeholders. Stakeholders confirm that they know the social liaison officer. Stakeholder list is updated and maintained with information on contact details and name of the representative. Communication is recorded as part of the stakeholder communication document.

Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all parties.

Grievance procedure developed and communicated to all stakeholders during meetings. Complaint and grievances have been recorded in complaint book. Inspection of the records indicated that the systems to resolve all disputes are in a timely manner. Complaints on housing defects are attended appropriately. There are also cases where complaints were raised verbally to the staff and executives although workers are encouraged to record in the book. Even verbal grievances are attended promptly. This was confirmed by the workers and staff interviewed.

Criterion 6.4: Any negotiations concerning compensation for loss of legal or customary 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.

There is a procedure in the documentation for the identification of customary land rights and compensation procedures. As reported during ASA3, the negotiations over temuda areas have not yet been completed. The request from Ajan community to open community land for oil palm is still under discussion and the process is documented. At the time of audit Rumah Ajan has been undergoing negotiations with Keresa to open and manage the Ajan customary land (1700 ha) on Rumah Ajan's request. Keresa and Ajan are still discussing it. All copies of the negotiation are well documented.

Criterion 6.5: Pay and conditions for employees and for employees of contractors always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

At all the operating units a detailed calculation of the payment is presented as a record. Migrant workers make up the majority of the workforce who are engaged on 2 year contracts and can be extended as necessary. Payments are made as per the agreement. Workers are

paid above minimum wage standard as laid out for East Malaysia, and are therefore able to make savings. Inspection of contracts of both local and foreign workers confirmed that pay and conditions are available in local language and in English language for foreign workers which have been explained to them. Interview of foreign workers found that they understand the terms and conditions stated in the contract.

Interview with the foreign workers at the mill and estate found that they have signed a contract for a period of two years. However, the renewed contracts of those workers who extended their services were not available. Therefore, a nonconformity was raised as per below.

NC Ref: 1097198N2: Minor nonconformity against indicator 6.5.2: Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit. During the document audit, it was found that renewed Contract for those workers extended the services of work was not available.

Clinics continue to provide medical treatment for staff, workers and their families at no cost. Water and electricity are provided to houses. Drinking water analysis by Health department dated 10/4/14 (Ref. No.: PKBB/KMAM/600-2(41)) show e-coli and coliform are <1. Places of worship are within walking distance of housing. Both Mill and Estate provide dedicated transportation for children's to school. Other amenities seen are like crèche, grocery shop, football field, and community hall.

Criterion 6.6: The employer respects the right 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.

At Mill, although there were no Labour Unions, workers and staff are represented in Joint Consultative Committee (JCC) which was established since September 2010. Members are elected from representatives of every division including foreign workers. Regular meetings are held every three months. Latest meeting was held on 15/7/2014. The JCC representatives were elected to represent each workers category such as sprayers, fertiliser applicators, sprayers, mandor, and harvesters.

Criterion 6.7: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision and when not interfering with education programmes. Children are not exposed to hazardous working conditions.

Inspection to employee contract agreement and list of registration confirmed that those employed are as per company policy on minimum age. The minimum working age is 18 and above. During field visit and consultation with stakeholders confirm that there is no child labour at any of the operations.

Similar to ASA3, small Holders children attend school and only work if permitted during school breaks and holidays. All small holders are keen to send their children to school to obtain a good education. This is very important to all small holders interviewed.

Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation or age is prohibited.

The policy is displayed at Mill & Estate main office. This was communicated with all employees. Interview with workers confirmed understanding and awareness of the policy. Pay record and interview with employees confirm that there is no any kind of discrimination. All workers have access to the grievance and resolution mechanism. Small Holders do not used migrant workers.

Criterion 6.9: A Policy to prevent sexual harassment and all other forms of violence against women and to protect their reproductive rights is developed and applied.

A statement to prevent sexual harassment and violence is documented in the Keresia Social Policy. One of the female staff members has been appointed as gender committee member representing each operating units and work category that involve female workers.

The company has developed specific grievance mechanism on sexual harassment and violence. Female workers interview confirmed understanding of the mechanism and no issue was raised during the audit.

Gender Committee in Keresia POM has been conducted on 16th May 2014 while Sujana Estate on 5 July 2014. Interview with both gender's representative confirmed that there is no gender issue, they are aware of policy protecting their rights, understanding the procedure to lodge sexual issue. Gender organisation chart was sighted and found updated.

Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.

FFB pricing is based on MPOB pricing. Interview confirmed that contractors and suppliers understand contractual agreement and stated that the contract is transparent and fair. The company has standard term and condition of contract agreement which is explained prior to signing. Prompt payment is made as per contract agreement. No issues were highlighted by the contractors interviewed. Inspection to the "Grievance

Book” indicated no complaint was raised in relation to processing of the payment.

Criterion 6.11: Growers and millers contribute to local sustainable development wherever appropriate.

Keresia Mill and Estate provides assistance to local community on request and this is considered appropriate for the socioeconomic setting. Interview with the local community representative confirmed that there has been lot of contribution from the operating units throughout the year.

Principle 7: Responsible Development of New Plantings

As reported during ASA3, Keresia is in the progress of developing new area. However, this new area is excluded from the Keresia Certification Scope. This area is put under RSPO compensation procedure. Keresia had few discussions with RSPO and going through the process.

PRINCIPLE 8: Commitment to Continuous Improvement in Key Areas of Activity

Criterion 8.1: Growers and millers regularly monitor and review their activities and develop and implement action plans that allow demonstrable continuous improvement in key operations.

Keresia Palm Oil Mill and supply base estate have carried out annual review of the environmental and social aspects of its operations to identify improvements. The Social Action Plan has continued to work towards improving stakeholder relationship through engagement and dialogue besides further improving the workers housing.

Pesticide use is limited to use only when there is outbreak and justified with census prior to application. IPM is continuously implemented as part of efforts to reduce pesticide usage. Paraquat is completely eliminated. Recycling awareness is progressively implemented and evidence of recycling was noted during the assessment.

3.2 Detailed Identified Nonconformities, Evidence of closing out Major Nonconformities and Auditor Conclusions (ASA4)

There were two major nonconformities and two minor nonconformities raised during this ASA4. However, no observations / opportunity for improvement were identified. The management submitted corrective action plans for the nonconformities. Closing out the minor nonconformity and observations for improvement will be followed up during the re-certification Assessment.

Major Nonconformities

1097198M1: Major nonconformity against indicator 2.1.1 was raised. At Keresia Mill, during the visit to the mill canteen it was noted that the food preparation was done by operators who have not gone for the typhoid

injection and audiometric for worker at boiler station was not available.

Close out evidence:

Typhoid injection was given to the food handler on 1 November 2014. Audiometric was carried out on 1 November. The report dated 25 November 2014. The major nonconformity was closed on 25 November 2014

1097198M2: Major nonconformity against indicator 4.7.1 was raised. At Keresia Mill and estates, during the visit to the filed in the estates noted that rubber boot purchased by workers and first aid kit was not available.

Close out evidence:

The management realized that the store clerk issued rubber only once and did not issued subsequently because he is not aware of the issuance. He was given training on 29 September 2014 on the procedure. First kit given to workers was misused and damaged. All the first aiders issued new set and first aid training given on 30-31 October 2014. The major nonconformity was closed on 25 November 2014.

Minor Nonconformities

The details of the minor nonconformities are as below. BSI has reviewed and accepted the corrective action provided by the management. The implementation of the corrective action plan will be reviewed during the re-certification Assessment.

NC Ref: 1097198N1: Minor nonconformity against indicator 5.3.2: Having identified wastes and pollutants, an operational plan should be developed and implemented, to avoid or reduce pollution. At Keresia Mill, during the visit to the diesel storage at the gen-set room noted that diesel second containment was broken. Also, at the ramp area shovel was parked without the oil tray (PCD) although hydraulic oil leakages noted.

NC Ref: 1097198N2: Minor nonconformity against indicator 6.5.2: Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc) are available in the language understood by the workers or explained carefully to them by a plantation management official in the operating unit. During the document audit, it was found that renewed Contract for those workers extended the services of work was not available.

Observation/Opportunity for improvement

No new observation / opportunity for improvement were identified during this assessment.

3.3. Status of Nonconformities (Major and Minor) Previously Identified and observations (ASA3)

It was noted that all the major nonconformities raised during the ASA3 are remain closed.

There were three minor nonconformities identified during the ASA3 for the Keresia Certification Unit was followed up during the ASA4 although the operating units have already addressed the minor nonconformities during the last assessment together with the major nonconformities. Corrective Actions and implementation for the minor nonconformities identified during the ASA3 was effectively and consistently implemented and the nonconformities were remains closed. The details of the nonconformities and evidence of closing out the nonconformities are listed below.

NC Ref.: CR03-3: 4.4.5 Minor NC: There has been no monitoring of water use per tonne of FFB processed for the whole of 2013.

ASA4 Findings: Monitoring of water usage for processing has been reinitiated. Keresia mill has maintained monitoring on water usage which recorded every day and summarized on monthly basis. Water consumption varies from 1.35 M3 – 1.57 M3 per tonne FFB processed for the year 2014 as at August. The Corrective Action Plan was implemented. Nonconformity was addressed and closed on 23/09/2014.

NC Ref.: CR04-3: 5.1.2 Observation upgraded to Minor NC: This is not compliant and environmental plans for the mill though documented is not being properly implemented or monitored. A number of issues which were to be controlled by the Environmental Improvement Plan were not effectively managed including the following: Evidence of spills in mill and workshops, Interceptors not managed, Inspections indicating all was good when this was not the case, Drip trays either not in place or material saturated and needs replacing, EFB and fruit in mill drains, Many untreated spills in the mill, Interceptors not inspected and in need of urgent cleaning, Drains to bunds left in open position.

ASA4 Findings: During this ASA4, mill visit found that environmental improvements plan were well implemented. Drainages and interceptors are regularly cleaned and monitored. There were no EFB or FFB found inside the drains. The Corrective Action Plan was implemented. Nonconformity was addressed and closed on 23/09/2014.

NC Ref.: CR05-3: 5.4.1 Minor NC: Keresia mill has not provided records of renewable energy use per tonne of FFB OR Palm product in the mill for 2013.

ASA4 Findings: The Mill monitors and reports energy usage monthly to head office through monthly report. The company has optimized the use of renewable energy. The energy usage varies depending on the FFB supplied by the estates. During low crop there is a slight increase in use of diesel fuel for processing. Monitoring of fuel used is based on per tonne of FFB. Average of 0.95 renewable energy used/MT FFB processed. The Corrective Action Plan was implemented. Nonconformity was addressed and closed on 23/09/2014.

Observation/Opportunity for improvement

All the observation was followed up and addressed by the management except observation 4.7.1(I). This observation was upgraded and raised as nonconformity. - refer section 3.2 above.

3.4 Issues raised By Stakeholders and Findings with Respect To Each Issue

During this ASA4, majority of stakeholders had positive comments about Keresia Certification Unit. Issues raised by stakeholders were discussed with the management and the company's response is obtained. The detail of stakeholders comment is provided in each criterion as part of this summary report.

Contractors: Payment is made promptly and no any disputes.

Gender committee representative: No negative issues were highlighted.

Head of the village and small holders: Confirmed that good relationship is maintained with the management and villagers. No any disputes were highlighted.

Local and foreign worker representatives: No any unresolved disputes were highlighted.

4.0 CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

4.1 Date of Next Visit (Re-Certification)

The re-certification visit will be scheduled within nine - twelve months of the certificate anniversary.

4.2 Date of Closing Nonconformities (Major and Minor)

NC Ref.	CLASS	ISSUED	STATUS
CR01	Minor	18/6/2010	Closed on 13/10/2011
CR02	Minor	18/6/2010	Closed on 13/10/2011
CR03	Minor	18/6/2010	Closed on 13/10/2011
CR04	Minor	18/6/2010	Closed on 13/10/2011
CR05	Minor	18/6/2010	Closed on 13/10/2011
CR06	Minor	18/6/2010	Closed on 13/10/2011
CR07	Minor	18/6/2010	Closed on 13/10/2011
CR01-1	Minor	13/10/2011	Closed on 6/9/2012
CR02-1	Minor	13/10/2011	Closed on 6/9/2012
CR03-1	Minor	13/10/2011	Closed on 6/9/2012

CR04-1	Minor	13/10/2011	Closed on 6/9/2012
CR05-1	Minor	13/10/2011	Closed on 6/9/2012
CR01-2	Minor	6/9/2012	Closed on 29/8/2013
CR01-3	Major	29/8/2013	Closed on 24/10/2013
CR02-3	Major	29/8/2013	Closed on 24/10/2013
CR03-3	Minor	29/8/2013	Closed on 23/9/2014
CR04-3	Minor	29/8/2013	Closed on 23/9/2014
CR05-3	Minor	29/8/2013	Closed on 23/9/2014
1097198M1	Major	26/9/2014	Closed on 25/11/2014
1097198M2	Major	26/9/2014	Closed on 25/11/2014
1097198N1	Minor	26/9/2014	"open"
1097198N2	Minor	26/9/2014	"open"

4.3 Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings

Please sign below to acknowledge receipt of the assessment visit described in this report and confirm the acceptance of the assessment report contents including assessment findings.

Signed for on behalf of
Keresia Certification Unit



.....
Mr. A.K. Kumaran
General Manager

Signed for on behalf of
PT BSI Group Indonesia



.....
Senniah Appalasamy
BSI RSPO Lead Auditor

Appendix A: Keresia Plantation Sdn Bhd – Keresia Certification Unit RSPO Certificate Details

Keresia Plantations Sdn Bhd
 PO Box 2607,
 97008 BINTULU
 SARAWAK MALAYSIA
www.keresia.com.my
 RSPO membership Number: 1-00077-09-000-00

BSI RSPO Certificate No: SPO 559278
 Date of Initial Certificate Issued: 21 October 2010
 Date of Expiry: 20 October 2015
 Applicable Standards: RSPO Certification System June 2007 (revised March 2011) including Annex 4: Procedures for Annual Surveillance; RSPO P&C MY-NIWG 2010; and relevant element of Supply Chain requirements for CPO Mills; SCCS Standard Nov 2011 Module – Mass Balance.

Keresia Palm Oil Mill and Supply Base					
Location Address		Keresia Plantations Sdn Bhd, PO Box 2607, 97008 Bintulu, Sarawak, Malaysia.			
GPS Location		Longitude: 113° 35' 59.1" E Latitude: 03° 09' 49"N			
Certified CPO Tonnage Total (Own Estate)		30,822			
Certified CPO Tonnage Total (Associated Smallholder)		1,944			
PK Tonnage Total (Own Estate)		6,604			
PK Tonnage Total (Associated Smallholder)		415			
Own Estates Certified FFB Tonnage		146,769			
Associated Smallholder Certified FFB Tonnage		9,260			
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Sujan Estate	3,078.08	0	464.62	3,542.70	82,570
Jiba Estate	2,268.82	0	211.48	2,480.30	64,199
Own Estate	5,346.9	0	676.1	6,023	146,769
Associated Smallholder	357	0	0	357.00	9,260
Grand Total	5,703.90	0	676.10	6,380.00	156,029

Appendix B: 4th Annual Surveillance Assessment Program

PRELIMINARY AGENDA				
Date	Time	Subjects	Senniah	Muhd Haris
		Document Review : Mill Supply Chain document	√	√
Tuesday 23/9/2014 Keresia Palm Oil Mill	08.30 – 09.00	Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). 	√	√
	09.00 – 12.00	Keresia Palm Oil Mill 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, etc.	√	√
	12.00 – 13.00	Lunch	√	√
	13.00 – 16.30	Keresia Palm Oil Mill : Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√
	16.30-17.00	Interim Closing briefing.	√	√
Wednesday 24/9/2014	08.30 – 12.00	Sujan Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	-
	09.00 – 12.00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	√
	12.00 – 13.00	Lunch	√	√
	13.00 – 16.30	Sujan Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√
	16.30-17.00	Interim Closing Briefing	√	√
Thursday 25/9/2014	8.30 – 12.00	Jiba Estate & Small Holder Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√
	12.00 – 13.00	Lunch	√	√
	13.00 – 16.30	Jiba Estate & Small Holder Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√
	16.30-17.00	Interim Closing Meeting	√	√
Friday 26/9/2014	8.00 – 13.00	Document Review for Small holder's continue.	√	√
	13.00 – 14.00	Lunch		
	14.00 – 16.00	Preparation for Closing meeting & Closing Meeting	√	√

Appendix C: List of Stakeholders Contacted

<p><i>Internal Stakeholders</i></p> <p>Keresia Certification Unit Management team and Staff General Manager Representatives from TQM Department On site compliance executives Mill Manager and Assistants Estate Managers and Assistants Facility Administrators Gender Committee Representatives Hospital / Medical Assistants Clinic Assistants Male and Female workers Workers Union Representatives</p>	<p><i>Local Communities / Smallholders</i></p> <p>Rumah Majang</p> <ul style="list-style-type: none"> - Majang Ragan (Tuai Rumah Majang) - Bakat Ak Jampang - Naun Ak Jampang - Mancho Ak Isa - Ramba Ak Amal <p>Rumah Anchai</p> <ul style="list-style-type: none"> - Uki Ak Nguang - Atang Ak Encharang <p>Rumah Lichong</p> <ul style="list-style-type: none"> - Munan Ak Ngalambing
<p><i>Government Departments</i></p> <p>Government School Government Clinic</p>	<p><i>Contractors</i></p> <p>General Contractor FFB Supplier FFB Transport contractor</p>

Appendix D: Keresia Palm Oil Mill Supply Chain Assessment (Module E: Mass Balance)

Requirements	
E.1. Documented procedures	
E.1.1 The facility shall have written procedures and/or work instructions to ensure implementation of all the elements specified for Mass Balance (MB) supply chain requirements.	There are written/documented procedures for the chain of custody for Keresia Oil Mill. These are approved by the TQM Manager and are dated 14.5.2011 and are still current.
E.1.2 The facility shall have documented procedures for receiving and processing certified and non-certified FFBs.	Keresia mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking on the receiving documents to differentiate the certified and non-certified FFB received.
E.2. Purchasing and goods in	
E.2.1 The facility shall verify and document the volumes of certified and non-certified FFBs received.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit.
E.2.2 The facility shall inform the CB immediately if there is a projected overproduction.	The facilities aware of this procedure.
E.3. Record keeping	
E.3.1 The facility shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of certified and noncertified palm products.	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Records verified by internal and external audit.
E.3.2 Retention times for all records and reports shall be at least five (5) years	The retention period is specified as five years and financial documents retained longer based on the local regulation requirement.
E.3.3 (a) The facility shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO, PKO and palm kernel meal on a three-monthly basis.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. No PKO and Palm kernel meal at these sites. PK is sold to external third party kernel crushing plant.
E.3.3 (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.	Computerized system in place with the delivery deducted accordingly.
E.3.3 (c) The facility can only deliver Mass Balance sales from a positive stock. However, a facility is allowed to sell short.	Only positive stock id delivered. No short selling.
E.3.4 The following trade names should be used and specified in relevant documents, e.g. purchase and sales contracts, e.g. *product name*/MB or Mass Balance. The supply chain model used should be clearly indicated.	Facilities use Mass Balance model and indicated on the relevant documents as RSPO CPO/MB.
E.3.5 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.	No outsourcing activities.
E.4. Sales and goods out	
E.4.1 The facility shall ensure that all sales invoices issued for RSPO certified products delivered include the following information	There are no sales through UTZ. However the mill is ready to carry out sales of certified palm products. Existing system is ready to cater for future sustainable palm product sales. Sample of existing sales documents were checked and found that:
(a) The name and address of the buyer	Name and address of buyer written on the invoice.
(b) The date on which the invoice was issued	Date is written.
(c) A description of the product, including the applicable supply chain model (Segregated or Mass Balance)	Product description and supply chain model is written. Mass balance model.
(d) The quantity of the products delivered	Quantity in tones.
(e) Reference to related transport documentation	Weighbridge documents and D/O includes all the transport references.
E.5. Training	
E.5.1 The facility shall provide the training for all staff as required implementing the requirements of the Supply Chain Certification Systems.	Staffs in the weighbridge, inventory, storage and processing, document control have attended training. The TQM executives have provided training.
E.6. Claims	
E.6.1 The facility shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules for Communications and Claims.	Keresia only make claims on RSPO material balance

Actual Certified Palm Production - 01 Sept. 2013– 31 August 2014

MILL	CAPACITY	CPO	PK
Keresia Palm Oil Mill	30 mt/hr	30,125	6,195

Actual Sales of Certified Palm Products - 01 Sept. 2013 – 31 August 2014

Mill	CPO (Certified)	Buyer	PK (Certified)	Buyer
Keresia Palm Oil Mill	-	-	-	-

Note: No certified sales through RSPO IT system.

Actual Certified FFB Received Monthly - 01 Sept. 2013 – 31 August 2014

Month	Sujan	Jiba	Smallholder	Total FFB/Month
September 2013	7,572	4,641	1,507	13,720
October 2013	6,921	4,310	368	11,599
November 2013	6,274	4,333	76	10,683
December 2013	6,621	4,058	460	11,139
January 2014	6,214	4,172	628	11,014
February 2014	6,200	4,913	564	11,677
March 2014	6,693	4,932	748	12,373
April 2014	6,306	4,043	891	11,240
May 2014	6,980	4,471	792	12,243
June 2014	6,554	4,605	667	11,826
July 2014	7,413	5,968	805	14,186
August 2014	8,473	5,663	972	15,108
Total	82,221	56,109	8,478	146,808