

RSPO PRINCIPLE AND CRITERIA
3RD ANNUAL SURVEILLANCE ASSESSMENT (ASA3_1)
Public Summary Report

Kulim (Malaysia) Berhad
Head Office: Kulim (Malaysia) Berhad K.B 705 80990 Johor Bahru Johor, Malaysia
Tereh Palm Oil Mill and Supply Base KB 538 86009 Kluang Johor, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0006-04-000-00	Date	Member since: 8 August 2004
Company Name	Kulim (Malaysia) Berhad		
Address	Head Office : Kulim (Malaysia) Berhad, K.B 705, 80990 Johor Bahru, Johor, Malaysia		
Mill Address	Certification Unit : Tereh Palm Oil Mill, K.B. 538 86009 Kluang, Johor, Malaysia		
Subsidiary of (if applicable)	N/A		
Contact Name	Mrs Salasah Elias		
Website	www.kulim.com.my	E-mail	salasah@kulim.com.my
Telephone	07 8611611	Facsimile	07 8631084

2. Certification Information			
Certificate Number	RSPO 613086	Original Certification Date	23/01/2009
		Expiry Date	22/01/2019
Scope of Certification	Production of Palm Oil and Palm Kernel from Tereh Palm Oil Mill and Supply Base (Tereh Utara Estate, Tereh Selatan Estate, Selai Estate, Enggang Estate, Mutiara Estate, Sungai Sembrong Estate, Sungai Tawing Estate and Wawasan Estate)		
	*Felda Paloh has been excluded from ASA3 onwards		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
AR 1804	ISO 9001:2008	SIRIM QAS International Sdn Bhd	14 October 2017
A 43170	MS 1500:2009	Department of Islamic Development, Malaysia	30 April 2017
EU-ISCC-Cert-DE119-60162023	ISCC	ASG CERT	1 February 2017

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Tereh Palm Oil Mill	Kluang, Johor, Malaysia.	103° 21' 5.0004"	2° 13' 3.0648"
Tereh Utara Estate	Kluang, Johor, Malaysia.	103° 20' 36.0492"	2° 15' 5.2092"
Tereh Selatan Estate	Kluang, Johor, Malaysia.	103° 21' 8.3772"	2° 11' 38.3784"

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Selai Estate	Kluang, Johor, Malaysia.	103° 23' 14.816	2° 6' 14.4156"
Enggang Estate	Kluang, Johor, Malaysia.	103° 25' 36.5808"	2° 16' 12.1044"
Mutiara Estate	Kluang, Johor, Malaysia.	103° 28' 52.1328"	2° 17' 16.6164"
Sg. Sembrong Estate	Kluang, Johor, Malaysia.	103° 27' 49.4928"	2° 18' 54.8424"
Sg. Tawing Estate	Kluang, Johor, Malaysia.	103° 21' 11.5848"	2°17' 46.7556"
Wawasan Estate	Kluang, Johor, Malaysia.	103° 22' 45.11"	2° 14' 15.108"

4. Description of Supply Base

Estate	Mature (ha)	Immature (ha)	Total Planted (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Hectarage	% of Planted
Tereh Utara Estate	2,858.56	0	2,858.56	53.95	179.69	3,092.20	92.44
Tereh Selatan Estate	2,521.74	0	2,521.74	7.36	190.46	2,719.56	92.73
Selai Estate	1,377.14	243.92	1,621.06	31.34	147.77	1,800.17	90.05
Enggang Estate	1,448.23	207.58	1,655.81	11.26	67.31	1,734.38	95.47
Mutiara Estate	1,736.25	575.61	2,311.86	16.02	124.42	2,452.30	94.27
Sg. Sembrong Estate	1,181.33	0	1,181.33	0	59.54	1,240.87	95.20
Sg. Tawing Estate	2,066.84	0	2,066.84	4.6	157.56	2,229.00	92.72
Wawasan Estate	361.91	0	361.91	-	0.39	362.30	99.89
Total	13,552.00	1027.11	14,579.11	124.53	927.14	15,630.78	

5. Plantings & Cycle

Estate	Age (Years)					Tonnage / Year		
	0 – 3	4 – 10	11 - 20	21 - 25	26 - 30	Estimated (Nov 15 – Oct 16)	Actual (Nov 15 – Oct 16)	Forecast (Nov 16 – Oct 17)
Tereh Utara Estate	-	241.02	2,617.54	-	-	68,704.00	66,233.94	67,881.00
Tereh Selatan Estate	-	347.39	1,909.75	55.80	208.80	60,967.69	58,539.19	60,053.00
Selai Estate	-	1,402.04	219.02	-	-	25,204.00	26,057.24	26,692.00
Enggang Estate	207.58	1,281.53	166.70	-	-	23,271.00	23,285.66	27,896.00
Mutiara Estate	393.37	-	570.10	831.83	516.56	41,426.00	39,936.25	38,059.00
Sg. Sembrong Estate	-	-	1,153.25	28.08	-	26,740.00	25,653.75	26,692.00
Sg. Tawing Estate	-	622.19	1,342.77	101.88	-	40,845.00	34,354.01	39,547.00
Wawasan Estate	-	60.76	301.15	-	-	6,621.00	5,889.94	6,759.00
Felda Paloh**	-	-	-	-	-	27,830.00	22,525.61	-
Total	572.5	4161.68	8,280.28	1219.04	1568.44	321,608.69	302,475.59	293,579.00

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**Felda Paloh will be excluded in ASA3 certification scope.

*0-10 years of palm is replanting activities after verified on the land titles & planting history

6. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (Nov 15 – Oct 16)	Actual (Nov 15 – Oct 16)	Forecast (Nov 16 – Oct 17)
Tereh Utara Estate	68,704.00	66,233.94	67,881.00
Tereh Selatan Estate	60,967.69	58,539.19	60,053.00
Selai Estate	25,204.00	26,057.24	26,692.00
Enggang Estate	23,271.00	23,285.66	27,896.00
Mutiara Estate	41,426.00	39,936.25	38,059.00
Sg. Sembrong Estate	26,740.00	25,653.75	26,692.00
Sg. Tawing Estate	40,845.00	34,354.01	39,547.00
Wawasan Estate	6,621.00	5,889.94	6,759.00
Felda Paloh	27,830.00	22,525.61	-
Total	321,608.69	302,475.59	293,579.00

7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (key in period)	Actual (key in period)	Forecast (key in period)
Not applicable			

8. Certified Tonnage									
Mill	Estimated (Jan 2016 - Dec 2016)			Actual (Jan 2016 - Dec 2016)			Forecast (Nov 2016 – Oct 2017)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO*	PK*
Tereh Palm Oil Mill	321,608.69	68,529.00	17,815.00	302,475.59	61,963.60	16,917.43	293,579.00	62,532.33	16,146.85

*OER: 21.30%; KER: 5.50%

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +603 2242 4211 Fax +603 2242 4218
Nicholas Cheong: Nicholas.Cheong@bsigroup.com
www.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 is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia. BSI is accredited for RSPO Supply Chain Certification Systems (SCCS) and Principles & Criteria for Sustainable Palm Oil Production (P&C, Single Site & Group) certification Worldwide.

Assessment Methodology, Programme, Site Visits

This on-site 3rd Annual Surveillance Assessment was conducted from 21-25 November 2016. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates (Tereh Selatan Estate, Enggang Estate & Felde Paloh Estate). A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

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

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 Appendix E.

All the previous nonconformities are remains closed. The assessment findings for the 2nd Annual Surveillance Assessment are detailed in Section 3.3.

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

This report was externally reviewed by RSPO approved Certification Reviewer prior to certification decision by BSI.

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

1. Assessment Program					
Name (Mill / Supply Base)	Year 1 (Certification)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 4)	Year 5 (ASA 5)
Tereh Palm Oil Mill	√	√	√	√	√
Tereh Utara Estate	√			√	
Tereh Selatan Estate			√		√
Selai Estate	√			√	
Enggang Estate			√		√
Mutiara Estate	√			√	
Sg. Sembrong Estate		√			
Sg. Tawing Estate		√			√
Wawasan Estate		√			
Felda Paloh*			√		

* The evidence produced is not suffice to close the NC and Kulim shall risk suspension of the certificate should it is not conclude in time. The certification unit decided to exclude Felda Paloh as supply base of the scope of certification due to the corrective action taken will pending till approval from Immigration Department. Termination of contract between Felda Paloh and Kulim has been submitted as evidence.

Tentative Date of Next Visit: October 30, 2017 – November 2, 2017

Total No. of Mandays: 12 mandays

BSI Assessment Team:

Hoo Boon Han – Lead Auditor

He holds Master of Technology (Environmental Management) from the University Malaya and Bachelor of Science Forestry (Hons) Majored in International Tropical Forestry from University Malaysia Sabah. He has more than 3 years working experience in in environmental monitoring & audit, carbon accounting & reduction, wastewater treatment, waste management and sustainable development. He has successfully completed the RSPO Lead Auditor and RSPO Supply Chain Training in April 2012. He has been involved in RSPO P&C audit in Indonesia and Malaysia as well as RSPO SC audit across different region including Asia, Europe and North America 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 and Mandarin.

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He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since May 2013 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation.

Hu Ning Shing- Team Member

She holds Bachelor Degree in Science majoring in Applied Chemistry, graduated from University of Malaya on 2011. She has 5 years working experience in rubber and palm oil industry. She also has the experiences as auditor for several standards including ISO 9001, MSPO and RSPO in his previous certification body. She completed the ISO 9001 Lead Auditor Course on 2016, Endorsed RSPO P&C Lead Auditor Course in 2012 and Endorsed RSPO SCCS Lead Auditor Course in 2015. She had been involved in RSPO auditing since November 2015 in more than various companies in Malaysia. During this assessment, she assessed on the aspects of social. She is fluent in Bahasa Malaysia and English languages.

Accompanying Persons: -

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following RSPO normative requirements. The assessment details are provided in Appendix A.

- Kulim (Malaysia) Berhad Time Bound Plan
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO Supply Chain Certification Checklist November 2014

3.2 Progress against Time Bound Plan

Kulim (Malaysia) Berhad has disposed interest in New Britain Palm Oil Ltd in 2014. Kulim (Malaysia) Berhad previously managed the Tunjuk Laut Palm Oil Mill and Supply Base but since October 2013 this has been leased to third party operator (Awan Timur Resources) and Kulim (Malaysia) Berhad no longer manages the operations. Siang Estate previously supplies FFB to Siang Palm Oil Mill which was previously certified under Johor Corporation and now managed by third party. It is not within Kulim (Malaysia) Berhad's management control. Pasir Panjang Palm Oil Mill was under Johor Corporation, and acquired under Kulim (Malaysia) Berhad through Mahamurni Plantations Sdn Bhd in 2012. At the same time Kulim (Malaysia) Berhad has acquired Pasir Panjang Palm Oil Mill through Mahamurni Plantation Sdn Bhd in 2012. Pasir Panjang Palm Oil Mill enter time bound plan as per "work plan Kulim / Jcorp estate" document and due for certification in 2016. Since March 2015 all Jcorp Estate is now supplied to Pasir Panjang Mill which will enter RSPO Certification 2016. However due to new restructuring starting 1st January 2015, seven (7) estate will be under Kulim (Malaysia) Berhad namely Kuala Kabong, Ulu Tiram, Basir Ismail, REM, Labis Bahru, Mutiara and Sungai Sembrong. All other operating unit will be under Mahamurni Plantation Sdn. Bhd.

Kulim (Malaysia) Berhad has 100% ownership in Mahamurni Plantations Sdn Bhd. Mahamurni Plantations Sdn Bhd have 3 palm oil mills i.e.: Sedenak Palm Oil Mill, Palong Cocoa Palm Oil Mill, and Pasir Panjang Palm Oil Mill. Mahamurni Plantations Sdn Bhd also has 9 estates: Sedenak Estate, Sungai Papan which supply to certified Sedenak Palm Oil Mill; Mungka Estate, Kemedak Estate, Palong Estate, Ladang UMAC which supply to certified Palong Cocoa Palm Oil Mill; Rengam Estate supply to certified Sindora Palm Oil Mill. Pasir Panjang Estate will supply to Pasir Panjang Palm Oil Mill, which due for certification by 2016. Kulim (Malaysia) Berhad has 100% ownership in Kulim Plantations (Malaysia) Sdn Bhd. Kulim Plantations (Malaysia) Sdn Bhd has Tereh Palm Oil Mill and 2 estates i.e. Tereh Utara Estate and Tereh Selatan Estate which supply to certified Tereh Palm Oil Mill. Kulim (Malaysia) Berhad has 100% ownership in Selai Sdn Bhd. Selai Sdn Bhd has Selai Estate and Enggang Estate, both supply to certified Tereh Palm Oil Mill. Kulim (Malaysia) Berhad has 100% ownership in Sindora Berhad. Sindora Berhad has Sindora Estate, supply to certified Sindora Palm Oil Mill and Sungai Tawing Estate, supply to certified Tereh Palm Oil Mill. Kulim (Malaysia) Berhad has 94.49% ownership in Kumpulan Bertam Plantations Berhad. Kumpulan Bertam Plantations Berhad has Sepang Loi Estate supply to certified Palong Cocoa Palm Oil Mill. Kulim (Malaysia) Berhad itself has 7 estates: Basir Ismail Estate, Ulu Tiram Estate, Kuala Kabong Estate supply to certified Sedenak Palm Oil Mill; Sungai Sembrong Estate and Mutiara Estate supply to certified Tereh Palm Oil Mill; REM Estate will supply certified Sindora Palm Oil Mill; Labis Bahru Estate supply to certified Palong Cocoa Palm Oil Mill. BSi concludes that Kulim has completed all of the commitments of its Time Bound Plan that relate to company owned and managed Palm Oil Mills and Estates. The progress with the Pasir Panjang Certification planned will be followed up. During the Initial Assessment;

1. There is no any other isolated lapse in Time Bound Plan.
2. No systematic failures to proceed with implementation of the Time Bound Plan since first certified.
3. The changes in the Time bound Plan for Pasir Panjang Palm Oil Mill is acceptable because the company just took over the management control. Kulim (Malaysia) Berhad has recently purchased a property in Indonesia and

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undergone the RSPO NPP process to develop the land for oil palm. At the time of preparation of this Report, BSI is not aware of any new issues involving:

- a. Any unresolved significant land disputes;
- b. Any replacement of primary forest or loss of HCVs;
- c. Any labour disputes that are not being resolved through an agreed process;
- d. Any evidence of noncompliance with any law at any of the landholdings. BSI considers that Kulim (Malaysia) Berhad complies with the RSPO requirements for Partial Certification rules.

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	<p><u>Malaysia</u></p> <p>The time bound plan includes all OUs in Malaysia, The Kulim OUs have 32 units, 25 units successfully certified and 7 units current in progress.</p> <p><u>Indonesia (PT SSR and AMARA)</u></p> <p>For the Indonesia plantation have in preparation to undergo the RSPO Certification process is in progress.</p>	Yes
<p>Is the time bound plan challenging?</p> <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	<p>Kulim (Malaysia) Berhad has in 2015 continued to operate in a dynamic and volatile environment, characterised by abundant of supplies and lower price of CPO globally.</p> <p>Being one of the lowest price for the commodity, this much affected our plantation margins. The industry was also impacted by growing strength of US Dollar adding the downward pressure of the price</p> <p>Our divestment from New Britain (NBPOL) was completed on 26 February 2016, operationally at the year ended 31 December 2016, we have plantation operations in Peninsular Malaysia and Central Kalimantan Indonesia for a total of 50 999 ha in Malaysia and 40 646 ha of land in Indonesia. The planting of new palm is ongoing albeit at a slower pace, we have some 307 ha been planted.</p> <p>Age profile ranging from 0 – 23 years of age. The group remains committed to improving the age profile, during which a total of 1155 ha been replanted. Average age profile has improved to 11.72 years.</p> <p>The group has acquired Pasir Panjang Palm Oil Mill through Mahamurni Plantation Sdn Bhd in March 2015. And has since planned and prepared the mill for certification program for end of 2016</p>	

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Have there been any changes since the last audit? Are they justified?	Selective Capital Reduction and Repayment Exercise (SCR) for KMB for 99.59% of shares was presented to Kulim BOD on 3 May 2015, The exercise was approved by Bursa Malaysia 1 August 2016 with Kulim being officially removed from BM on 4 August 2016.	Yes
If there have been changes, what circumstances have occurred?	KULIM is now corporatized under Johor Corporation but at the same time both are still a members of RSPO.	Yes
Have there been any stakeholder comments?	So far there no comments received.	Yes
Have there been any newly acquired subsidiaries?	After successfully acquired PT Win in central Kalimantan, Kulim has again trying their best to acquire PT AMARA which is still in progress with expected completion in 2017.	Yes
Have there been any isolated lapses in implementation of the plan?	There is no isolated lapse in Time Bound Plan except for smallholder proposed certification program that halted due to unstable supply to our mill.	Yes
Un-Certified Units or Holdings		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Indonesia AMDAL report had been completed and report already submitted to RSPO for Public Notification. RSPO has approved the NPP.	Yes
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	So far no new planting that replaced primary forest.	Yes
Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	No new planting activities within uncertified unit.	Yes
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	No land conflict	Yes
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	No labour dispute	Yes

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Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	RSPO internal audit assessment for all certified units been conducted and the report had been submitted to all unit for improvement plan.	Yes
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	No legal non compliance	Yes

3.3 Details of findings

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

During the 3rd Annual Surveillance Assessment there were five (5) Major & two (2) Minor nonconformities raised. The Tereh Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M1	<p>Requirements: Indicator 2.1.1 Evidence of compliance with relevant legal requirements shall be available.</p> <p>Evidence of Nonconformity: Felda Paloh Estate: Working permit of the sampled workers below were found expired: a) Passport No.: AT306629 expired on 1/7/2015 b) Passport No.: AT306813 expired on 1/7/2015 c) Passport No.: AT199571 expired on 1/7/2015 d) Passport No.: AT199297 expired on 1/7/2015 e) Passport No.: AR656757 expired on 1/7/2015 f) Passport No.: A9091302 expired on 1/7/2015 g) Passport No.: AP846439 expired on 31/7/2015 h) Passport No.: AS928155 expired on 12/11/2014</p> <p>The management has followed-up with Labour Department of FGV on 9/6/2016 for the renewal of permit. However, no response from the department.</p> <p>Felda Paloh: According to Workers’ Minimum Standards of Housing and Amenities Act 1990, section 23 sub-section (2) “It shall be the duty of the employer to ensure that all buildings used for the housing of workers, nurseries or community halls are visited and inspected weekly by an estate hospital assistant registered under the</p>	Major

	<p>Estate Hospital Assistants (Registration) Act 1965 [Act 435] or any other responsible person authorized by the employer...". However, the inspection was carried out on bi-weekly where it did not comply with the requirement. The inspection was conducted on 5/10/2016, 19/10/2016, 6/11/2016 and 22/11/2016.</p> <p>Statement of Nonconformity: Compliance with relevant legal requirements did not implement effectively.</p> <p>Corrective Actions Police report had been logged for one missing passport no AS928155 and balance 7 remaining passports will be processed for renewal by Immigration Department within 30 working days. Validation will be obtained by Immigration Department for the lost passport and application for new passport will be submitted to Indonesian Embassy, new passport will be submitted to Immigration Department for permit renewal. Felda Paloh has taken immediate action as follows:</p> <ol style="list-style-type: none"> 1. SALINAN REPORT POLIS (AS928155) - Felda Paloh 2. Pengesahan Passport Baru - AS928155 (Felda Paloh) 3. Resit Compound - Passport Missing 4. Paloh Worker's receipt of compound payment - 8 workers <ol style="list-style-type: none"> a. AT 306629 – special pass b. AT 306813 – special pass c. AT 199571 – special pass d. AT 199297 – special pass e. AR 656757 – special pass f. AT 9091302 – special pass g. AT 828450 – special pass h. AT 199515 – special pass 5. Arahan Ibupejabat mengenai slip gaji pekerja kepada kontraktor 6. FW04520596 - Topup Wages 7. Refund - FW04520596 8. Slip Gaji - September miswan 9. TAKLIMAT PENERANGAN PENYEDIAAN SLIP GAJI PEKERJA KONTRAK -Felda Paloh 10. Memo - Arahan Slip Gaji pekerja Kontraktor kepada Field Supervisor 11. Memo - Min Wages to Field Supervisor. <p>The estate manager is to issue a memorandum to respective person in charge to carry out the inspection every week. Estate manager will monitor the inspection activities by establish a checklist for the person in charge. Following document submitted as evidence:</p> <ol style="list-style-type: none"> a. Perlantikan Sebagai Pegawai Pemeriksa Kebersihan Perumahan dan Asrama Pekerja Ladang Felda Paloh b. SENARAI SEMAK KEBERSIHAN ASRAMA PEKERJA ASING - BLOK 3 c. SENARAI SEMAK KEBERSIHAN ASRAMA PEKERJA ASING - BLOK 4 d. SENARAI SEMAK KEBERSIHAN ASRAMA PEKERJA ASING - BLOK 2 <p>Assessment Conclusion: The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure. Effectiveness of corrective action taken will be verified in the next audit.</p>	
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	<p>The evidence produced is not suffice to close the NC and Kulim shall risk suspension of the certificate should it is not conclude in time. The certification unit decided to exclude Felda Paloh as supply base of the scope of certification due to the corrective action taken will pending till approval from Immigration Department. Termination of contract between Felda Paloh and Kulim has been submitted as evidence.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M2	<p>Requirements: Indicator 6.5.1 Documentation of pay and conditions shall be available.</p> <p>Evidence of Nonconformity: Enggang Estate (LE) & Felda Paloh Estate (FP): Few sampled workers' salary which based on mixture rate of daily work and piece-rated work were not achieved minimum wages of RM 1000/ month even though they had worked for the minimum offered days of work for that particular month:</p> <p>a) Employee No.: 617493 (RM 36.48 - September) (LE) b) Employee No.: 617476 (RM 70.54 - September and RM 12.35 - October) (LE) c) Employee No.: 617492 (RM 72.52 - August and RM 90.48 - October) (LE) d) Employee No.: 617494 (RM 58.62 - September and RM 55.88 - October) (LE) e) Employee No.: FW04520596 (RM 73.96 - September) (FP)</p> <p>Felda Paloh Estate: Document reviewed on the payslip for contract's workers found that two workers were sharing one payslip. There were total eight workers sharing four payslips and the salary it did not achieve Minimum Wages Order 2016 of RM 1000/month for each worker.</p> <p>Statement of Nonconformity: Pay and condition of the workers were not according to the requirements.</p> <p>Corrective Actions</p> <p>For Enggang Estate had refunded all amount dues to respective workers. The estate has revised piece rated rate based on new minimum wages as stipulated in revised MAPA/NUPW Collective Agreement. Briefing on minimum wages will be conducted to all field supervisor as well as contractors. The implementation of minimum wages need to be regularly monitored by all staff/field supervisor involved. Monitoring of work, working time and attendance must be properly and consistently recorded for each employees.</p> <p>Felda Paloh shall conduct a briefing to all contractors on the new ruling. The acknowledge and commitment of contractors will be recorded. All estate' and contract workers pay slip to be verified and copy of pay slip to be kept at the office for easy references. All relevant documents and prove of refunded payments has to be submitted to SSD as evidence of improvement.</p> <p>a. Felda Paloh will conduct a meeting with the respective contractors</p>	Major

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	<p>b. Briefing on the minimum wages and requirement on pay slip will be communicated to respective contractors.</p> <p>c. The contractor need to declare in the contract agreement to comply with act</p> <p>d. The management will take necessary action for compliance with the minimum wages in Felda Paloh. Any under paid will be corrected and attended in future.</p>	
	<p>Assessment Conclusion: The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure. Effectiveness of corrective action taken will be verified in the next audit.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M3	<p>Requirements: Indicator 6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>Evidence of Nonconformity: Tereh POM, Tereh Selatan Estate and Enggang Estate: Policy to protect reproductive rights of all is not available.</p> <p>Statement of Nonconformity: Policy to protect reproductive rights of all is not available.</p> <p>Corrective Actions Review will be carried out to ensure the inclusion of reproductive right in the respective policy. Submission of improvement time line has been approved by KULIM 236 EXCO Meeting.</p> <p>Assessment Conclusion: The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure.</p>	Major

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M4	<p>Requirements: Indicator 4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>Evidence of Nonconformity: However, following activities' HIRADC yet to be register :</p>	Major

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	<p>1. Construction of fertilizer store (Ladang Tereh Selatan) 2. Bio-composting plant (Ladang Tereh Mill)</p>	
	<p>Statement of Nonconformity: HIRADC was found not sufficient to cover the activities at estates and mill.</p>	
	<p>Corrective Actions All the activities within the estates and mills are to be included in the HIRARC. Both Estate and mill had included the respective activities in their HIRARC. The Estate and Mill have been update</p> <ul style="list-style-type: none"> a. HIRARC BIO-COMPOST PLANT b. HIRARC CONTRUCTION FERTILISER STORE c. ATTACHMENT - Bio compost 	
	<p>Assessment Conclusion: The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M5	<p>Requirements: Indicator 5.1.1 The environmental impact assessment (EIA) did not identify all the area and activities within estate.</p> <p>Evidence of Nonconformity: In FGV Felda Paloh estate, the identification of environmental aspects and impacts 2016 did not identify all the area such as dumpsite, office and line-site.</p> <p>Statement of Nonconformity: An environmental impact assessment (EIA) shall be documented.</p> <p>Corrective Actions</p> <ol style="list-style-type: none"> 1. Discussion on the information and identify all the related activities during of work. 2. Update all the information in EIA report. <p>Following documents updated:</p> <ul style="list-style-type: none"> a. BORANG PENGENALPASTIAN ASPEK IMPAK LADANG FGV PALOH b. KRITERIA PENGENALPASTIAN ASPEK IMPAK <p>Assessment Conclusion: The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure.</p>	Major

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M6	<p>Requirements: SCCS D5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p>	Major
	<p>Evidence of Nonconformity: During verification of the production and sales record, it was found that the sales of the certified RSPO CPO oversold via Greenpalm while the actual production only 62,306.04 MT. The details as below. Sold Physical – 33,861 MT Sold via Gpalm – 52,200 certs Total: 86,061 certs Oversold 17,754.96 certs</p>	
	<p>Statement of Nonconformity: Record and balance of all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK found incorrect.</p>	
	<p>Corrective Actions 1. Immediately purchase the oversold certificate- 17,754.96 certs . 2. Close monitoring the on the sales between actual certified CPO and through Green palm. The new palm trace system which integrated 2 system become the other tool for monitoring other than the balance sheet.</p>	
	<p>Assessment Conclusion: The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 24/12/2016. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733N1	<p>Requirements: Indicator 6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p>	Minor
	<p>Evidence of Nonconformity: The management has attended stakeholder meeting organized by Tereh Palm Oil Mill as stakeholder of Tereh Palm Oil Mill. However, Felda Paloh did not conduct stakeholder meeting for its' relevant stakeholders.</p>	

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	<p>Statement of Nonconformity: Stakeholder meeting was not conducted with the participation of suppliers, contractors and other relevant stakeholders.</p>	
	<p>Corrective Actions Felda Paloh will conduct their own stakeholder meeting (proposed date on 7th December 2016. The issue that has been highlighted during the meeting need to be communicate and action to be taken accordingly. The minute and attendance will be recorded accordingly. To provide yearly schedule for stakeholder meeting that will be verified by the Estate.</p> <p>To provide yearly schedule for stakeholder meeting that will be verified by the Estate’s Manager.</p>	
	<p>Assessment Conclusion: The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733N2	<p>Requirements: Indicator 4.7.6 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>Evidence of Nonconformity: In Enggang Estate, emergency shower at the chemical mixing area not operate effectively without switch on the valve and pump. The inventories for first aid boxes at the FGV-Ladang Paloh were insufficient. 1. Harvesting at PM98C 2. Spraying at PM98C 3. Water Treatment Plant 4. Genset Room 5. Chemical Store</p> <p>Statement of Nonconformity: The emergency procedures is not implemented effectively.</p> <p>Corrective Actions Enggang Estate: Estate to relocate the pump nearby the emergency shower. Estate to arrange training on handling emergency shower system to workers involved. Training to be recorded and documented accordingly.</p> <p>Felda Paloh: 1. Felda Paloh to appoint person in charge and provide schedule for inventory inspection of all first aid kit box. 2. Estate to update all first aid boxes with sufficient items as per act at worksites.</p>	Minor

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	Estate to ensure maintenance of first aid equipment conducted with proper records available to avoid any insufficient items in future.	
	<p>Assessment Conclusion: The certification unit decided to exclude Felda Paloh as supply base of the scope of certification. Termination of contract between Felda Paloh and Kulim has been submitted as evidence.</p> <p>The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure.</p>	

Observation	
OBS #	Description
N/A	

Positive Findings	
PF #	Description
1	The management shown good commitment towards the certification.
2	Overall stakeholders such as contractor, suppliers and local authorities for the mill and estates shown positive feedbacks towards the company.
3	High commitment of the management unit and also the sustainability team towards certification.
4	A comprehensive handbook which incorporated various policy has distributed to all workers during induction training.

Issues raised by Stakeholders
<p>Stakeholder consultation involved internal and external stakeholders. External stakeholders were contacted by telephone to arrange meetings at a location convenient to them to discuss Tereh Palm Oil Mill Certification Unit's environmental and social performance, legal and any known dispute issues.</p> <p>Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. These have been incorporated into the assessment findings.</p> <p>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</p>

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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 Appendix E.	
IS #	Description
1	Issues: Head of Local Community (Orang Asli Village) – No land dispute case was reported. They have good relationship with the management.
	Management Responses: The management will continue to monitor to ensure no any land dispute reported.
	Audit Team Findings: Site visit verified that the management has constructed trenches and demarcated the boundaries. No further issue.
2	Issues: Worker’s Representatives and NUPW representative – The management treated them equally without any discrimination. They were provided with free housing, water and electricity.
	Management Responses: The management will treat all the workers fairly.
	Audit Team Findings: No further issue.
3	Issues: Gender Committee Chairman: She informed that there was no case of sexual harassment or violence reported so far. She also has good understanding on how to lodge complaint if there is any case.
	Management Responses: The management will continue to monitor and ensure that no cases of sexual harassment happened.
	Audit Team Findings: Document reviewed on the meeting minutes and interviewed with the female workers concluded that no issue on sexual harassment happened in the mill.

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1259640M1	Requirements: 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.) shall be available in the languages understood by the workers or explained carefully to them by a management official.	Major
	Evidence of Nonconformity: Extended employment contract for the following employees were not available: i.) Passport Number AR 750502 (Employment contract expired on 12/2/2014) ii.) Passport Number AR 750501 (Employment contract expired on 14/5/2014) iii.) Passport Number AR 471249 (Employment contract expired on 6/5/2014)	

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	<p>Statement of Nonconformity: Extended employment contract for foreign workers were not available for those extended their employment with the operating units.</p>	
	<p>Corrective Action: 1) Sustainability Department have come out the standard form and was sent to all operating units to complete the form on 16/11/2015 and emailed back to Sustainability on 23/11/2015. Evidence for Ladang Tereh Palm Oil Mill as follows:</p> <ul style="list-style-type: none"> a. TRHPOM.001 – Extended Workers Employment Contract Form b. TRHPOM.002 – Attendance briefing of extended employee c. TRHPOM.002 – Completed Extended Worker Passport Number AR 750502 d. TRHPOM.002 – Completed Extended Worker Passport Number AR 750501 e. TRHPOM.002 – Completed Extended Worker Passport Number AR 471249. 	
	<p>The major non-conformity was closed out on 2/1/16.</p>	
	<p>Assessment Conclusion: During ASA3, all the employment contract already updated effectively. No recurrence issue on the extension employment contract.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1259640M2	<p>Requirements: Indicator 2.1.1 Evidence of compliance with relevant legal requirements shall be available. Applicable legal requirements:</p> <ul style="list-style-type: none"> 1) Environmental Quality (Scheduled Waste) Regulations 2005; Sub-regulations 9 (5) & 10 (1) 2) Badan Kawalselia Air Johor (BAKAJ) river water abstract or divert license no.: 07/A/Klg/050 & 07/A/Klg/051 <p>Evidence of Nonconformity:</p> <ul style="list-style-type: none"> 1) The records and visit to scheduled waste store at S. Tawing Estate found scheduled wastes (SW102, SW305, SW307, SW408, SW409 & SW410) have been generated and stored since 30/9/2014 after the last disposal date which has exceed the storage limit period of 180 days and without proper labelling information 2) Records in both Sg. Sembrong and Sg. Tawing shown that the consumption of water has exceeded the daily limit of river water abstract or divert license by BAKAJ <p>Statement of Nonconformity: Evidence of compliance with relevant legal requirements were not effectively implemented.</p> <p>Corrective Action:</p> <ul style="list-style-type: none"> 1) Sungai Tawing Estate have disposed the scheduled waste to Kualiti Alam. Evidence of waste disposal records were: <ul style="list-style-type: none"> a) Confirmation date from Kualiti Alam to collect the schedule waste b) Consignment Note for schedule waste c) Schedule Waste Disposal Planning For 2016 d) Monthly Schedule Waste Monitoring Checklist 	Major

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	<p>e) Training related for the waste disposal</p> <p>2) Property Department submitted the renewal license application for 2016 which based on the accurate consumption for both estates. a) Submission for renewal BAKAJ 2016 completed.</p> <p>The major non-conformity was closed out on 2/1/16.</p>	
	<p>Assessment Conclusion: During ASA3, all the license and requirement have been complied effectively. No recurrence issue on similar issue.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1259640N1	<p>Requirements: Indicator 2.1.4 A system for tracking any changes in the law shall be implemented.</p> <p>Evidence of Nonconformity: Tereh Mill: Factories and Machinerics Act 1967, Person In Charge Regulations (amendment) 2014 and Industrial Code of Practice (ICOP) for Confined Space was not updated in the legal register dated 1/10/15. Wawasan Estate: Animal Act 1953</p> <p>Statement of Nonconformity: System for tracking any changes in the law was not effectively implemented.</p> <p>Corrective Action: The latest amendment of applicable legal and other requirement updated in the legal register by Sustainability Department and Kulim Safety Training & Services.</p> <p>Assessment Conclusion: During ASA3, all the applicable legal and other requirement updated in the legal register. No recurrence issue on similar issue. Thus minor NC was closed out on 25/11/16.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1259640N2	<p>Requirements: Indicator 4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.</p> <p>Evidence of Nonconformity: No evidence of periodic tissue and soil sampling carried out by Wawasan Estate.</p>	Minor

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	<p>Statement of Nonconformity: There was no evidence of periodic tissue and soil sampling to monitor changes in nutrient status</p>	
	<p>Corrective Action: Kulim agronomist department assisting Wawasan Estate to carry out baseline tissue and soil sampling test. The test report (LE/1512/0244-0247) has been submitted as the evidence.</p>	
	<p>Assessment Conclusion: During ASA3, the periodic tissue and soil sampling has been carried out accordingly. No recurrence issue on similar issue. Thus minor NC was closed out on 25/11/16.</p>	



Observation	
OBS #	Description
N.A	

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
CR04	Minor	21/01/2010	Closed on 10/01/2011
CR012	Major	10/12/2013	Closed on 06/02/2014
CR013	Major	10/12/2013	Closed on 25/01/2014
CR014	Minor	10/12/2013	Closed on 25/01/2014
1135913M1	Major	9/12/2014	Closed on 7/02/2015
1259640M1	Major	10/11/2015	Closed on 2/01/2016
1259640M2	Major	10/11/2015	Closed on 2/01/2016
1259640N1	Minor	10/11/2015	Closed on 25/11/2016
1259640N2	Minor	10/11/2015	Closed on 25/11/2016
1410733M1 – 2.1.1	Major	25/11/2016	Closed on 23/1/2017
1410733M2 – 6.5.2	Major	25/11/2016	Closed on 23/1/2017
1410733M3 – 6.9.2	Major	25/11/2016	Closed on 23/1/2017
1410733M4 - 4.7.2	Major	25/11/2016	Closed on 23/1/2017
1410733M5 – 5.1.1	Major	25/11/2016	Closed on 23/1/2017
1410733M6 – SCCS D5.1	Major	25/11/2016	Closed on 24/12/2016
1410733N1 – 6.2.3	Minor	25/11/2016	“Open”
1410733N2 – 4.7.6	Minor	25/11/2016	“Open”

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Assessment Conclusion and Recommendation:

<p>Based on the findings during the assessment Tereh Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C Malaysian National Interpretation (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Tereh Palm Oil Mill Certification Unit is approved and continued.</p>	
Acknowledgement of Assessment Findings	Report Prepared by
<p>Name: Salasah Elias</p>	<p>Name: Hoo Boon Han</p>
<p>Company name: Kulim (Malaysia) Berhad</p>	<p>Company name: BSI Services Malaysia Sdn. Bhd.</p>
<p>Title: Deputy General Manager</p>	<p>Title: Lead Auditor</p>
<p>Signature:</p>  <p>Date: 6 FEB 2017</p>	<p>Signature:</p>  <p>Date: 24 Jan 2017</p>

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
Criterion 1.1:			
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSP0 Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSP0 Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p>	<p>Adequate information covering on environmental, social and legal issues which are relevant to RSP0 Criteria and relevant to stakeholders is shared for effective participation and decision making. Information on environmental, social and legal issues relevant to RSP0 Criteria was made available to relevant stakeholders for effective participation in decision making.</p> <p>In company website (http://www.kulim.com.my/), publicly available documents such as OSH plan, HCV documents, negotiation procedure, complaint records, sustainability handbook and report, EIA, Management Plans & Continuous Improvement Plans. Other sensitive information such as land title and etc will be provided upon request.</p>	Complied
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>-Major compliance</p>	<p>All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed. In the mill, there is an enquiry register record. For example, the latest enquiries dated 21 July 2016, SK Landang Tereh School had requested for sponsor during Hari Raya 2016. Inspection Record by Department of Environment sighted during onsite visit.</p> <p>In Tereh Selatan estate, enquiry register record made available during onsite visit. On 10 Oct 2016, there were requisition for job application within the plantation area. The management have hired the qualified candidates as where there are position available. Similar records available in other estates, i.e.:</p> <p>a. Enggang estate: request photo on genset from EPA Management dated 5 April 2016</p> <p>In Felda Paloh estate, request for information and responses registered at "Rekod Permohonan Dan Maklumbalas".</p>	Complied
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.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>1.2.1</p> <p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance –</p>	<p>There is a SPO Transparency Program under Kulim Malaysia Berhad. The procedure is to ensure that documents if to be release and made publicly available are readily available.</p> <p>The Corporate Dept will ensure that the following documents are available if requested and they do not impinge on confidentiality and will not cause detrimental sustainability or social outcoments.</p> <p>Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Land title (held as hard copy by the property department) • Health and safety plan • Plans and impact assessment- environmental & social • Pollution prevention plans • Details of complaints and grievances • Negotiation procedures • Continuous improvement plan • Biodiversity plans • Policy documents (sustainability handbook) <p>In addition to the website, the policies were also displayed at various locations at the operating units including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p> <p>Records such as enquiry register and record of government visit documented the visit or request from the stakeholders. For example, JKKP visit dated 11 Jan 2016.</p>	<p>Complied</p>
<p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p>		
<p>1.3.1</p> <p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p>	<p>Kulim Malaysia Berhad has established policy on code of ethical conduct and integrity which covers all operations in the plantation operation under Corporate Policy Statement dated 11 February 2015. Besides, the Operation Director of Kulim (Malaysia) Berhad Policy also signed on the integrity pledge on 7 Jan 2014 to set the "Tone from the Top" and oblige all members of the organization to likewise behave with integrity and carry on their responsibilities ethically.</p> <p>The policy displayed on the notice board and communicated to employees.</p> <p>In Tereh Palm Oil Mill, policy training had provided to all the workers on 20 Nov2016. Attendance list and signed of code of business conduct sighted during onsite visit. Interviewed with employees reveal that they are aware of the policy. Similar training conducted in other estates, i.e. Tereh Utara estate- 2 July 2016; Enggang Estate- 27 Oct 2016</p> <p>In Felda Paloh Estate, a separate Policy for Code of Ethical and Integrity which issued on 1 June 2014 made available during onsite visit.</p>	<p>Complied</p>
<p>Principle 2: Compliance with applicable laws and regulations</p>		

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Criterion / Indicator	Assessment Findings	Compliance
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.		
2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -	<p>Legal register covering the applicable local and international laws and regulations are available. Compliance to each applicable law and regulation is monitored by the operating units and head office sustainability team.</p> <p>Among licences and permits sighted at the visited operating unit were:</p> <p><u>Tereh Palm Oil Mill</u></p> <ul style="list-style-type: none"> - MPOB license 500048604000; expiring in 31 May 2017 - DOE Licence: No License 004685 (validity period 1/7/2016 - 30/6/2017) for 60MT/hr and method of POME discharge is furrow system and slurry application with BOD 5000mg/l final discharge limit and composting EFB - River water extraction license permit (No: 08/A/Klg/040) - Certified environmental professional in the treatment of palm oil mill effluent (CePPOME/16029) - Weighbridge calibration (License: B965345 and License B965550) - Permit Barang Kawalan Berjadual- Storage of Diesel (no: J020217) <p><u>Tereh Selatan Estate</u></p> <ul style="list-style-type: none"> - MPOB license 501674902000; expiring in 30 April 2017 - Permit Barang Kawalan Berjadual- Storage of Diesel (no: J025093; expiring 27 May 2017) - Weighbridge calibration (License: B966769) - Air Compressor License- JH PMT 20401 expiring 29 August 2017 - SPAN License- SPAN/EKS/(PT)/800-4(1)/3/14- 31 Jan 2017 - BAKAJ License- 07/A/Klg/049 expiring 31 Dec 2016 <p><u>Enggang Estate</u></p> <ul style="list-style-type: none"> - MPOB license 504229402000; expiring in 31 July 2017 - Permit Barang Kawalan Berjadual- Storage of Diesel (no: J025089; expiring 11 Apr 2017) - Air Receiver Tank License- JH PMT 21933 expiring 29 August 2017 - SPAN License- SPAN/EKS/(PT)/800-4(1)/4/14- 31 Jan 2017 - BAKAJ License- 07/A/Klg/021 expiring 31 Jan 2017 	<p>Major nonconformance</p>

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Criterion / Indicator	Assessment Findings	Compliance
	<p><u>Felda Paloh Estate</u></p> <ul style="list-style-type: none"> - MPOB license 560025002000; expiring in 31 March 2017 - Permit Barang Kawalan Berjadual- Storage of Diesel (no: J027579; expiring 05 Sep 2017) <p>Working permit of the sampled workers below were found expired:</p> <ul style="list-style-type: none"> a) Passport No.: AT306629 expired on 1/7/2015 b) Passport No.: AT306813 expired on 1/7/2015 c) Passport No.: AT199571 expired on 1/7/2015 a) Passport No.: AT199297 expired on 1/7/2015 b) Passport No.: AR656757 expired on 1/7/2015 c) Passport No.: A9091302 expired on 1/7/2015 d) Passport No.: AP846439 expired on 31/7/2015 e) Passport No.: AS928155 expired on 12/11/2014 <p>The management has followed-up with Labour Department of FGV on 9/6/2016 for the renewal of permit. However, no response from the department.</p> <p>According to Workers’ Minimum Standards of Housing and Amenities Act 1990, section 23 sub-section (2) “It shall be the duty of the employer to ensure that all buildings used for the housing of workers, nurseries or community halls are visited and inspected weekly by an estate hospital assistant registered under the Estate Hospital Assistants (Registration) Act 1965 [Act 435] or any other responsible person authorized by the employer...”. However, the inspection was carried out on bi-weekly where it did not comply with the requirement. The inspection was conducted on 5/10/2016, 19/10/2016, 6/11/2016 and 22/11/2016.</p> <p>Thus, a major non-compliance was raised.</p>	

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Criterion / Indicator	Assessment Findings	Compliance
2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	<p>All operating units maintain documented system for identifying, evaluating, reviewing and updating applicable regulations and other requirements. Legal and Other Requirement Register dated 1-Aug-16 was sighted at the visited operating units. For example,</p> <ul style="list-style-type: none"> i. Minimum Wages Order 2016 ii. Minimum Retirement Act 2012 iii. SPAN license conditions iv. BAKAJ license conditions v. Factory and Machinery Act Amendment 2014 vi. CLASS Regulations 2013 vii. Compliance Schedule @ "Jadual Pematuhan" for Pasir Panjang Mill, license# 004649 viii. Details of other applicable regulations and sub-regulations under FMA 1967 and OHS 1994. ix. Industrial Code of Practice for Confined Space 2010. <p>Similar legal register sighted in the estates including Tereh Selatan and Enggang estates. For FGV Felda Paloh, the register of legal and other requirements (no:ML-1A/L5-AP19 Pind 0) update on 1 June 2016.</p>	Complied
2.1.3 A mechanism for ensuring compliance shall be implemented. - Minor compliance -	<p>Evaluation of legal requirements and compliance status with legal requirement is monitored by operating units, Sustainability Team, OHS Department and head office audit Department.</p> <p>Besides, the internal audit conducted by the sustainability team from HQ will able to check on the compliance status of the operating unit. The latest internal audit for Ladang Tereh POM conducted on 21 April 2016; Enggang Estate- 26 Sep 2016; FGV Felda Paloh- 10 Oct 2016 and 12 July 2016.</p>	Complied
2.1.4 A system for tracking any changes in the law shall be implemented. - Minor compliance -	<p>Tracking system available to identify changes in the relevant regulations through head office, sustainability team, website information and the information are communicated from the Head Office. Kulim (Malaysia) Berhad have centralised system for tracking any changes in the law.</p>	Complied
<p>Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		

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Criterion / Indicator	Assessment Findings	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -</p>	<p>Similar to last assessment, land ownership such as land title and land lease documents is available. There is no change in the land ownership. All the land belongs to Kulim (Malaysia) Berhad. Sampled of land title sighted at the visited operating units:</p> <p><u>Tereh Selatan Estate</u> Hold 2 land titles (HS (D)23795; PTD 4610, HS(D)8856; PTD4142) and 2 land titles shared with Tereh Utara Estate (HS(D)5660, PTD4609; HS(D)6766, PTD3326).</p> <p><u>Enggang Estate</u> Hold 1 land titles- HS(D)8847, PTD 2057 and 1 land title shared with Selai estate- HS(D)8848, PTD3081</p> <p><u>FGV Felda Paloh</u> Hold 5 land titles; sample: H.S.(D) 42853; H.S.(D) 42851</p>	<p>Complied</p>
<p>2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -</p>	<p>Legal boundary well maintain as observed in the field.</p> <p>Inspection of a sample of the boundary stones at Tereh Ladang Selatan and Enggang estates confirmed boundary stones and boundary pegs and were continuously maintained visibly. At Tereh Selatan Estate, visited to boundary stone P07/03 (2°08'57.9"; 103°20'35.7") and P08/03 (2°07'40.0" and 103°18'50.3").</p> <p>Boundary pegging sighted at following block: a. Enggang Estate- Block P06/01</p>	<p>Complied</p>
<p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -</p>	<p>At Tereh Selatan Estate, after the land survey conducted by surveyor- Sahabat Ukur in 2013, total 12 plots were found overlap with the estate land lot 2552. The overlap area size was 1.0898 ha. These area located in block P08/01.</p> <p>Review on land ownership, records, meeting minutes and interviewed with relevant smallholder confirmed that the land overlap issue had resolved accordingly.</p> <p>No compensation been during the process as the overlap due to overplant by the smallholder to the estate area. Meeting minutes with smallholder dated 26 July 2016 sighted during onsite visit.</p>	<p>Complied</p>
<p>2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance</p>	<p>Review on land ownership, records, meeting minutes and interviewed with relevant smallholder confirmed that the land overlap issue had resolved accordingly.</p> <p>The land belongs to Kulim Malaysia Berhad and land ownership documents verified.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance	
2.2.5	<p>For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance</p>	<p>Review on land ownership, records, meeting minutes and interviewed with relevant smallholder confirmed that the land overlap issue had resolved accordingly. The overlap areas has been identified by the surveyor- Sahabat Ukur in 2013, total 12 plots were found overlap with the estate land lot 2552. The overlap area size was 1.0898 ha. These area located in block P08/01.</p> <p>The land belongs to Kulim Malaysia Berhad and land ownership documents verified.</p>	Complied
2.2.6	<p>To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance</p>	<p>Review on land ownership, records, meeting minutes and interviewed with relevant smallholder confirmed that the land overlap issue had resolved accordingly.</p> <p>The land belongs to Kulim Malaysia Berhad and land ownership documents verified.</p>	Complied
<p>Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.</p>			
2.3.1	<p>Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -</p>	<p>The estate lands are legally owned by the Kulim (M) Berhad and FGV Group. The existing estates are not encumbered by any customary land rights. In Tereh Selatan Estate, smallholders were encroached to the land of company. Details refer to criteria 2.2.3.</p>	Complied
2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -</p>	<p>The estate lands are legally owned by the Kulim (M) Berhad and FGV Group. The existing estates are not encumbered by any customary land rights. In Tereh Selatan Estate, smallholders were encroached to the land of company. Details refer to criteria 2.2.3.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance																						
2.3.3	All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	The estate lands are legally owned by the Kulim (M) Berhad and FGV Group. The existing estates are not encumbered by any customary land rights. In Tereh Selatan Estate, smallholders were encroached to the land of company. Details refer to criteria 2.2.3.	Complied																					
2.3.4	Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	The estate lands are legally owned by the Kulim (M) Berhad and FGV Group. The existing estates are not encumbered by any customary land rights. In Tereh Selatan Estate, smallholders were encroached to the land of company. Details refer to criteria 2.2.3.	Complied																					
Principle 3: Commitment to long-term economic and financial viability																								
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.																								
3.1.1	A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -	LTPOM has established and implemented its commitment to long term sustainability and improvements through a capital expenditure programme. Budget and 5 years management plan (projections 2018- 2022) was verified during the audit. Ladang Tereh Mill and supply bases have made progress towards achieving their performance production targets for the current financial year.	Complied																					
3.1.2	An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance –	The replanting programme was established. Sighted Replanting Programme 2016-2041: <table border="1" data-bbox="651 1151 1129 1366"> <thead> <tr> <th>Year</th> <th>Estate</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>LTS</td> <td>-</td> </tr> <tr> <td>2017</td> <td></td> <td>264.60</td> </tr> <tr> <td>2018</td> <td></td> <td>-</td> </tr> <tr> <td>2019</td> <td></td> <td>-</td> </tr> <tr> <td>2016-2030</td> <td>LE</td> <td>-</td> </tr> <tr> <td>2016-2020</td> <td>FGV Ladang</td> <td>-</td> </tr> </tbody> </table>	Year	Estate	Ha	2016	LTS	-	2017		264.60	2018		-	2019		-	2016-2030	LE	-	2016-2020	FGV Ladang	-	Complied
Year	Estate	Ha																						
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2017		264.60																						
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2016-2030	LE	-																						
2016-2020	FGV Ladang	-																						
Principle 4: Use of appropriate best practices by growers and millers																								
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.																								

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.1</p> <p>Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -</p>	<p>Quality Manual (LTM/QM), dated:1/9/14 and Standards Operating Procedure (LTM/SOP), dated: 10/12/12 for LTPOM was established to cover all the station. Sighted some of the procedure related to loading ramp, sterilization station, threshing and press station, clarification station, kernel station, depericarper station, kernel station, effluent treatment plant, boiler house, power house, water treatment palnt and etc.</p> <p>Work Instructions have been derived from SOPs and are posted at work stations at the mill and at certain locations at the estates, such as the Muster Notice Boards. Eg: Landfill Management Guidelines, WI: Labelling, Handling, storage and disposal of Scheduled Waste, WI: Cleaning/Desilting of Sludge Pit and mixing ponds, WI: Waste Management, WI: Handling of chemicals, WI: Disposal of used containers and worn tyres, WI: Usage of hearing devices, WI: Control of diesel consumption, WI: Control of water consumption, WI: Emergency Response Procedure for Injuries/ Fire and Boiler, SOP: Fogging, SOP: Working at Height, SOP: Oxy-Acetylene Set, SOP for Welding Set, WI:Control of boiler black smoke emission, and etc.</p> <p>Kulim (M) Berhad Agricultural Manual has established covers Replanting, roads drains Bridges culverts and fences, construction of estate building, manuring including POME and Bio compost, harvesting, pruning and ablation, soil conservation, justification of chemical use, weed management, integrated pest management and plant diseases. There are 19 SOPs and 18 WI's covering all aspects of oil palm management.</p> <p>For FGV Ladang Paloh, the agriculture manual (Manual Ladang Sawit Lestari: MLSL (Ed.2)) was established to cover all the estate activities including Nursery, Replanting, Immature Oil Palm, Mature Oil Palm, Manuring and the procedure for Buffalo Assisted Harvesting.</p>	<p>Complied</p>
<p>4.1.2</p> <p>A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -</p>	<p>Internal Audit was conducted twice a year by Sustainability department, the latest internal audit was conducted on 29/9/16 (LTM), 29/9/2016 (LTS), 28/9/16 (LTU), 26/9/16 (LE) and 10/10/16 (FGV Ldg Paloh) to cover the entire criterion stated in the standard.</p> <p>Mill Inspectorate Visit for Ladang Tereh Mill (LTM) was conducted on 28/9/2016 by Hj Mohd Jaafar Abu Bakar (Mill Inspector).</p> <p>Plantation Inspectorate visit at Tereh Selatan Estate was conducted on 30/8/2016 by Tn. Hj Mohd Yassin Hamzah.</p> <p>Plantation Inspectorate visit Ladang Enggang (LE) was conducted on 20/9/2016 by Tn. Hj Mohd Yassin Hamzah.</p> <p>General Manager visit at FGV Ladang Paloh was conducted on 7/6/16 by En. Mohamed Salmee Mohamed Saad.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	Complied
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	Complied
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
4.2.1	<p>There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -</p> <p>Kulim (M) Berhad Agriculture Manual has established covers Replanting, roads drains Bridges culverts and fences, construction of estate building, manuring, harvesting, pruning and ablation, soil conservation, justification of chemical use, weed management, integrated pest management and plant diseases. There are 19 SOPs and 18 WI's covering all aspects of oil palm management. The related SOP, namely Leaf and Soil Sampling Notes procedure was sighted.</p> <p>All estates operate in accordance with the Agriculture Manual and standard operating procedures. The practices consistently monitored by estate operation management and estate inspectorate. The recommendations for improvements are given to maintain the sustainable practices.</p> <p>For FGV Ladang Paloh, the agriculture manual (Manual Ladang Sawit Lestari: MLSL (Ed.2)) was established to cover all the estate activities including Nursery, Replanting, Immature Oil Palm, Mature Oil Palm, Manuring and the procedure for Buffalo Assisted Harvesting.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.2.2 Records of fertiliser inputs shall be maintained. - Minor compliance -</p>	<p>Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators.</p> <p><u>Tereh Selatan Estate</u> Agronomist report by R&D department dated 3/11/2015, fertilizer recommendation 2016 was done by agronomist :</p> <ol style="list-style-type: none"> 1. AS : 788.41 mt 2. ERP: 288.92 mt 3. HGFB: 11.44mt 4. Kieserite: 104.88 mt 5. MIX 1: 947.73 mt 6. MIX2⁺ B:345.62 mt 7. MOP: 597.58mt <p>The latest application was carried out at P06 Block 4 (LTS) on 10/10/16 for MOP (1.25kg/palm).</p> <p><u>Enggang Estate</u> Agronomist report by R&D department dated 18/1/2016, fertilizer recommendation 2016 was done by agronomist :</p> <ol style="list-style-type: none"> 1. AS : 350.18 mt 2. FPM4: 492.54mt 3. Mix 2⁺ B: 545.84mt 4. MOP:172.94mt 5. KIES:103.50mt 6. ERP:139.22mt <p>The latest application was carried out at P13 Block 4 (LE) on 23/11/16 for Mix⁺ 1(2kg/palm).</p> <p><u>FGV-Paloh Estate</u> Agronomist report by FASSB, fertilizer recommendation 2016 was done by agronomist :</p> <ol style="list-style-type: none"> 1. NK27:737.85 mt 2. ERP: 135.65 mt 3. KIS:114.05 mt <p>The latest application was carried out at P98B on 13/9/16 for NK Mix (1.9kg/palm).</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance																		
<p>4.2.3</p> <p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -</p>	<p>Leaf and soil nutrient analysis are commonly used in the diagnosis of fertilizer requirements in oil palms. The frequency for leaf sampling must be conduct for every year while for soil analysis, the frequency for soil sampling is conducted at 5 years intervals (Leaf and Soil Sampling Notes Procedure-Kulim (M) Bhd and Leaf Sampling Analysis-FGV). The procedure Leaf Sampling Analysis by FGV Ladang Paloh was described on the method to conducted leaf and soil sampling.</p> <p><u>Tereh Selatan Estate</u></p> <p>Foliar analysis was conducted on 3-17/3/16 and the samples were sent to UTCL Laboratory for tested. The foliar analysis report (L1/1603/LTS/0230-0236, 0266-0268) dated 20/3/16 was sighted</p> <p>Soil analysis was conducted on 28/2/16 by UTCL Laboratory. The soil analysis reports (SI/1603/0037-0048 dated 17/3/16) was sighted.</p> <p><u>Enggang Estate</u></p> <p>Foliar analysis was conducted on 22/3-4/4/16 and the samples were sent to UTCL Laboratory for tested. The foliar analysis report (L1/1604/EGG/0328-0330, 0358-0361, 0368-0370) dated 7/4/16 was sighted.</p> <p>Soil analysis was conducted on 24/3/16 by UTCL Laboratory. The soil analysis reports (SI/1604/0081-0084, dated 14/4/16) was sighted.</p> <p><u>FGV – Paloh Estate</u></p> <p>Leaf and Soil nutrient levels analysis was conducted on 21/4/15 by Agronomist, FASSB. The analysis report was sighted.</p>	<p>Complied</p>																		
<p>4.2.4</p> <p>A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -</p>	<p>POME and composting were applied as per agricultural manual:</p> <ol style="list-style-type: none"> D05: EFB Utilization at rate 50mt/ha. D06:POME Utilization using tractor tanker and furrow system at 17mt/ha or 125kg/palm D08: Biocompost application at the rate of 7mt/ha or 50kg/palm on selected area. <table border="1" data-bbox="651 1574 1225 1727"> <thead> <tr> <th>Date</th> <th>Tonnage</th> <th>Type</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>20/11/16</td> <td>46.83 mt</td> <td>compost</td> <td>LTS</td> </tr> <tr> <td>13/11/16</td> <td>72mt</td> <td>POME</td> <td rowspan="3">LE</td> </tr> <tr> <td>17/8/16</td> <td>13.27mt</td> <td>Compost</td> </tr> <tr> <td>5/11/16</td> <td>20.76mt</td> <td>EFB</td> </tr> </tbody> </table>	Date	Tonnage	Type	Estate	20/11/16	46.83 mt	compost	LTS	13/11/16	72mt	POME	LE	17/8/16	13.27mt	Compost	5/11/16	20.76mt	EFB	<p>Complied</p>
Date	Tonnage	Type	Estate																	
20/11/16	46.83 mt	compost	LTS																	
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5/11/16	20.76mt	EFB																		
<p>Criterion 4.3: Practices minimise and control erosion and degradation of soils.</p>																				

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Criterion / Indicator	Assessment Findings	Compliance																																										
<p>4.3.1 Maps of any fragile soils shall be available. - Major compliance -</p>	<p>Soil series map available for both estates visited. No other soil categorised as problematic or fragile soil. Sighted the type of soil available at LTS, LE and FGV LP.</p> <table border="1" data-bbox="651 477 1289 1111"> <thead> <tr> <th>No.</th> <th>Type of Soil</th> </tr> </thead> <tbody> <tr><td>1</td><td>Siri Sogomana</td></tr> <tr><td>2</td><td>Siri Renggam</td></tr> <tr><td>3</td><td>Siri Tebok</td></tr> <tr><td>4</td><td>Siri Bungor</td></tr> <tr><td>5</td><td>Siri Tai Tak</td></tr> <tr><td>6</td><td>Batang Merbau</td></tr> <tr><td>7</td><td>Siri Lubok Sendong</td></tr> <tr><td>8</td><td>Siri Chermin</td></tr> <tr><td>9</td><td>Siri Tepus</td></tr> <tr><td>10</td><td>Tok Yong</td></tr> <tr><td>11</td><td>Harimau</td></tr> <tr><td>12</td><td>Kechor</td></tr> <tr><td>13</td><td>Pelepah</td></tr> <tr><td>14</td><td>Holyrood</td></tr> <tr><td>15</td><td>Binjai</td></tr> <tr><td>16</td><td>Tepus</td></tr> <tr><td>17</td><td>Chempaka</td></tr> <tr><td>18</td><td>Lating</td></tr> <tr><td>19</td><td>Masai</td></tr> <tr><td>20</td><td>Malacca</td></tr> </tbody> </table>	No.	Type of Soil	1	Siri Sogomana	2	Siri Renggam	3	Siri Tebok	4	Siri Bungor	5	Siri Tai Tak	6	Batang Merbau	7	Siri Lubok Sendong	8	Siri Chermin	9	Siri Tepus	10	Tok Yong	11	Harimau	12	Kechor	13	Pelepah	14	Holyrood	15	Binjai	16	Tepus	17	Chempaka	18	Lating	19	Masai	20	Malacca	<p>Complied</p>
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20	Malacca																																											
<p>4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -</p>	<p>Recently immature area, the establishment of legume cover crop is well established. Field inspection showed groundcover with soft grass and soft weeds and planting of guatemala grass. There is no significant erosion risk was noted during the field visit. Terracing has been constructed to reduce the soil erosion. There are no peat soils or soil categorised as problematic or fragile soil at both estates.</p>	<p>Complied</p>																																										
<p>4.3.3 A road maintenance programme shall be in place. - Minor compliance -</p>	<p>Estates has implemented annual road maintenance programme. Example of programme checked at both Estate shows the map indicating road repairs and maintenance for the whole estate roads including probase road maintenance.</p>	<p>Complied</p>																																										
<p>4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -</p>	<p>There is no peat soil or soil categorised as problematic or fragile soil at both estates. Refer the email dated 23/11/2016 from Sr. Agronomist, the soil in Enggang Estate was not considered as peat land because the soil is the mixture of clay (alluvium). However, the agronomist suggesting that the estate to place weirs to control water table. During site visit, the weirs were constructed as per recommendation by agronomist at P2011.</p>	<p>Complied</p>																																										
<p>4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -</p>	<p>There is no peat soil or soil categorised as problematic or fragile soil at both estates. Refer the email dated 23/11/2016 from Sr. Agronomist, the soil in Enggang Estate was not considered as peat land because the soil is the mixture of clay (alluvium). However, the agronomist suggesting that the estate to place weirs to control water table. During site visit, the weirs were constructed as per recommendation by agronomist at P2011.</p>	<p>Complied</p>																																										

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Criterion / Indicator	Assessment Findings	Compliance	
4.3.6	<p>A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils).</p> <p>- Minor compliance -</p>	<p>There is no peat soil or soil categorised as problematic or fragile soil at both estates. Refer the email dated 23/11/2016 from Sr. Agronomist, the soil in Enggang Estate was not considered as peat land because the soil is the mixture of clay (alluvium). However, the agronomist suggesting that the estate to place weirs to control water table. During site visit, the weirs were constructed as per recommendation by agronomist at P2011.</p>	<p>Complied</p>
<p>Criterion 4.4: Practices maintain the quality and availability of surface and ground water.</p>			
4.4.1	<p>An implemented water management plan shall be in place.</p> <p>- Minor compliance -</p>	<p>Tereh Operating units monitor water quality of outgoing waters to identify any adverse effect from the mill and estate activities. There is an Integrated Water Management Plan which has been implemented. The plan takes into account the efficient use of resources, ensure amongst other that the use of water did not impact on other users, avoid contamination of ground and surface water, and appropriate treatment of mill effluent. The sampling analysis has been conducted for both outgoing water and drinking water. Drinking water sampling was done for raw & treated water quality. Sampled records of upstream and downstream water analysis by UTCL Laboratory on 9/10/2015; report # WI/1610/0840-0842 & WI/1609/0720-0722.</p> <p>The mill has maintained monitoring records of water usage which recorded every day and summarised on monthly basis including the monitoring of rainfall water, which has been an alternative source of water as mitigation plan during draught season. Rainfall for period from Jan to Oct 2015 recorded at 1024mm.</p> <p>For Enggang Estate, the sampling analysis has been conducted for both incoming/outgoing water and drinking water. Drinking water sampling was done for raw & treated water quality. Sampled records of drinking water analysis taken by Decagon Lab & Analytical Testing Sdn. Bhd. on 4/10/16; report# LW/1119/16; dated 14/10/16. The results shown the water quality parameters including pH, Turbidity, Al, Cl₂, total Coliform and E. Coli contents are within regulation limit for drinking water. Sampled records of incoming/outgoing water analysis taken by UTCL Laboratory on 6/10/16; report # WI/1610/0815-0818; dated 19/10/16. The results have shown no significant changes on the BOD, COD, total dissolved solid, nitrate nitrogen and phosphorus on the downstream as compared to the upstream result.</p> <p>For FGV-Paloh Estate, the sampling has been done for both drinking and inlet/outlet water. Sampled analysis report checked, report # WE/1608/0063-0067; dated 10/8/16 analysed by UTCL Lab for sample taken on 27/7/16. Sampled records of drinking water analysis taken by UTCL Laboratory on 27/7/16; report#WE/1608/0063-0065(1); dated 18/8/16. The results shown the water quality parameters including pH, Turbidity, Al, Cl₂, total Coliform and E. Coli contents are within regulation limit for drinking water.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance																				
4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -	<p>Agricultural Manual-A17: Protection of Natural water Courses, dated 1/7/13 established and describe as following:</p> <table border="1"> <thead> <tr> <th>River width</th> <th>Reserve Area on Each Side</th> </tr> </thead> <tbody> <tr> <td>< 5 meter</td> <td>2.5 meter</td> </tr> <tr> <td>5-10 meter</td> <td>5 meter</td> </tr> <tr> <td>10-20 meter</td> <td>10 meter</td> </tr> <tr> <td>20-40 meter</td> <td>20 meter</td> </tr> <tr> <td>> 40 meter</td> <td>25 meter</td> </tr> </tbody> </table> <p>During site visit at P14/4, the management maintained the buffer zone in accordance with the Agriculture Manual.</p>	River width	Reserve Area on Each Side	< 5 meter	2.5 meter	5-10 meter	5 meter	10-20 meter	10 meter	20-40 meter	20 meter	> 40 meter	25 meter	Complied								
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4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	Treatment of mill effluent carried out as per SOP and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD) is monitored. The mill effluent has been analysed for BOD on monthly basis and the result found was found complied to the DOE permit of <5000mg/L. Sampled checked was on Aug-Oct 2016 were 583mg/L (report # EI/1610/1124-1127; dated 25/10/16), 685mg/L (report # EI/1609/1008-1011; dated 21/9/2015) and 399mg/l (report # EI/1608/0875-0878; dated 22/8/2016) respectively analyse by UTCL Laboratory of Mahamurni Plantations Bhd.	Complied																				
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	<p>Tereh Palm Oil Mill monitored its water consumption on monthly basis for the source of water supply for its mill process usage.</p> <p>Total water consumed for the period from Jan to October 2016 was 0.67 m³/mt FFB processed.</p>	Complied																				
<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>																							
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	<p>IPM Manual includes the planting of beneficial plants and control of damage by rodents, leaf-eaters, orytes and natural enemies. Beneficial plants such as Turnera subulata, Antigonon leptopus and Cassia Cobanensis are grown in the estates. Records of planting of new areas and maintenance of existing areas of beneficial plants, location maps and barn owl census are available.</p> <table border="1"> <thead> <tr> <th></th> <th>Distance</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Beneficial Plant</td> <td>47 chain</td> <td>LTS</td> </tr> <tr> <td>36 chain</td> <td>LE</td> </tr> <tr> <td>8.6 chain</td> <td>FGV-LP</td> </tr> </tbody> </table> <p>The occupancy rate for Barn owl box on Sept 2016.</p> <table border="1"> <thead> <tr> <th></th> <th>Occupancy rate</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Barn owl</td> <td>75 %</td> <td>LTS</td> </tr> <tr> <td>80 %</td> <td>LE</td> </tr> <tr> <td>82 %</td> <td>FGV-LP</td> </tr> </tbody> </table>		Distance	Estate	Beneficial Plant	47 chain	LTS	36 chain	LE	8.6 chain	FGV-LP		Occupancy rate	Estate	Barn owl	75 %	LTS	80 %	LE	82 %	FGV-LP	Complied
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Criterion / Indicator		Assessment Findings	Compliance																
4.5.2	<p>Training of those involved in IPM implementation shall be demonstrated.</p> <p>- Minor compliance -</p>	<p>Training records for staff and workers on IPM implementation were available and verified to be satisfactory during on-site assessment.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>30/3/16</td> <td>IPM</td> <td>Sr. Ast. Mgr</td> <td>LTS</td> </tr> <tr> <td>14/1/16</td> <td>IPM (Rat)</td> <td>Sr. Ast. Mgr</td> <td>LE</td> </tr> <tr> <td>9-10/11/16</td> <td>IPM</td> <td>HQ</td> <td>FGV-LP</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Estate	30/3/16	IPM	Sr. Ast. Mgr	LTS	14/1/16	IPM (Rat)	Sr. Ast. Mgr	LE	9-10/11/16	IPM	HQ	FGV-LP	Complied
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Pesticides are used in ways that do not endanger health or the environment																			
4.6.1	<p>Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available.</p> <p>- Major compliance -</p>	<p>Justification of pesticides applied is available in the agriculture manual. Refer to agriculture manual 21/10/2015, H01: Justification of Chemical Use. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.</p>	Complied																
4.6.2	<p>Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.</p> <p>- Major compliance -</p>	<p>Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications was maintained.</p> <table border="1"> <thead> <tr> <th></th> <th>2015</th> <th>Todate 2016</th> </tr> </thead> <tbody> <tr> <td>LTS</td> <td>1.115 % a.i/ha</td> <td>0.7317% a.i/ha</td> </tr> <tr> <td>LE</td> <td>2.01 % a.i/ha</td> <td>1.809 % a.i/ha</td> </tr> <tr> <td>FGV-LP</td> <td>0.66 % a.i/ha</td> <td>0.43 % a.i/ha</td> </tr> </tbody> </table>		2015	Todate 2016	LTS	1.115 % a.i/ha	0.7317% a.i/ha	LE	2.01 % a.i/ha	1.809 % a.i/ha	FGV-LP	0.66 % a.i/ha	0.43 % a.i/ha	Complied				
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4.6.3	<p>Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines.</p> <p>- Major compliance -</p>	<p>The quantity of agrochemicals required for various field conditions are documented and justified in Kulim's Agriculture Manual. The implementation in the field is consistent with the manual. There is no prophylactic use of pesticides.</p>	Complied																
4.6.4	<p>Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances.</p> <p>- Minor compliance -</p>	<p>Kulim (M) Bhd has stopped paraquat usage since February 2015. Alternatives such as Glyphosate were used. There was usage of methamidophos and monocrothopos (krotofos 60) which was class 1A chemical to control bagworn, the management has obtained permit #JHR/2016/METHA/20(GL):LTS and #JH/MONO (GL)/14/210:FGV LP that allowed to be purchased multiphos 60, period:18/2/16-9/3/16 for 1500 litres and krotophos, period 11/11/14-1/12/14 for 200 litres. 2nd permit #JH/MONO(GL)/15/48 dated 24/12/15 for 500Litre, period:24/2/15-16/3/15.</p>	Complied																

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Criterion / Indicator		Assessment Findings	Compliance																				
4.6.5	Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	<p>Training for both estates was conducted accordingly.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>22/8/16</td> <td>Trunk Injection</td> <td>Kulim Safety Training</td> <td>LTS</td> </tr> <tr> <td>14/1/16</td> <td>Rat Baiting</td> <td>Sr. Ast. Mgr</td> <td>LE</td> </tr> <tr> <td>9-10/11/16</td> <td>IPM</td> <td>HQ</td> <td>FGV-LP</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Remarks	22/8/16	Trunk Injection	Kulim Safety Training	LTS	14/1/16	Rat Baiting	Sr. Ast. Mgr	LE	9-10/11/16	IPM	HQ	FGV-LP	Complied				
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4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation.	Complied																				
4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Agriculture Manual, Section I: Weeds Management. The implementation in the field is consistent with the Agriculture Manual.	Complied																				
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying at all estates.	Complied																				
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	<p>Training for all estates was conducted accordingly.</p> <table border="1"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>22/8/16</td> <td>Trunk Injection</td> <td>Kulim Safety Training</td> <td>LTS</td> </tr> <tr> <td>30/3/16</td> <td>IPM</td> <td>Sr. Ast. Mgr</td> <td>LTS</td> </tr> <tr> <td>14/1/16</td> <td>Rat</td> <td>Sr. Ast. Mgr</td> <td>LE</td> </tr> <tr> <td>9-10/11/16</td> <td>IPM</td> <td>HQ</td> <td>FGV-LP</td> </tr> </tbody> </table>	Date	Training Topic	Trainer	Remarks	22/8/16	Trunk Injection	Kulim Safety Training	LTS	30/3/16	IPM	Sr. Ast. Mgr	LTS	14/1/16	Rat	Sr. Ast. Mgr	LE	9-10/11/16	IPM	HQ	FGV-LP	Complied
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4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	The management dispose the empty containers as recycle drum/container and per scheduled waste regulation.	Complied																				

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<p>4.6.11</p> <p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Annual medical surveillance for sprayers and pesticide operators were demonstrated.</p> <p>Medical examination programme established for 1 group of sprayer and trunk injection team which conducted by Kulim Safety Training and Services Sdn Bhd-HQ/14/DOC/00/367-BP Diagnostic Centre Sdn Bhd on 12 May 2016.</p> <table border="1" data-bbox="655 591 1214 1167"> <thead> <tr> <th>ID No</th> <th>Date of Medical check up</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>AS103233</td> <td>12/5/16</td> <td>Normal</td> <td rowspan="5">LTS</td> </tr> <tr> <td>AT177754</td> <td>12/5/16</td> <td>Normal</td> </tr> <tr> <td>A8749493</td> <td>12/5/16</td> <td>Normal</td> </tr> <tr> <td>AT029081</td> <td>12/5/16</td> <td>Normal</td> </tr> <tr> <td>AT200022</td> <td>12/5/16</td> <td>Normal</td> </tr> <tr> <td>AE5888599</td> <td>12/5/16</td> <td>Normal</td> <td rowspan="3">LE</td> </tr> <tr> <td>AT449643</td> <td>10/1/16</td> <td>Normal</td> </tr> <tr> <td>AT449780</td> <td>10/1/16</td> <td>Normal</td> </tr> <tr> <td>AT449470</td> <td>10/1/16</td> <td>Normal</td> <td rowspan="4">FGV-LP</td> </tr> <tr> <td>AS320091</td> <td>5/8/15</td> <td>Normal</td> </tr> <tr> <td>AP838287</td> <td>5/8/15</td> <td>Normal</td> </tr> <tr> <td>AS887505</td> <td rowspan="3">27/9/16</td> <td rowspan="3">Report yet to be received</td> </tr> <tr> <td>AS844813</td> </tr> <tr> <td>AT073449</td> </tr> </tbody> </table> <p>The last treatment was conducted on 22-27/2/16 (LTS) and 15/3/16 (FGV-LP). FGV-LP had sent the sprayer and trunk injection team for medical surveillance on 27/9/16 by RZ Intan Medicare Sdn Bhd, Poliklinik Intan.</p>	ID No	Date of Medical check up	Result	Estate	AS103233	12/5/16	Normal	LTS	AT177754	12/5/16	Normal	A8749493	12/5/16	Normal	AT029081	12/5/16	Normal	AT200022	12/5/16	Normal	AE5888599	12/5/16	Normal	LE	AT449643	10/1/16	Normal	AT449780	10/1/16	Normal	AT449470	10/1/16	Normal	FGV-LP	AS320091	5/8/15	Normal	AP838287	5/8/15	Normal	AS887505	27/9/16	Report yet to be received	AS844813	AT073449	<p>Complied</p>
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<p>4.6.12</p> <p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance -</p>	<p>The test was carried out by Medical Assistant of estate for the female workers.</p> <table border="1" data-bbox="655 1368 1289 1491"> <thead> <tr> <th>Employee No</th> <th>Last test</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>AS103233</td> <td>26/10/16</td> <td rowspan="3">Not pregnant</td> <td rowspan="3">LTS</td> </tr> <tr> <td>AT177754</td> <td>26/10/16</td> </tr> <tr> <td>A8749493</td> <td>26/10/16</td> </tr> </tbody> </table> <p>At LE and FGV-LP, no female sprayer.</p>	Employee No	Last test	Result	Estate	AS103233	26/10/16	Not pregnant	LTS	AT177754	26/10/16	A8749493	26/10/16	<p>Complied</p>																																	
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<p>Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:</p>																																															

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<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>Occupational Safety and Health Policy was established which has been signed by Managing Director of Kulim Malaysia Berhad dated 1/1/2008.</p> <p>OHS plan for 2016 dated 2/1/2016 has been established. The OHS plan comprises of OSH legal compliance, emergency response plan (ERP), OSH management system, risk management and safety committee activities. Sample of OSH management system activities as follows :</p> <p>i) Chemical Health Risk Assessment (CHRA) CHRA was conducted on 23/1/2013 by QMSPRO Training & Consultancy (JKKP HIE 127/171-2(154) for LTM. The action plan, dated: 18/11/16 was established through the recommendation from the assessor.</p> <p>CHRA was conducted on 22/1/2013 by QMSPRO Training & Consultancy (JKKP HIE 127/171-2(154) for BPE. The action plan was established through the recommendation from the assessor. The action plan, dated: 2/1/16 was established through the recommendation from the assessor.</p> <p>CHRA was conducted in May 2013 by QMSPRO Training & Consultancy (JKKP HIE 127/171-2(154) for LE. The action plan, dated: 6/9/16 was established through the recommendation from the assessor.</p> <p>CHRA was conducted in 2/10/2015 by Ihsan Sharif Resources (JKKP HIE 127/171-2(85) for FGV-LP. The action plan, dated: 28/8/16 was established through the recommendation from the assessor.</p> <p>ii) Chemical Exposure Monitoring The CEM was conducted on 25/6/2016 by Kulim Safety Training and Services Sdn Bhd, JKKP HIE 127/171-3/1(164).However, two of lab operators were detected above the PEL as per DOSH requirement. The assessor recommended to repeat the CEM for those operators within 3 months from the date monitoring. The repeat CEM was conducted on 28/7/2016 and the results showing that all operators' exposure level of n-hexane were below the PEL.</p> <p>iii)Medical Surveillance 13 workers were sent for medical surveillance on 12/5/2016 for those who are involved with chemical, refer to medical surveillance report by registered OHD, HQ/14/DOC/00/367 under BP Healthcare Group. All the lab operators were found fit.</p>	<p>Complied</p>

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	<p>iv) Audiometric Testing Audiometric testing was conducted on 18/12/15 by Kulim Safety Training and Services Sdn Bhd. Total workers tested 50. Only 1 worker we found to experience hearing impairment. The recommendation by doctor was to test that worker annually. However the JKPP7 was yet to sent to DOSh as NADOOPOD regulation, Section 7 (1) – refer to Jadual ketiga (Item 35)</p> <p>v) GEV inspection Local Exhaust Ventilation (LEV) Examination was conducted on 14/12/16 by Kulim Safety Training and Services Sdn Bhd (JKPP HIE 127/171-3/2(178).</p>	
4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -</p> <p>HIRARC for all activities was assessed which was based on Risk Assessment Criteria stated in the procedure (SOP) Hazard Identification, Risk Assessment and Risk Control, dated 20/11/2009- Kulim (M) Bhd and HIRARC (RSPO 2016 (Kriteria 4.7), dated 28/9/16- FGV LP). Eg: Weighbridge, Loading Ramp, Vertical Sterilizer, Threshing Station, Pressing Station, Clarification, Nut Cracking Station, Kernel Plant, Kernel Storage, CPO Storage, Boiler Station, Engine room, workshop, General-cleaning and others, Store, EFB Press, Laboratory, WTP, Sterilizer, Landfill, Manuring, Chemical mxing, spraying, trunk injection, harvesting, road maintenance, pruning, FFB transport, confined space and etc.</p> <p>However the activities below yet to be registered in the HIRADC:</p> <ol style="list-style-type: none"> 1. Construction of fertilizer store (LTS) 2. Bio-composting plant (LTM) <p>Thus, the Major NCR was raised.</p>	Major nonconformance

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<p>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. - Minor compliance -</p>	<p>Training Scheduled for 2016 was established. Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, safe working practices and the correct use of PPE. Suitable PPE has been provided to the workers based on the information in the MSDS/CSDS and CHRA assessor's recommendation.</p> <table border="1" data-bbox="651 647 1265 1953"> <thead> <tr> <th>Date</th> <th>Training Topic</th> <th>Trainer</th> <th>Remarks</th> </tr> </thead> <tbody> <tr><td>28/10/16</td><td>WTP</td><td>Ast. Mgr</td><td>LTM</td></tr> <tr><td>20/10/16</td><td>General Waste</td><td>Ast. Mgr</td><td></td></tr> <tr><td>12/10/16</td><td>Bund Rupture</td><td>Ast Mgr</td><td></td></tr> <tr><td>18/2/16</td><td>Fire Drill</td><td>Mgr</td><td></td></tr> <tr><td>31/3/16</td><td>Engine Room</td><td>Ast Mgr</td><td></td></tr> <tr><td>22/5/16</td><td>Sexual harassment</td><td>Ast Mgr</td><td></td></tr> <tr><td>13/10/16</td><td>First Aid Box</td><td>Ast. Mgr</td><td></td></tr> <tr><td>21/2/16</td><td>Nut & Kernal plant</td><td>Ast. Mgr</td><td></td></tr> <tr><td>20/3/16</td><td>PPE</td><td>At. Mgr</td><td></td></tr> <tr><td>28/2/16</td><td>Sterilizer</td><td>Ast Mgr</td><td></td></tr> <tr><td>14/3/16</td><td>Lab</td><td>Ast. Mgr</td><td></td></tr> <tr><td>6/10/16</td><td>Manuring</td><td>Ast Mgr</td><td>LTS</td></tr> <tr><td>14/11/16</td><td>Working at height</td><td>KSTS</td><td></td></tr> <tr><td>21/9/16</td><td>First Aid</td><td>HA</td><td></td></tr> <tr><td>13/9/16</td><td>Chemical handling</td><td>Ast Mgr</td><td></td></tr> <tr><td>6/9/16</td><td>PPE and P&D</td><td>Ast. Mgr</td><td></td></tr> <tr><td>25/8/16</td><td>Harvesting</td><td>Ast. Mgr</td><td></td></tr> <tr><td>24/8/16</td><td>S/Waste</td><td>Ast. Mgr</td><td></td></tr> <tr><td>12/8/16</td><td>Chemical Store & General waste</td><td>Ast. Mgr</td><td></td></tr> <tr><td>12/8/16</td><td>Workshop</td><td>Ast. Mgr</td><td></td></tr> <tr><td>10/1/16</td><td>Sprayer</td><td>Ast. Mgr</td><td>LE</td></tr> <tr><td>11/1/16</td><td>Harvesting</td><td>Ast. Mgr</td><td></td></tr> <tr><td>18/8/16</td><td>First Aid</td><td>Ast. Mgr</td><td></td></tr> <tr><td>15/9/16</td><td>Fire Drill</td><td>Ast Mgr</td><td></td></tr> <tr><td>14/8/16</td><td>Manuring</td><td>Ast. Mgr</td><td></td></tr> <tr><td>9-10/11/16</td><td>IPM</td><td>HQ</td><td>FGV-LP</td></tr> <tr><td>23/11/16</td><td>Fire Drill</td><td>Ast Mgr</td><td></td></tr> <tr><td>17/11/16</td><td>Handling tractor</td><td>Staff</td><td></td></tr> <tr><td>30/9/16</td><td>Manuring</td><td>Staff</td><td></td></tr> <tr><td>30/9/16</td><td>PPE</td><td>Staff</td><td></td></tr> <tr><td>12-14/7/16</td><td>First Aider</td><td>BSMM</td><td></td></tr> <tr><td>24/6/16</td><td>Harvesting</td><td>Staff</td><td></td></tr> <tr><td>10/2/16</td><td>Pre-Mix/Spray/ Tripple Rinse</td><td>Staff</td><td></td></tr> <tr><td>4/1/16</td><td>P&D (Bagworm)</td><td>Staff</td><td></td></tr> </tbody> </table>	Date	Training Topic	Trainer	Remarks	28/10/16	WTP	Ast. Mgr	LTM	20/10/16	General Waste	Ast. Mgr		12/10/16	Bund Rupture	Ast Mgr		18/2/16	Fire Drill	Mgr		31/3/16	Engine Room	Ast Mgr		22/5/16	Sexual harassment	Ast Mgr		13/10/16	First Aid Box	Ast. Mgr		21/2/16	Nut & Kernal plant	Ast. Mgr		20/3/16	PPE	At. Mgr		28/2/16	Sterilizer	Ast Mgr		14/3/16	Lab	Ast. Mgr		6/10/16	Manuring	Ast Mgr	LTS	14/11/16	Working at height	KSTS		21/9/16	First Aid	HA		13/9/16	Chemical handling	Ast Mgr		6/9/16	PPE and P&D	Ast. Mgr		25/8/16	Harvesting	Ast. Mgr		24/8/16	S/Waste	Ast. Mgr		12/8/16	Chemical Store & General waste	Ast. Mgr		12/8/16	Workshop	Ast. Mgr		10/1/16	Sprayer	Ast. Mgr	LE	11/1/16	Harvesting	Ast. Mgr		18/8/16	First Aid	Ast. Mgr		15/9/16	Fire Drill	Ast Mgr		14/8/16	Manuring	Ast. Mgr		9-10/11/16	IPM	HQ	FGV-LP	23/11/16	Fire Drill	Ast Mgr		17/11/16	Handling tractor	Staff		30/9/16	Manuring	Staff		30/9/16	PPE	Staff		12-14/7/16	First Aider	BSMM		24/6/16	Harvesting	Staff		10/2/16	Pre-Mix/Spray/ Tripple Rinse	Staff		4/1/16	P&D (Bagworm)	Staff		<p>Complied</p>
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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -</p>	<p>OSH Committees meeting conducted quarterly and meeting minutes includes issues raised and action taken form workplace inspection report etc. The discussion on the accident review, workplace inspection, safety improvement plan, issues from workers, training, complaints has been discussed and action to be taken. There was no major issue.</p> <p><u>Tereh Palm Oil Mill</u> SHC organization chart for 2016 i) Chairman – Kamaroulzaman Bin Thith (Mill Manager) ii) Secretary – Mohd Hafiz Bin Saron (#3: 7/10/16, #2: 19/7/16, #1: 9/3/16)</p> <p><u>Tereh Selatan Estate</u> SHC organization chart for 2016 i) Chairman – Kamaruddin Hassan (Estate Sr. Manager) ii) Secretary – Jaafar A.Ghani (#3: 24/8/16, #2: 24/5/16, #1: 9/3/16)</p> <p><u>Enggang Estate</u> SHC organization chart for 2016 i) Chairman – Mohd Zahir Bin Hj. Abu (Deputy Manager) ii) Secretary – Jaafar A.Ghani (#3: 20/9/16, #2: 15/6/16, #1: 18/3/16)</p> <p><u>FGV-Paloh Estate</u> SHC organization chart for 2016 i) Chairman – Daud Bin Hj Bakar (Estate Manager) ii) Secretary – Md Ishak B. Ab Rahim (#3: 23/9/16, #2: 14/6/16, #1: 18/3/16)</p>	<p>Complied</p>

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<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. - Minor compliance -</p>	<p>Accident and emergency procedures have been communicated to employees, contractors and visitors. Fire evacuation drill was last conducted on 18/2/16 to test the state of readiness during emergency situation. Workers trained in First Aider were present in the mill and field operations. First Aid Kits were available at worksites. However, at FGV Ladang Paloh the inventories for first aid boxes were not sufficient. Thus, minor NCR was raised.</p> <p>Records on all accidents kept and summary sent to Head Office. Quarterly review on accident cases carried out during OSH quarterly meeting. All operating units keeping all the JKKP 6 & 8 forms and available for viewing. Sighted some records of accidents :</p> <p><u>Tereh Palm Oil Mill</u></p> <p>28/6/16-Accident at Loading Ramp, MC 15 days, and Accident report was prepared on 11/7/16 by Ast. Mgr. JKKP 6 was send to DOSH on 11/7/16 by Ast. Mgr. JKKP 8 for 2015 was sent to DOSH on 10/1/2016.</p> <p><u>Tereh Selatan Estate</u></p> <p>JKKP 8 for 2015 was sent to DOSH on 12/1/2016.</p> <p><u>Enggang Estate</u></p> <p>9/12/15-Accident at Stock pile area (MC 5 days), and Accident report was prepared on 16/12/15 by Ast. Mgr. JKKP 6 was send to DOSH on 16/12/15 by Ast. Mgr. JKKP 8 for 2015 was sent to DOSH on 5/1/2016.</p> <p><u>FGV-Paloh Estate</u></p> <p>30/5/16-Accident at harvesting area, PM98C (MC 3 days), and Accident report was prepared on 31/5/16 by Staff. JKKP 8 for 2015 was sent to DOSH on 13/1/16.</p>	<p>Complied</p>

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<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -</p>	<p>Medical care is provided to all the employees. Local workers are covered under SOCSO scheme while foreign workers are covered under foreign workers compensation scheme.</p> <table border="1" data-bbox="651 477 1289 1066"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>Berjaya Sampo Insurance Bhd (16DJB/WWBZ1 9796)</td> <td>1/1/16-31/12/16</td> <td>LTM</td> </tr> <tr> <td>SOCSO</td> <td>Aug16, Sept 16</td> <td></td> </tr> <tr> <td>Berjaya Sampo Insurance Bhd (16DJB/AFAZ193 78)</td> <td>1/1/16-31/12/16</td> <td>LTS</td> </tr> <tr> <td>SOCSO</td> <td>Aug16, Sept 16</td> <td></td> </tr> <tr> <td>Berjaya Sampo Insurance Bhd. (16DJB/AFAZ193 78)</td> <td>1/1/16-31/12/16</td> <td>LE</td> </tr> <tr> <td>SOCSO</td> <td>Aug16, Sept 16</td> <td></td> </tr> <tr> <td>Etiqa Takaful Berhad (W5015422)</td> <td>12/3/16-11/3/17</td> <td>FGV-LP</td> </tr> <tr> <td>SOCSO</td> <td>Oct 16, Sept 16</td> <td></td> </tr> </tbody> </table> <p>However, the below worker at FGV LP was not covered by FWCS: 1. AS928155</p> <p>Thus, the Minor NCR was raised.</p>	Insurance	Period	Remark	Berjaya Sampo Insurance Bhd (16DJB/WWBZ1 9796)	1/1/16-31/12/16	LTM	SOCSO	Aug16, Sept 16		Berjaya Sampo Insurance Bhd (16DJB/AFAZ193 78)	1/1/16-31/12/16	LTS	SOCSO	Aug16, Sept 16		Berjaya Sampo Insurance Bhd. (16DJB/AFAZ193 78)	1/1/16-31/12/16	LE	SOCSO	Aug16, Sept 16		Etiqa Takaful Berhad (W5015422)	12/3/16-11/3/17	FGV-LP	SOCSO	Oct 16, Sept 16		<p>Minor nonconformance</p>
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<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -</p>	<p>Records on Lost Time Accident (LTA) metrics was maintained and based on JKKP 6, 7 & 8. Sample of accident statistic as shown below :</p> <table border="1" data-bbox="651 1384 1131 1507"> <thead> <tr> <th>Year</th> <th>LTM</th> <th>LTS</th> <th>LE</th> <th>LP</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>29</td> <td>136</td> <td>21</td> <td>0</td> </tr> <tr> <td>2016 (as at Oct 16)</td> <td>8</td> <td>86</td> <td>2</td> <td>3</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days</p>	Year	LTM	LTS	LE	LP	2015	29	136	21	0	2016 (as at Oct 16)	8	86	2	3	<p>Complied</p>												
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<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>																													
<p>4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -</p>	<p>Training Scheduled for 2016 was established. Awareness and training programme had been carried out. All workers involved had been adequately trained in safe working practices. The objective was to ensure all workers involved have been adequately trained in understanding MSDS, all SOPs, safe working practices, the correct use of PPE, all aspects of the RSPO and etc.</p>	<p>Complied</p>																											
<p>4.8.2 Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Records of training for each employee were available. Cross refer 4.7.3.</p>	<p>Complied</p>																											
<p>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</p>																													

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<p>Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>			
<p>5.1.1</p>	<p>An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>In Tereh POM, Documented Environmental Aspects and Impacts Register (Form No.: LTM-EIA-2016; Activity code: ER001- ER019; Rev. 1/2016) available. Total 19 list of activities are identified in POM. As for the review process, the annual review of the EIA management review meeting and review if any new activities in POM, changes of legislation and environmental issue raise by stakeholders.</p> <p>Similar Documented Environmental Aspects and Impacts Register were sighted in other estate as well. For example, in Tereh Selatan estate, ongoing construction for fertilizer store onsite and it has identified in the environmental risk assessment form.</p> <p>In FGV Felda Paloh estate, the identification of environmental aspects and impacts 2016 did not identify all the area such as dumpsite, office and line-site.</p>	<p>Major nonconformance</p>
<p>5.1.2</p>	<p>Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -</p>	<p>In Ladang Tereh POM, environmental management plan with aspect/impact identification, risk assessment and risk control for different activity and area. For example, mitigation plan or records sighted such as:</p> <ol style="list-style-type: none"> a. Schedule Waste disposal record b. Air Emission Monitoring according DOE requirement conducted on January and July 2016. c. Ambient Air Monitoring according DOE requirement conducted on January, April and July 2016. d. Effluent BOD monitoring 2016. i.e.: August: 399 mg/L; Sep: 685 mg/L, Oct: 583 mg/L; (by UTCL Laboratory) <p>Environmental management plan updated in year 2016 made available for estates during site visit. In Tereh Selatan estate, the management plan (EPA-LTS-2016) such as update monthly record of waste collection, weekly inspection of compound and weekly inspection of domestic rubbish collection. Similar environmental management plan sighted in other estates.</p> <p>The responsible person are Manager, Assistant Manager, staff in charge of line-site and Estate HA. It depends on the activities and area.</p>	<p>Complied</p>

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5.1.3	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p>An environmental improvement plan was implemented to monitor the effectiveness of the mitigation measures. This plan incorporated a monitoring protocol, which is adaptive to operational changes and is reviewed every year to reflect the results of monitoring operational changes that may have positive and negative environmental impacts.</p> <p>Continuous awareness training programme has been carried out by the company to its workers and other stakeholders.</p>	Complied
<p>Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and and operations managed to best ensure that they are maintained and/or enhanced.</p>			
5.2.1	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>The initial HCV assessment was conducted in 2007 by consultant. Re-assessment of HCV was done by Kulim Sustainability executives from 6 August to 11 September 2015.</p> <p>In Tereh Selatan estate, two areas are identified as hotspot or the potential HCV areas:</p> <ol style="list-style-type: none"> a. Grassland area b. Water catchment area <p>Wildlife such as Red Junglefowl, Little Egret and wild boar been recorded in the area.</p> <p>In Enggang Estate, few area such as pond & buffer zone, shrub were identified as potential HCV areas.</p> <p>For FGV Felda Paloh, the HCV Assessment conducted on 4 May 2011 by Department of Sustainability, Felda Agricultural Services. No significant HCV been identified in the estate as it surrounding by other plantation estates.</p> <p>The total HCV area being identified now is 124.53 ha excluding Felda Paloh as it has been remove from the certifications scope.</p>	Complied
5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>There were no RTE within the estate in exception the IUCN Red List under least concern category species such as Little Egret was sighted at the grassland of Tereh Selatan estate.</p> <p>Animal sighting record submitted to sustainability team to summarize on the data. Latest records in October 2016 made available during onsite visit.</p> <p>Signage as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs.</p>	Complied

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<p>5.2.3</p> <p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -</p>	<p>Sighted the training records for workers as part of awareness towards HCV. Training conducted on 27 Jan and 27 July 2017 in Tereh Selatan estates. awareness training towards HCV conducted on:</p> <ul style="list-style-type: none"> a. Enggang estate; 14 Nov 2016; b. FGV Felda Paloh estate; 6 Nov 2016. <p>Signage as well as routine patrolling activities were utilised as part of creating awareness among employees and maintain HCVs.</p>	<p>Complied</p>
<p>5.2.4</p> <p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance -</p>	<p>Regular patrols within the operating unit estates were carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. Mechanism for reporting the sightings of various types of wildlife, were found to have been in place. Monitoring and control of any illegal hunting, fishing or collecting activities was also implemented. Biodiversity Improvement Plan 2016 sighted in Tereh Selatan estate.</p> <p>The patrolling of the HCV area conducted on monthly basics by assistant manager & field supervisor and the observation (animal sighting record) recorded on the RSPO HCV area. For example, the latest patrolling record sighted at following:</p> <ul style="list-style-type: none"> a. 09 Nov 2016 sighted during site visit to Tereh Selatan estate; b. 8 Nov patrolling record in Enggang estate; c. 11 Nov animal sighting record in FGV Felda Paloh estate <p>Other management plan such as ensure there is no manuring/spraying conducted near the water course and to leave the area as naturally.</p> <p>Interview with the worker and residents confirmed that no hunting activity has been carried out within the estate.</p>	<p>Complied</p>
<p>5.2.5</p> <p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -</p>	<p>There was no HCV set-aside that needs any negotiation process with the local communities.</p>	<p>Complied</p>
<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		

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<p>5.3.1</p> <p>All waste products and sources of pollution shall be identified and documented. - Major compliance -</p>	<p>Visits made to Ladang Tereh Mill together with Tereh Estate Selatan, Enggang and Felda Paloh Estate showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products based on waste type and source which review on January 2016.</p> <p>Waste types such as domestic, schedule waste, rubber material, scrap, mill by products, emissions, liquid waste, office and medical waste. Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p>	<p>Complied</p>
<p>5.3.2</p> <p>All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>The disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned. Stores for scheduled waste were inspected at audited sites i.e. Mill and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. e.g. for POM by Kualiti Alam Sdn Bhd and following disposal records were verified.</p> <ul style="list-style-type: none"> a. Consignment note (doc no: 0099076) dated 14 Sep 2016; SW409 b. Consignment note (doc no: 0099068) dated 14 Sep 2016; SW305 <p>In Tereh Selatan estate, disposal of schedule waste record as below:</p> <ul style="list-style-type: none"> a. Consignment note (doc no: 0098552) dated 01 Sep 2016; SW305 b. Consignment note (doc no: 0098553) dated 01 Sep 2016; SW409 <p>In Enggang estate, disposal of schedule waste record as below:</p> <ul style="list-style-type: none"> a. Consignment note (doc no: 0085643) dated 05 Sep 2016; SW410 b. Consignment note (doc no: 0085642) dated 05 Sep 2016; SW305 <p>Agrochemical containers are triple rinsed and punctured to avoid any misuse. In FGV Felda Paloh, then recycling contractor will come to collect the empty container. Collection receipt dated 3 June 2016 and collected by SS Setia Teknologi Enterprise made available during onsite visit.</p>	<p>Complied</p>

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<p>5.3.3</p> <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p>	<p>Waste & Pollution Management Plan which has incorporated waste type and source, action, frequency, records and responsibility. The plan was review on January 2016.</p> <p>Scheduled waste is managed well with designated storage area at the mill and each of the estates not to less than 180 days in accordance with the requirements of the Environmental Quality Act 1974 (Scheduled Wastes), Regulations, 2005. Disposal was through licensed collector.</p> <p>The company has continued managing scheduled waste stores at the mill and each of the estates. Agrochemical containers are triple rinsed and punctured to avoid any misuse. Latest review on type of waste generated and its handling management plan was done on January 2016.</p> <p>Schedule waste at the mill have been disposed through Kualiti Alam on 7 Aug 2016 (i.e.: Consignment note (doc no: 0098353). Inventory record was being maintained adequately.</p> <p>Visit to dumpsite which located at Tereh Selatan estate Block P03/02 and FGV Felda Paloh (PM98C Block 13), it is far from residential area and waterways. Once the dump site full, it will close and fill with layer of soil. Similar dump site sighted in other plantations.</p>	<p>Complied</p>
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		

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<p>5.4.1</p> <p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -</p>	<p>In the estate fossil fuel usage was monitored on monthly basics. Record from Jan till Oct 2016 sighted during onsite audit. For example, the Ladang Tereh POM:</p> <ul style="list-style-type: none"> a. August- 0.60 I/MT FFB b. September- 0.55 I/MT FFB c. October- 0.59 I/MT FFB <p>In Tereh Selatan estate:</p> <ul style="list-style-type: none"> a. August- 3.24 I/MT FFB b. September- 2.11 I/MT FFB c. October- 2.88 I/MT FFB <p>In Enggang Estate, the diesel usage as below:</p> <ul style="list-style-type: none"> a. August- 3.66 I/MT FFB b. September- 3.62 I/MT FFB c. October- 2.95 I/MT FFB <p>In FGV Felda Paloh Estate, the diesel usage as below:</p> <ul style="list-style-type: none"> a. August- 1.60 I/MT FFB b. September- 1.55 I/MT FFB c. October- 1.22 I/MT FFB <p>The usage of diesel in estate use for vehicles and genset purpose. 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 Mt of CPO. Similar to other palm oil mills under Kulim (Malaysia) Berhad, average 12% of fiber used per month combining with 6% of shell as renewable energy source.</p>	<p>Complied</p>
<p>Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
<p>5.5.1</p> <p>There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -</p>	<p>Zero open burning policy as per SOP Section B2 - Felling/Land Clearing & Land Preparation dated November 2008. Management complying with the Malaysian environmental law –EQA and Regulations 1974. Besides, in their Kulim Sustainability Handbook June 2007 also emphasize on zero burning technique for replanting.</p> <p>No open burning noted during the field visit and facility visit.</p>	<p>Complied</p>
<p>5.5.2</p> <p>Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -</p>	<p>No open burning noted during the field and facility visit.</p>	<p>Complied</p>
<p>Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		

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<p>5.6.1</p> <p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -</p>	<p>At Mill, ambient air quality monitoring and air emission monitoring has been carried out by PAC Testing & Consulting Sdn. Bhd. Records sighted as below:</p> <ul style="list-style-type: none"> a. Ambient Air Monitoring according DOE requirement conducted on January (ref: PAC-AE-160106), April (ref: PAC-AE-160414) and July (ref: PAC-AE-160703) 2016. b. Air Emission monitoring for Boiler 5 conducted on January (ref: PAC-AE-160107) and July (ref: PAC-AE-160703) 2016. Parameters such as solid particles, SO₃ and NO_x being monitored. <p>The result showed that the parameters checked were complied with the limit of the Malaysian Recommended Air Quality Guidelines and Environmental Quality (Clean Air) Regulation, 1978.</p> <p>For effluent monitoring was conducted by UTCL Laboratory, total 4 samples taken from (Anaerobic Pond A, Anaerobic Pond B, Anaerobic Pond C, Acid Pond No 1). Samples as below:</p> <ul style="list-style-type: none"> a. Effluent BOD monitoring 2016. i.e.: August: 399 mg/L; Sep: 685 mg/L, Oct: 583 mg/L; <p>Based on the review result Management Action Plans are developed and implemented as part of continuous improvement. The review includes the gaseous emissions, particulates emission and effluent.</p>	<p>Complied</p>
<p>5.6.2</p> <p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance</p>	<p>Main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH₄) emission through POME treatment. Other less significant GHG emissions identified including CO_x, SO_x and NO_x from various sources including fossil fuel, chemical and fertilizer consumptions</p>	<p>Complied</p>
<p>5.6.3</p> <p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -</p>	<p>Monitoring of the GHG quantity was done through RSPO approved calculator Palm GHG. Annual quantification of all GHG sources was input into the calculator. These calculations were done in HQ level where GHG calculations were done as per certification unit basics. In year 2015, total field (own crop) and mill emission is 20479.27 and 30668.66 (tCO₂e).</p>	<p>Complied</p>

Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.

Criterion 6.1:

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

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Criterion / Indicator	Assessment Findings	Compliance
6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -	Sustainability team from head office of Kulim (M) Berhad has conducted Social Impact Assessment 2016 for the Tereh Complex on 21/4/2016 and the report was developed on 5/10/2016. The assessment was conducted by interviewing with the relevant stakeholders such as workers, woman's representative, Union representative, school and etc. CDD team from Head Office of FGV has conducted SIA on 25/10/2016 with the participation of internal staffs and workers, contract's workers and Kulim Sustainability team has conducted interview with government authorities as well. SIA report was documented. Photo evident is sighted where interview was carried out.	Complied
6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	The assessment was carried out with the participation of stakeholders. Questionnaire with the stakeholders was sighted. In Enggang estate, the internal auditor has conducted interview on 26/9/2016 with the internal workers on issues related to social such as forced labour, child labour, safety, housing and facilities, pay and condition and etc.	Complied
6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	The improvement plan for the SIA was developed on 21/4/2016 by the mill and the plan has incorporated action taken, date of actions taken and person in charge. Tereh Selatan Estate has generated improvement plan on 5/10/2016 and action has been taken to provide training to the workers on 21/10/2016 during muster call regarding the pay and condition. Enggang Estate has developed improvement plan on 5/10/2016 and action has been taken to resolve the issue raised by the workers. Evidence of action taken has been sighted on the Housing Repair Complaint Book and verified during site visit to the linesite. Felda Paloh has developed a Social Management Plan dated 25/10/2016. The plan did incorporate the actions to be taken, timeframe to resolve the issue with person in charge.	Complied
6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	The plan was reviewed on yearly basis and the last reviewed was conducted on 21/4/2016 for mill, 5/10/2016 for Tereh Selatan Estate, 5/10/2016 for Enggang Estate, 25/10/2016 for Felda Paloh Estate.	Complied
6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No scheme smallholder involved in the Tereh POM certification unit.	Not applicable

Criterion 6.2:

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

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<p>6.2.1 Consultation and communication procedures shall be documented. - Major compliance -</p>	<p>Kulim (M) Berhad has implemented a SPO Consultation and Transparency Plans dated 4/9/2007 and a Communication and Consultation Management Guidelines generated by SPO team. The aim of this plan is to ensure an open and transparent communication methods with local communities and other stakeholders. The guideline is specific to communicate and consult with respect to social and environment aspects and impacts, performance and OSH issues.</p> <p>FGV Group has developed Communication, Consultation and Participation procedure with Doc. Ref. No. ML-1A/L2-PR3(0) dated March 2012. The purpose of this procedure is to ensure that communication with internal and external stakeholders are carried out effectively related to issue such as social and environmental impacts and aspects, hazard and risk at work and etc. FGV Group has also implemented Communication Policy dated 1/6/2014 signed by President & CEO of FGV.</p>	<p>Complied</p>
<p>6.2.2 A management official responsible for these issues shall be nominated. - Minor compliance -</p>	<p>Executive Regional Controller has been appointed as social person in charge for the whole complex. An official email of nominated from Regional Head dated 25/10/2016 was documented and sighted. FGV Paloh Manager has appointed Document Controller to be person responsible on social issues. Appointment letter dated 10/4/2016 has been sighted.</p>	<p>Complied</p>
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. - Minor compliance -</p>	<p>Stakeholder list was generated on September 2016 where CPO and PK buyers, CPO transporters, suppliers and contractors, government authorities and etc were included into the list for mill. Stakeholder meeting was conducted on 3/11/2016 which involved relevant stakeholders. An action plan has been developed to monitor the issues raised by stakeholder during the meeting.</p> <p>Stakeholder list was updated on 19/11/2016 where local communities, government authorities, suppliers and contractors and etc was included into the list for Tereh Selatan Estate. Stakeholder meeting was conducted on 17/2/2016 and meeting minutes was sighted. No issue has been raised during the meeting and contractors, neighbouring plantations, local communities and school representative were attending the meeting.</p> <p>Stakeholder list for Enggang Estate was updated. Stakeholder meeting was conducted on 18/4/2016 with contractors, 13/8/2016 with internal workers and combine meeting with LTM which involved government authorities on 3/11/2016.</p> <p>Stakeholder list was updated for Y2016. Felde Paloh has joined the stakeholder meeting organized by LTM on 3/11/2016. However, the meeting did not include their stakeholders such as contractors, suppliers and etc.</p> <p>Thus, a minor non-compliance was raised.</p>	<p>Minor nonconformance</p>

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Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.			
6.3.1	The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested. - Major compliance -	Kulim (M) Berhad has implemented Grievance Procedure Plans dated 4/9/2007. The dispute resolution mechanisms are established through open and consensual agreements with affected parties. For internal stakeholders, the grievances are dealt through Consultative Committees. The management has developed Grievance Policy dated 1/1/2008. The time to process the complaints or grievances is 10 working days. FGV Group has established Procedure to Handle Complaints and Grievances with Doc. Ref. No. ML-1A/L2-PR4(0) dated March 2012. The procedure has detailing process of each stage if there is any complaint lodge by the stakeholders.	Complied
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	An Enquiry Register and Housing Complaint Logbook was implemented to record any request, complaints and grievances from the stakeholders. There is no any complaints recorded so far. Carpenter record logbook was implemented for internal workers to lodge complaint regarding repairing of housing works.	Complied
Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	Kulim (M) Berhad has established SOP to identify legal and customary rights as well as people entitled to compensation. The procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly. FGV Group has established a Procedure to Identify Customary Rights with Doc. Ref. No. ML-1A/L2-PR12(0) dated March 2015. The procedure has detailing the procedure to identify and resolve if there is any dispute case. Flowchart on procedure has developed.	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	SOP as per criteria 6.4.1. FGV Group has established Procedure of Calculation and Compensation with Doc. Ref. No. ML-1A/L2-PR13(0) dated March 2012. It detailing the procedure of how to calculate and compensate if there is any land dispute.	Complied

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6.4.3	<p>The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>- Major compliance -</p>	Complied
<p>Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p>		

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<p>6.5.1 Documentation of pay and conditions shall be available. - Major compliance -</p>	<p>Mill and estate have employed local and foreign workers. All the mill workers are under direct employment and estates consisted of direct and contract employment of workers. The payslip has included basic income, allowance pay, working days, medical leave, deduction of salary and etc. Sampled payslip from August - October 2016 as below:</p> <ul style="list-style-type: none"> a) Employee No.: 612191 (LTM) b) Employee No.: 612260 (LTM) c) Employee No.: 612252 (LTM) d) Employee No.: 612255 (LTM) e) Employee No.: 611942 (LTS) f) Employee No.: 611816 (LTS) g) Employee No.: 611632 (LTS) h) Employee No.: 617477 (LE) i) Employee No.: 617295 (LE) j) Employee No.: 617555 (LE) k) Passport No.: AT 475788 (LE's contractor worker) l) Passport No.: AS 573876 (LE's contractor worker) m) Employee No.: FW04520601 (FP) n) Employee No.: FW04520583 (FP) o) Employee No.: FW04520228 (FP) <p>All the sampled workers for direct employment and contract workers were achieved the minimum wage accordance to Minimum Wage Order 2016 which achieved RM 1000/ month or RM 38.46/ day.</p> <p><u>Enggang Estate & Felda Paloh Estate:</u> However, few sampled workers' salary which based on mixture rate of daily work and piece rate work were not achieved minimum wages of RM 1000/ month even though they had worked for the minimum offered days of work for that month:</p> <ul style="list-style-type: none"> a) Employee No.: 617493 (RM 36.48 for month September) b) Employee No.: 617476 (RM 70.54 for month September and RM 12.35 for month October) c) Employee No.: 617492 (RM 72.52 for month August and RM 90.48 for month October) d) Employee No.: 617494 (RM 58.62 for month September and RM 55.88 for month October) e) Employee No.: FW04520596 (RM 73.96 for month September) <p><u>Felda Paloh Estate:</u> Document reviewed on the payslip for contractor's workers found that two workers were sharing one payslip. There were total eight workers sharing four payslips and the salary it did not achieve Minimum Wages Order 2016 of RM 1000/month for each worker.</p> <p>Deduction of salary on mosque fund, NUPW, Khairat and Skim Pelan Tambahan for Khairat was sighted. The deduction of salary has been detailing in the employment's contract and the workers had agreed on the deduction.</p> <p>Thus, a major non-compliance was raised.</p>	<p>Complied</p>

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<p>6.5.2</p> <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>The mill and estates have employed local and foreign workers under direct and contract employment. Employment contract are available in language that understood by workers. The contract has detailing the payments and employment conditions such as period of working, working hour, medical assistance, holiday and annual leave, period of notice and etc. The contract was signed by the workers and sampled contracts as below:</p> <ul style="list-style-type: none"> a) Employee No.: 612191 joined on 1/11/2012 (LTM) b) Employee No.: 612260 joined on 17/7/2016 (LTM) c) Employee No.: 612014 joined on 3/10/2016 (LTS) d) Employee No.: 611956 joined on 20/5/2016 (LTS) e) Employee No.: 611942 joined on 2/5/2016 (LTS) f) Employee No.: 617478 joined on 14/4/2016 (LE) g) Employee No.: 617493 joined on 7/8/2015 (LE) h) Passport No.: AT 475788 (LE's contractor worker) i) Passport No.: AS 573876 (LE's contractor worker) j) Employee No.: FW04520601 joined on 16/2/2016 (FP) k) Employee No.: FW04520585 joined on 1/6/2015 (FP) l) Passport No.: B4073923 joined on 1/9/2016 (FP's contractor worker) m) Passport No.: AS053970 joined on 2/2/2016 (FP's contractor worker) <p>Consent form and letter of Extension of employment for PLKS Foreign Workers has been sighted and acknowledged by the workers who have worked more than 2 years. Sampled workers as below:</p> <ul style="list-style-type: none"> a) Employee No.: 612204 joined on 14/1/2010 (LTM) b) Employee No.: 612252 joined on 7/5/2012 (LTM) c) Employee No.: 611774 joined on 22/5/2009 and the extension letter of employment valid until 21/5/2017 (LTS) d) Employee No.: 611822 joined on 1/6/2013 and the extension letter of employment valid until 25/11/2017 (LTS) e) Employee No.: 617359 joined on 1/11/2013 and the extension letter of employment valid until 31/10/2017 (LE) f) Employee No.: 617443 joined on 6/2/2007 and the extension letter of employment valid until 7/2/2017 (LE) g) Employee No.: FW04520321 joined on 14/10/2014 (FP) h) Employee No.: FW04520338 joined on 12/9/2014 (FP) <p>All the terms were according to the initial contract of employment signed.</p>	<p>Complied</p>

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6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	Complied
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food. - Minor compliance –	Complied
<p>Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Complied

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<p>6.6.2</p> <p>Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -</p>	<p><u>Tereh Palm Oil Mill:</u> Meeting with Union representatives was conducted on 10/10/2016 with total of 12 participants. Meeting minutes was sighted. An action plan to monitor the issues raised during the meeting was developed. The action plan was updated accordingly if any issue has been resolved.</p> <p><u>Tereh Selatan Estate:</u> Meeting was conducted on 11/8/2016 and 10/11/2016 with 11 participants. No issue raised during the meeting from the Union Representative and members. Meeting minutes were sighted. Agenda discussed during the meeting was regarding pay and condition and housing facilities.</p> <p><u>Enggang Estate:</u> Meeting with workers' representatives were conducted on 13/8/2016. Total 15 participants included contract worker. Attendant list was sighted and no issue raised during the meeting.</p> <p><u>Felda Paloh Estate:</u> Meeting with workers' representative was conducted on 18/10/2016 with total 19 participants. Different nationality of workers such as Indonesian and Bangladeshi were involved into the meeting. Issue raised during the meeting was resolved accordingly.</p>	<p>Complied</p>
<p>Criterion 6.7: Children are not employed or exploited.</p>		
<p>6.7.1</p> <p>There shall be documentary evidence that minimum age requirements are met. - Major compliance -</p>	<p>Kulim (M) Berhad has implemented Guidelines for General Workers and Kulim Sustainability Handbook where they will not employed child labour according to Children and Young Persons (Employment) Act 1966. Through document reviewed found that all the workers were above 18 years old. Training on No Child Labour Policy was conducted on 20/11/2016.</p> <p>FGV Group has established Child Labour Policy dated 1/6/2014 signed by President & CEO of FGV. It is prohibited for the management to recruit worker who is less than 18 years old. Document reviewed on the employee list found that workers were above 18 years old.</p>	<p>Complied</p>
<p>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.</p>		

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6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Kulim (M) Berhad has implemented Kulim Sustainability Handbook dated June 2007 and Guidelines for General Workers. People Policy dated 1/1/2008 has been developed and the management is committed to support non-discrimination in any form. They respect equal opportunities and maintain an equal gender relationship on the work environment. FGV Group has developed Equal Opportunity Policy dated 1/6/2014 signed by President & CEO FGV. The management committed to treat all the workers equally fair and not discriminate based on nationality, religion, gender and etc.	Complied
6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Migrant workers are recruited with 2 years contract. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electricity supplies, medical care are given to all employees without discrimination. All employees are aware of the grievance procedures through the various Committees such as Gender Committee for women, foreign workers representation and union committee to highlight their concerns and grievances if any. No grievances were highlighted to the audit team by internal and external stakeholders.	Complied
6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. It was noted during the audit that there is no discrimination based on nationality, race, gender, age, etc.	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1 Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Policy Statement on Sexual Harassment has been developed 1/1/2008. Kulim (M) Berhad has maintained a safe and healthy work environment to all workers especially women from any form of harassment, humiliation and intimidation of a sexual nature. Awareness training on sexual harassment has been conducted on 16/5/2016 and 22/5/2016 to all the workers for mill, 14/8/2016 for Tereh Selatan Estate and 2/5/2016 for Enggang Estate. FGV Group has developed Policy to Prevent Sexual Harassment, Violence and Reproductive Rights dated 1/6/2014 signed by President & CEO FGV. The management respects the reproductive rights and will not discriminated any females.	Complied

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6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	FGV Group has developed Policy to Prevent Sexual Harassment, Violence and Reproductive Rights dated 1/6/2014 signed by President & CEO FGV. The management respects the reproductive rights and will not discriminated any females. Kulim (M) Berhad has established a SOP for protect the rights of reproductive. However, they did not develop policy to protect the reproductive rights of all. Thus, a major non-conformity was raised.	Major nonconformance
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	The mill has established a Women on Wards (WOW) Committee which formed by female workers and wives of workers. A reporting procedure has been developed and to be utilized if there is any sexual harassment case reported. Last meeting was conducted on 30/8/2016 for the mill. No sexual harassment case was reported thus far. Meeting was conducted 4 times annually at Tereh Selatan Estate. The last two meetings were conducted on 17/3/2016 and 8/9/2016. No sexual harassment case was reported during the interview with the Chairman of Committee and members. The WOW has organized activities such as gotong-royong, celebration of Women's Day and etc. Meeting was conducted on 13/3/2016, 23/5/2016, 24/8/2016 and 17/11/2016 at Enggang Estate. No sexual harassment case reported during the meeting and interviewed with the members. Meeting was conducted on 1/3/2016 at Felda Paloh Estate. The committee has organized activities such as gotong-royong and praying classes. No sexual harassment case reported.	Complied
Criterion 6.10:			
Growers and mills deal fairly and transparently with smallholders and other local businesses.			
6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. - Minor compliance -	No FFB purchased from smallholders as Tereh POM only processed FFB from company owned estate and two certified out-growers. The out-growers have signed an agreement with Tereh POM on selling of FFB on 17/11/2015.	Complied
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	No FFB purchased from smallholders as Tereh POM only processed FFB from company owned estate and a certified out-grower. The agreement signed by the out-growers has stated the FFB price calculation is based on monthly spot month average prices of CPO and PK which declared by MPOB.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	The contractors have signed an agreement with the management. Below are the sampled contracts: a) Contract No.: CON/LTM 10/2016 provides JCB for general works at mill with commencement date on 1/5/2016 and completion date on 30/4/2017. b) Contract No.: MPSB/LTS 2/2015 provides loading and transporting of FFB at Tereh Selatan Estate which valid until 28/2/2018. c) Contract No.: MPSB/Enggang 1/2016 for loading and transporting FFB to POM which valid until 14/1/2019. d) Contract No.: MPSB/Enggang 2/2015 for harvesting of FFB which valid until 31/12/2017. e) Contract No.: 5300002388 for transporting FFB to mill which valid until 30/9/2018.	Complied
6.10.4 Agreed payments shall be made in a timely manner. - Minor compliance -	Payment shall be made in the manner and within the time as stipulated in the Second Schedule which stated in the contract agreement. The payment for the mill's contractor was paid on monthly basis. Contract stated the payment shall be made within 30 days from the date of certification of submitted invoice by HO.	Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.		
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance -	The mill and estates has made donation and contribution to any stakeholders' requests. For eg: donation to kindergarten for Achievement Day 2106, donation to primary school for Hari Raya celebration and donation to secondary school for Sport day. All the petty vouchers were sighted. The estate also provided free transport to send the children to school inside and outside estate.	Complied
6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance -	No scheme smallholder involved in the Tereh POM certification units.	Not applicable
Criterion 6.12: No forms of forced or trafficked labour are used.		

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Criterion / Indicator	Assessment Findings	Compliance
6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Kulim (M) Berhad has implemented Kulim Sustainability Handbook dated June 2007. People Policy has been developed and the management is prohibited to engage or support the use of forced labour in all of their operations and administrations. All the local and foreign workers were hold a valid identification card and passports prior to work. Sampled workers below possessed valid working permit: a) Employee No.: 611816 valid until 8/1/2017 (LTS) b) Employee No.: 611956 valid until 17/5/2017 (LTS) c) Employee No.: 611920 valid until 19/3/2017 (LTS) d) Employee No.: 617295 valid until 24/2/2017 (LE) e) Employee No.: 617359 valid until 31/10/2017 (LE) f) Passport No.: AT 475788 (LE's contractor worker) g) Passport No.: AS 573876 (LE's contractor worker) Passport of the foreign workers were kept by the management where it stated in the employment contract Section 9 for safety purpose. The workers had acknowledged and agreed on the safe keeping of passport.	Complied
6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	No contract of substitution was noted. FGV Group has established Policy on Recruiting Foreign Workers dated 1/6/2014 signed by President & CEO FGV. The policy has detailing the management will comply with the legal requirement regarding recruitment of foreign workers, orientation training will be provided to every new workers and will not practice substitution of contracts. All the workers provided with insurance and housing facilities.	Complied
6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal opportunity and non-discriminatory policy is implemented. No temporary workers. Migrant workers are treated equally as per the locals.	Complied
Criterion 6.13: Growers and millers respect human rights.		
6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	Kulim (M) Berhad has implemented Kulim Sustainability Handbook under Core Labour Standards. The management respects the human rights of the employees. 3/11/2016 rights of employee. FGV Group has developed Human Rights Policy dated 1/6/2014 signed by President & CEO FGV. The management committed to respect human rights of workers.	Complied
6.13.2 As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	Not applicable.	Not applicable
Principle 7: Responsible development of new plantings Tereh Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. It was verified through their land title and planting history. Therefore, Principle 7 is not applicable during this annual surveillance assessment. The immature areas are replanted areas.		

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Criterion / Indicator	Assessment Findings	Compliance
Principle 8: Commitment to continual improvement in key areas of activity		
Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
<p>8.1.1</p> <p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Tereh Selatan Estate: The estate has developed a Continual Improvement Plan for Y2016 as below:</p> <ul style="list-style-type: none"> a) Upgrading and construct workers’ quarters. b) Planted Guatemala Grass for soil conservation. c) Reduction of fertilizer usage by application of bio-compost. <p>Enggang Estate:</p> <ul style="list-style-type: none"> a) Construction of tubewell and desilting water catchment to supply domestic water supply during draught season which targeted to be completed on 31/12/2016. <p>Tereh POM:</p> <ul style="list-style-type: none"> a) Install 1 unit of 40000 G overhead water tank to provide better storage and capacity of water for mill and domestic usage. Target date to be completed on December 2016. The work is in progress. <p>Install 1 unit of biogas plant to reduce greenhouse gaseous by capture the methane gas and utilizing it as a renewable energy. Target date to be completed on December 2018.</p>	<p>Complied</p>

Appendix B: Approved Time Bound Plan

Time Bound Plan for 100% Own Certified FFB

Project	Estate	Plan
Indonesia	PT RAJ	2019
	PT TPR	
Trader	Eng Lee Heng	2018

List of Estate Manage by KULIM			
Mill Base	Kulim/ Jcorp Estate	Estate	Status
Tereh Mill	Kulim Estate	TEREH UTARA	Certified RSPO
		TEREH SELATAN	
		SELAI	
		ENGGANG	
		MUTIARA	
		SG. SEMBRONG	
		SG. TAWING	
		Wawasan	
Sedenak Mill		SEDENAK	
		RENGAM	
		BASIR ISMAIL	
		ULU TIRAM	
		KUALA KABONG	
Sindora Mill		REM / PASAK	
		SINDORA	
		SUNGAI PAPAN	
Palong Mill		SEPANG LOI	
		UMAC	
		LABIS BAHRU	
		MUNGKA	
	KEMEDAK		
	PALONG		
		PASIR PANJANG	

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Pasir Panjang Mill	Kulim Estate	SIANG	In progress
	Jcorp Estate	BUKIT KELOMPOK	
		TUNJUK LAUT	
		PASIR LOGOK	
		BUKIT PAYUNG	

Appendix C: Certification Unit RSPO Certificate Details

Kulim (Malaysia) Berhad
Tereh Palm Oil Mill
K.B. 538
86009 Kluang, Johor
Malaysia

RSPO membership number: 1-0006-04-000-00

BSI RSPO Certificate No. : RSPO 613086

Date of Initial Certificate Issued: 23/01/2009

Date of Expiry: 22/01/2019

Applicable Standards: RSPO P&C MYNI 2014; RSPO Certification System June 2007 (revised March 2011); RSPO P&C MY-NIWG 2010; RSPO Supply Chain Certification Standard 21 November 2014 Module D - CPO Mills: Identity Preserved)

Tereh Palm Oil Mill and supply base					
Location Address	Tereh Palm Oil Mill, K.B. 538 86009 Kluang, Johor, Malaysia				
GPS Location	103° 21' 5.0004" E ; 2° 13' 3.0648" N				
CPO Tonnage Total	62,532.33 mt				
PK Tonnage Total	16,146.85 mt				
CPO Claimed for Certification*	62,532.33 mt				
PK Claimed for Certification *	16,146.85 mt				
Own estates FFB Tonnage	293,579.00 mt				
Scheme Smallholder FFB Tonnage	-				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Tereh Utara Estate	2,858.56	0	233.64	3,092.20	67,881.00
Tereh Selatan Estate	2,521.74	0	197.82	2,719.56	60,053.00
Selai Estate	1,377.14	243.92	179.11	1,800.17	26,692.00
Enggang Estate	1,448.23	207.58	78.57	1,734.38	27,896.00
Mutiara Estate	1,736.25	575.61	140.44	2,452.30	38,059.00
Sg. Sembrong Estate	1,181.33	0	59.54	1,240.87	26,692.00
Sg. Tawing Estate	2,066.84	0	162.16	2,229.00	39,547.00
Wawasan Estate	361.91	0	0.39	362.30	6,759.00
Total	13,552.00	1,027.11	1,051.67	15,630.78	293,579.00

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Appendix D: Assessment Plan

Date	Time	Subjects	Hoo Boon Han	Hu Ning Shing	Hafiz
Monday 21/11/2016	AM	Audit Team travelling to site	√	√	√
Tereh Palm Oil Mill	1300 -1400	Opening meeting: <ul style="list-style-type: none"> • Opening presentation by Team Leader • Confirmation of assessment scope and finalize audit plan 	√	√	√
	1400 -1530	Tereh POM Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc.	√		√
	1400 -1500	Supply chain for CPO mill, weighbridge officer, production record and etc		√	
	1530 -1700	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, TBP, CIP and implementation etc).	√	√	√
	1700 - 1730	Interim Closing Briefing	√	√	√
	Tuesday 22/11/2016	0900 – 1100	Tereh Selatan 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.	√	√
Tereh Selatan Estate	1100 - 1200	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	√	√	√
	1200 - 1300	Lunch	√	√	√
	1300 – 1630	Tereh Selatan 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, TBP, CIP and implementation etc.)	√	√	√
	16.30-17.00	Interim closing briefing	√	√	√

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Date	Time	Subjects	Hoo Boon Han	Hu Ning Shing	Hafiz
Wednesday 23/11/2016 Enggang Estate	0900 - 1100	Enggang 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.	√	√	√
	1100 - 1200	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	√	√	√
	1200 - 1300	Lunch	√	√	√
	1300-1630	Enggang Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	1630-1700	Interim Closing Meeting	√	√	√
Thursday 24/11/2016 Felda Paloh Estate	0900 - 1100	Felda Paloh 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.	√	√	√
	1100 - 1200	Meeting with stakeholders (Government, village rep, smallholders, Workers Leader, contractor etc.)	√	√	√
	1200 - 1300	Lunch	√	√	√
	1300 - 1630	Felda Paloh Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	1630 - 1730	Interim Closing Meeting	√	√	√

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Date	Time	Subjects	Hoo Boon Han	Hu Ning Shing	Hafiz
Friday 25/11/2016	0900 - 1100	Tereh POM, Cont' 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, TBP, CIP and implementation etc).	√	√	√
	1100 - 1130	Verify any outstanding issues & Preparation for closing meeting	√	√	√
	1130 - 1200	Closing Meeting	√	√	√

Appendix E: Stakeholders Contacted

INTERNAL STAKEHOLDERS

Staff NUPW Representative Worker's Representative Hospital Assistant Gender Committee Chairman	Food shop's owner Contractor
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EXTERNAL STAKEHOLDERS

Local Communities Kampung Pengkalan Tereh

Appendix F: Tereh Palm Oil Mill Supply Chain Assessment Report (Module D – CPO Mills – Identity Preserved)

Requirements	Compliance
D.1 Definition	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). 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. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>Ladang Tereh Palm Oil Mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products</p>
D.2 Explanation	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil 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.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>
D.3 Documented procedures	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p> <p>b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site’s procedures for the implementation of this standard.</p>	<p>Latest written documented procedures (Quality Procedure/LTM-SPO : Core Process Procedure) for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and non-certified FFB under Appendix 15. This developed based on the RSPO SCCS 21 November 2014. The previous SOP was for SG. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The IP model is used because only certified FFB from own supply base is received and processed at Ladang Tereh Palm Oil Mill.</p> <p>The mill manager and assistant manager have awareness of the supply chain system. The manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBS.</p>	<p>Tereh Palm Oil mill has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing certified and non-certified FFBS.</p>
D.4 Purchasing and goods in	

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D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.	Similar to last assessment daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. LAdang Tereh mill have system to verify at the weighbridge. Sample of weighbridge ticket for diversion crop on August 2015: Sindora Certification Unit (RSPO Certified Group estate) i)Consignment note, R No.A :52797 dated 19/8/15 Crop: Planting 03 & 92. Weight 20.85 Mt. ii)Consignment note, R No.A :52790 dated 18/8/15 Crop: Planting 05, 93 & 06. Weight 21.65 Mt.
D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The facilities aware of this procedure.
D.5 Record keeping	
D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No PKO and Palm kernel meal at Tereh Palm Oil mill. PK is sold to 3rd party Kernel Crushing Plant. Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit. CSPO contract sampled : Contract: MSPO 1505 SG (CPOSG-15042P) Buyer : Palmaju Edible Oils Sdn Bhd Specification : PORAM Delivery period : July (330 mt)
D.6 Processing	
D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.	During this assessment it was confirmed that only certified source of FFB from own plantation and adjacent RSPO Certified Sime Darby Group Estates is processed. This ensures that there is no possibility of mixing during processing. During this assessment the mill received
D.6.2 The objective is for 100 % segregated material to be reached.	Processing and storage records can trace back to only certified segregated FFB and finish product (CPO and PK) through traceability records such as weighbridge records. This ensures that 100% segregated materials are reached.

Actual Tonnage Certified Palm Production – 01 November 2015 – 31 October 2016 (ASA1 3)

Mill	Capacity	CPO	PK
Tereh Palm Oil Mill	60 mt/hr	61,963.60	16,917.43

Actual Tonnage Sales of Certified Palm Products - 01 November 2015 – 31 October 2016 (ASA1 3)

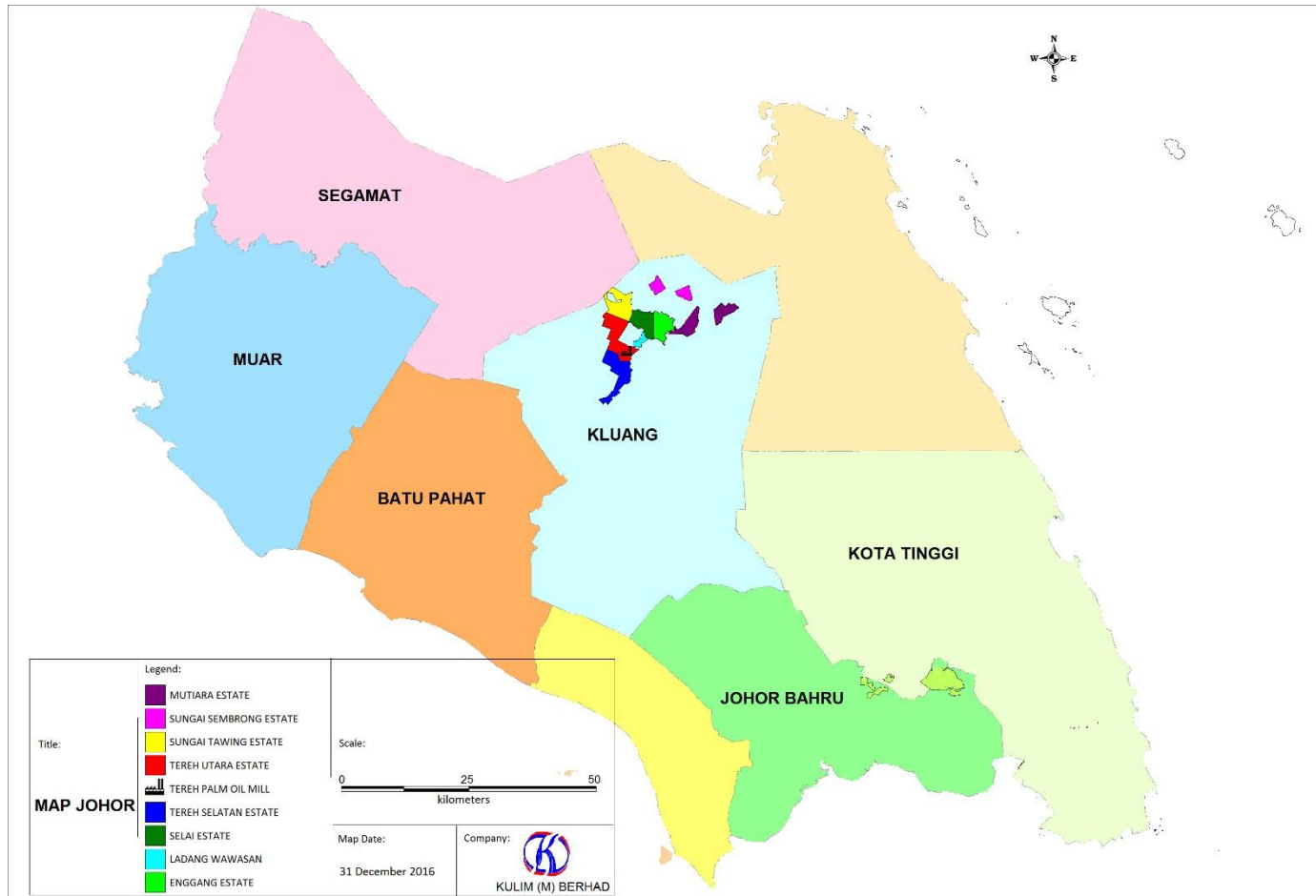
Mill	Certified CPO Sales	Certified PK Sales	Remarks
Tereh Palm Oil Mill	86,061.00	5,508	Oversold the CPO Sales certified via Greenpalm. The details as below. Sold Physical – 33,861 Mt

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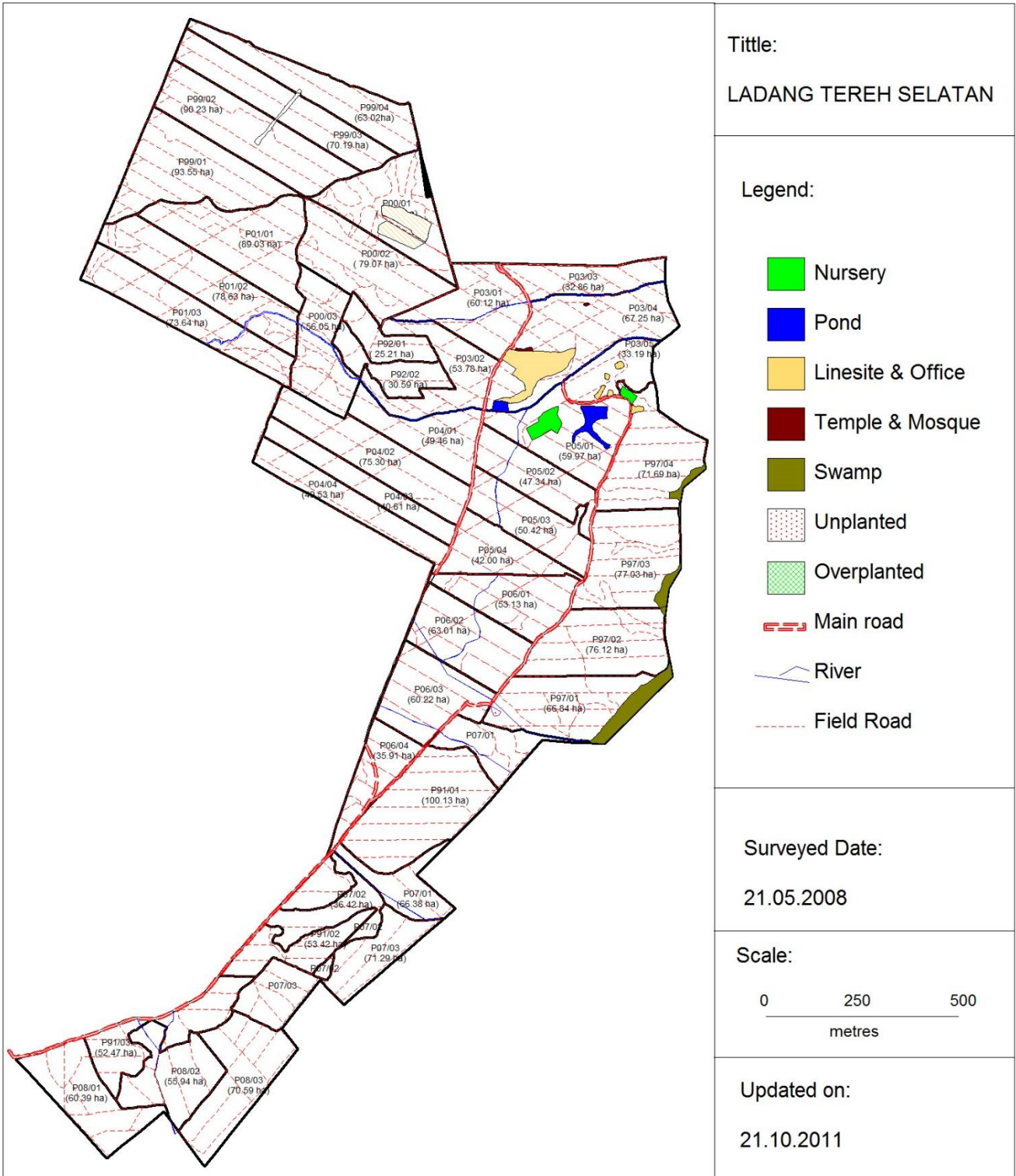
			<p>Sold via Gpalm – 52,200 certs</p> <p>Action to recover the oversold:</p> <p>Purchase back 34498 CPO certificates from Greenplam; purchase evidence provided accordingly.</p> <p>A major raised and closed accordingly.</p>
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Month	Certified Supply Base (from own certificate scope) (mt)									Total FFB/Month (mt)
	Tereh Utara Estate	Tereh Selatan Estate	Selai Estate	Enggang Estate	Mutiara Estate	Sg. Sembrong Estate	Sg. Tawing Estate	Wawasan Estate	Felda Paloh	
Nov 2015	7,060.94	6,127.70	1,988.82	1,977.84	4,972.33	2,914.72	3,784.25	527.81	2,419.06	31,773.47
Dec 2015	5,725.99	4,710.37	1,459.89	1,247.63	4,581.96	2,494.07	2,776.03	552.86	2,158.35	25,707.15
Jan 2016	4,754.79	3,709.94	1,007.98	1,054.41	3,460.19	2,182.59	2,172.13	425.78	1,887.35	20,655.16
Feb 2016	4,321.32	4,003.51	823.79	1,123.98	3,253.38	1,938.64	2,213.83	374.13	1,885.88	19,938.46
Mac 2016	4,121.39	3,660.64	863.54	1,174.33	3,041.96	1,870.37	2,517.64	451.65	2,187.66	19,889.18
Apr 2016	4,215.72	3,856.58	1,222.13	1,487.39	2,975.14	1,964.27	2,083.33	362.88	2,157.73	20,325.17
Mei 2016	4,417.06	4,285.17	2,216.81	1,887.68	3,036.57	1,799.79	2,291.89	411.3	2,194.26	22,540.53
Jun 2016	5,268.46	4,866.73	2,667.56	2,160.43	2,830.25	1,728.98	2,588.12	488.79	1,837.69	24,437.01
Jul 2016	5,881.97	5,213.72	3,248.76	2,812.14	2,692.31	1,672.31	3,012.28	465.15	1,644.91	26,643.55
Aug 2016	6,390.64	5,876.25	3,370.54	2,568.10	2,630.15	2,028.43	3,032.20	593.6	1,424.24	27,914.15
Sept 2016	7,274.93	6,305.44	3,594.52	2,773.67	3,106.03	2,518.86	3,922.24	594.55	1,353.23	31,443.47
Oct 2016	6,800.73	5,923.14	3,592.90	3,018.06	3,355.98	2,540.72	3,960.07	641.44	1,375.25	31,208.29
Total	66,233.94	58,539.19	26,057.24	23,285.66	39,936.25	25,653.75	34,354.01	5,889.94	22,525.61	302,475.59

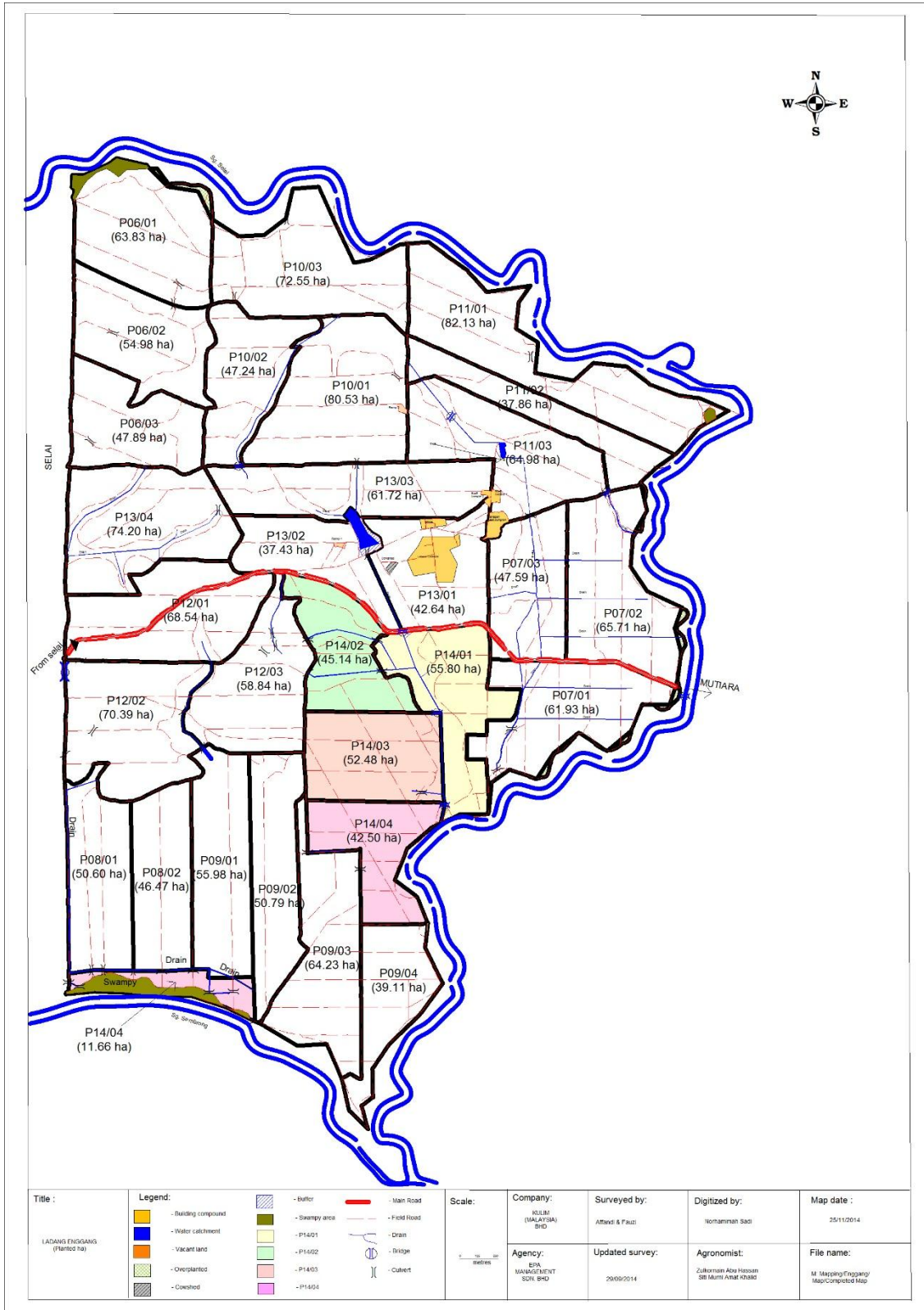
Appendix G: Location Map of Tereh Palm Oil Mill Certification Unit and Supply bases



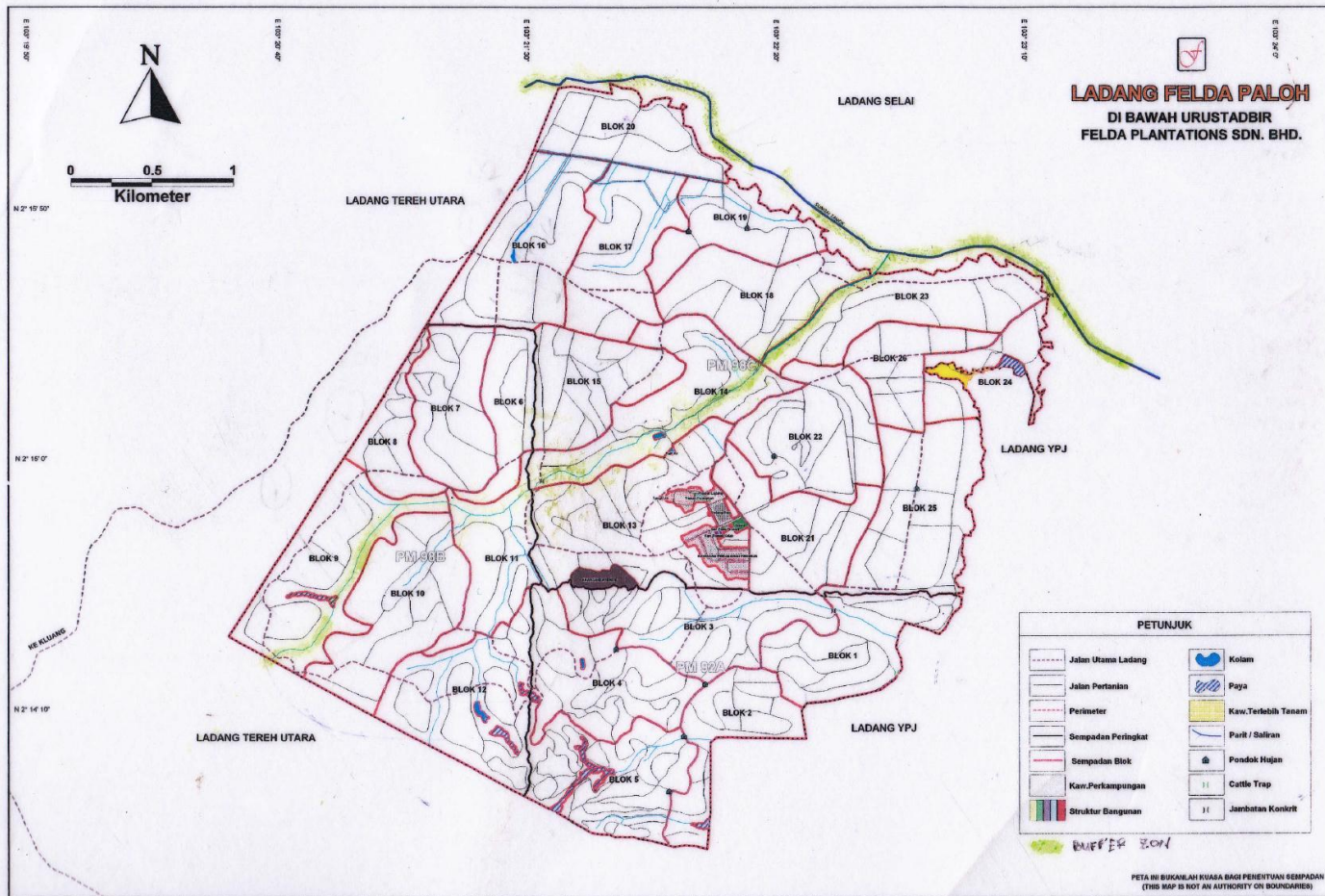
Appendix H: Tereh Selatan Estate Field Map



Appendix I: Enggang Estate Field Map



Appendix J: FGV Paloh Estate Field Map



Appendix K: List of Smallholder Sampled

Not applicable

Appendix L: List of Abbreviations Used

AN	Ammoniacal Nitrogen
ANPN	National Park Agency Gabon
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
DGEPN	Environmental Protection Agency Gabon
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FGV LP	Felda Ladang Paloh
GMP	Good Manufacturing Practice
HCV	High Conservation Value
IAV	Initial Assessment Visit
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LE	Ladang Enggang
LTPOM	Ladang Tereh Palm Oil Mill
LTM	Ladang Tereh Mill
LTS	Ladang Tereh Selatan
MAPA	Malayan Agricultural Producers Association
MSDS	Material Safety Data Sheet
O&G	Oil and Grease
PK	Palm Kernel
PPE	Personal Protective Equipment
PSQM	Plantation Sustainability and Quality Management
PQR	Performance Quality Rating
RC	Re-Certification
RED	Renewable Energy Directive
RSPO P&C	Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SOU	Strategic Operating Unit
SS	Suspended Solids
TN	Total Nitrogen
TS	Total Solids
VFA	Volatile Fatty Acids