

**RSPO PRINCIPLE AND CRITERIA
1st Annual Surveillance Assessment (ASA1_1)
Public Summary Report**

Keresia Plantations Sdn Bhd
Head Office: P.O. Box 2607 97008 Bintulu, Sarawak Malaysia
Keresia Palm Oil Mill and supply base Lot 1, Block 17, Lavang Land District 97000 Bintulu Sarawak, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0077-09-000-00	Date	Member since: 3 June 2009
Company Name	Keresia Plantations Sdn Bhd/Keresia Mill Sdn Bhd		
Address	Head office : Level 6, Tun Jugah tower, 18, Jalan Tunku Abdul Rahman 93100 Kuching, Sarawak Certification Unit : Postal address : PO Box 2607 97008 Bintulu, Sarawak, Malaysia Location address : Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia		
Subsidiary of (if applicable)	Not applicable		
Contact Name	Mr Abdul Aziz Bin Zainal Abidin (Assistant General Manager)		
Website	www.keresia.com.my	E-mail	aziz@keresia.com.my
Telephone	+6086 981105	Facsimile	+6086 981106

2. Certification Information			
Certificate Number	RSPO 559278	Certificate Issued Date	21/10/2010
		Expiry Date	20/10/2020
Scope of Certification	Palm Oil and Palm Kernel Production from Keresia Palm Oil Mill and Supply Base (Jiba Estate, Sujan Estate, Keresia Smallholder Group Scheme)		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE104-11421401	ISCC	ISCC Gut Cert	3/10/17
MSPO 644920	MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General Principles for Palm Oil Mills	BSI Services (M) Sdn Bhd	10/11/2020

3. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS	
		Easting	Northing
Keresia Palm Oil Mill (30 mt/hr)	Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia	113° 35' 59.1"	03° 09' 49.6"
Sujan Estate	Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia	113° 36' 09.0"	03° 10' 34.3"

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Jiba Estate	Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia	113° 33' 36.4"	03° 09' 10.5"
Keresa Smallholder Group Scheme (KSGS)	Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia	113° 33' 27.9"	03° 12' 05.3"

4. Description of Supply Base							
Estate	Mature (ha)	Immature (ha)	Infras & Other (ha)	HCV (ha)	Total Planted (ha)	Total Hectarage	% of Planted
Sujan Estate	3,078.08	0	464.62	0	3,078.08	3,542.70	86.88%
Jiba Estate	2,268.82	0	211.48	0	2,268.82	2,480.30	91.47%
KSGS	111.31	0	0	0	111.31	111.31	100%
Total	5,458.21	0	676.10	0	5,458.21	6,134.31	

Note: Infras = infrastructure

**Certified area reduced due to exclusion of 16 members of KSGS. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha from 357 ha in the previous RAV.*

5. Plantings & Cycle								
Estate	Age (Years)					Tonnage / Year		
	0 - 3	4 - 10	11 - 20	21 - 25	26 - 30	Estimated (ASA1_1) (Oct 2015-Sept 2016)	Actual (ASA1_1) (Oct 2015-Sept 2016)	Forecast (ASA2_1) (Oct 2016-Sept 2017)
Sujan Estate	0	0	3,078.08	0	0	79,611	73,989.31	82,427
Jiba Estate	0	0	2,268.82	0	0	54,452	55,015.08	55,938
KSGS	0	0	111.31	0	0	8,889	3,498.72	3,397.92
Total	0	0	5,458.21	0	0	142,952	132,503.11	141,762.92

6. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (ASA1_1) (Oct 2015-Sept 2016)	Actual (ASA1_1) (Oct 2015-Sept 2016)	Forecast (ASA2_1) (Oct 2016-Sept 2017)
Sujan Estate	79,611	73,989.31	82,427
Jiba Estate	54,452	55,015.08	55,938
KSGS	8,889	3,498.72	3,397.92
Total	142,952	132,503.11	141,762.92

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7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated (ASA1_1) (Oct 2015-Sept 2016)	Actual (ASA1_1) (Oct 2015-Sept 2016)	Forecast (ASA2_1) (Oct 2016-Sept 2017)
Certified FFB	142,952	132,503.11	141,762.92
Non-certified FFB	114,605	110,623.80	106,647.78

8. Certified Tonnage									
Mill	Estimated (ASA1_1) (Oct 2015-Sept 2016)			Actual (ASA1_1) (Oct 2015-Sept 2016)			Forecast (ASA2_1) (Oct 2016-Sept 2017)		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Keresia Palm Oil Mill	142,952	27,160.88	5,718.08	132,503.11	24,296.62	5,115.67	141,762.92	26,934.95	5,670.52

**Based on forecast OER:19% and KER:4 %*

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
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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 assessment was conducted from 4-7 October 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 (Sujan Estate & Jiba 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 Principles & Criteria 2013 (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.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base. The estates sample were determined based on formula $N = 0.8\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the RSPO Certification Requirement for Group Certification Standard 2016. The sampling of smallholders were based on the formula $(0.8\sqrt{54}) \times (1)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder is listed in Appendix J. $Y=54$ smallholder, $Z = 1$ (low risk)

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

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

All the previous nonconformities are remains closed. The assessment findings for the 1st Annual Surveillance Assessment are detailed in Section 3.3.

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 (Recertification)	Year 2 (ASA 1_1)	Year 3 (ASA 2_1)	Year 4 (ASA 3_1)	Year 5 (ASA4_1)
Keresia Palm Oil Mill	√	√	√	√	√
Sujan Estate	√	√	√	√	√
Jiba Estate	√	√	√	√	√
KSGS Smallholders	√	√	√	√	√

[Click here to enter a date.](#)

Tentative Date of Next Visit: July 3, 2018 – July 6, 2018

Total No. of Mandays: 10.5 mandays

BSI Assessment Team:

Mohamed Hidhir Bin Zainal Abidin – Lead Auditor

He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 14001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, safety and health, environmental and workers and stakeholders consultation.

Nicholas Cheong – Team Member

He holds Master of Environmental Management from the University Putra Malaysia and Bachelor of Science (Food Science) from Charles Sturt University Australia. He has more than 5 years of working experience in sustainability auditing and carbon emissions accounting. He has also 2 years of working experience in wastewater treatment

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construction and operations. He has completed the ISO9001, ISO14001 and RSPO P&C Lead Auditor course and MSPO Awareness Training. In his previous certification body he is a Assessor for Clean Development Mechanism and ISCC. He had been involved in Sustainable Palm Oil auditing for more than 2 years.

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.

- Keresa Plantations Sdn Bhd Time Bound Plan
- RSPO Group Certification Standard 2016 Checklist
- RSPO P&C for Smallholders TH-WG 2012 Checklist
- RSPO P&C GN-NIWG 2010 Checklist
- RSPO P&C INA-NIWG 2016 Checklist
- RSPO P&C PNG-NIWG 2016 Checklist
- RSPO P&C SI-NIWG 2010 Checklist
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO P&C TH-WG 2011 Checklist
- RSPO Supply Chain Certification Checklist November 2014
- RSPO P&C 2013 Generic Checklist

3.2 Progress against Time Bound Plan

Keresa Plantations Sdn Bhd operates one palm oil mill and three estates. Palm Oil Mill, two estates and associated smallholder are certified since 2010. Kubud estate was planted in 2012 without prior HCV assessment. This issue was brought to RSPO voluntarily by the company to RSPO Technical Director on 17 September 2013. This area is under compensation mechanism and not certified. The timeline to certify Kubud Estate is depends on the approval of the Keresa Plantations Sdn Bhd's compensation proposal by RSPO.

BSI has considered that Keresa Plantation Sdn Bhd still comply with the RSPO requirement for partial certification and has justified the delay in certifying the Kubud Estate due to waiting for the approval from RSPO. As it is:

1. There is no any other isolated lapse in Time Bound Plan.

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- 2. No systematic failures to proceed with implementation of the Time Bound Pan since first certified.
- 3. The changes in the Time bound Plan.

BSI has continued involvement with assessments of Keresia Plantations Sdn Bhd during the 2014/2015 period. During this recertification assessment, BSI has contacted stakeholders. BSI did not receive any information or feedback that need to further verify. Keresia Plantations Sdn Bhd consistently has kept BSI informed of any emerging issues. Other than the Kubud Estate, 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. Details of the TBP compliance can be found below:

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	Yes	Yes
Is the time bound plan challenging? <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	The time bound plan is challenging enough.	Yes
Have there been any changes since the last audit? Are they justified?	As of this year, no changes as per submitted to ACOP.	Yes
If there have been changes, what circumstances have occurred?	No	No
Have there been any stakeholder comments?	No	Yes
Have there been any newly acquired subsidiaries?	No	Yes
Have there been any isolated lapses in implementation of the plan?	No	Yes
Un-Certified Units or Holdings		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Yes. Internal audits are done by Group's internal audit team @ TQM.	Yes

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<p>No replacement after dates defined in NIs Criterion 7.3:</p> <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. 	<p>Sg Kubud Estate – leased land belongs to community.</p> <p>As per HCV assessment report, HCV cleared. Keresas in discussion with RSPO on the liability issue. Not yet finalised.</p>	No
<p>Any new plantings since January 1st 2010 must comply with the RSPO New Plantings Procedure.</p>	<p>New plantings at Sg Kubud Estate completed NPP.</p>	Yes
<p>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.</p>	<p>No land conflicts for Keresas Plantation</p>	Yes
<p>Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.</p>	<p>No land conflicts for Keresas Plantation</p>	Yes
<p>Did the company conduct an internal audit? If so, has a positive assurance statement been produced?</p>	<p>Yes. Internal audits are done by Group’s internal audit team @ TQM.</p>	Yes
<p>Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.</p>	<p>No non-compliances as of today for for Keresas Plantation</p>	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 1st Annual Surveillance Assessment there were eighteen (18) Major & fifteen (15) Minor nonconformities raised. The Keresas Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M1	Requirements Indicator 4.7.1 A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.	Major
	Evidence of Nonconformity Keresa POM i) There was no latest medical surveillance for 2016. Last monitoring was done on 12/4/15 and exceed 12 month period. ii) No latest LEV inspection conducted for 2016 and last monitoring was referred to report dated 18/5/15.	
	Statement of Nonconformity Health and safety plan was not effectively implemented and monitored	
	Corrective Actions 1. The management immediate send for medical check-up based on type of chemical they dealing with. The latest medical surveillance was conducted 28/10/16 by Dr Ling King Chuong (Medan Jaya Medical Clinic)-HQ/08/DOC/00/206. Verified USECHH 3 & 4 to the said mill workers. 2. Request a quotation from ESI sampling to organize LEV inspection. PO was issued to ESI sampling to conduct LEV inspection.	
	Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Continuous implementation will be further verified in the next audit.	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M2	Requirements Indicator 4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.	Major
	Evidence of Nonconformity Sujan Estate No medical surveillance conducted for the sprayer gang at field S07K1	
	Statement of Nonconformity Medical surveillance programme was not effectively demonstrated	
	Corrective Actions The management immediate send for medical check-up. The latest medical surveillance was conducted 28/10/16 by Dr Ling King Chuong (Medan Jaya Medical Clinic)-HQ/08/DOC/00/206. Verified medical surveillance records (USECHH 3 and 4) for the said sprayers.	
	Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Continuous	

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implementation will be further verified in the next audit.
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M3	Requirements Indicator 4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided.	Major
	Evidence of Nonconformity Sujan/Jiba Estate No evidence of Ai/Ha summary recorded as to date.	
	Statement of Nonconformity Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) was not available.	
	Corrective Actions Ai/Ha has been monitored on monthly basis for both estate Jiba and Sujan. Spreadsheet updated September 2016 was verified.	
	Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Continuous implementation will be further verified in the next audit.	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M4	Requirements Indicator 7.1.1 An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented.	Major
	Evidence of Nonconformity No SEIA conducted for the new planting for KSGS smallholder (Rumah Majang and Rumah Ballrully)	
	Statement of Nonconformity SEIA was not prepared for the new planting	
	Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008; Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.	

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	<p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible.</p> <p>RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p>	
	<p>Assessment Conclusion</p> <p>The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This issue will be further verified in the next assessment.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M5	<p>Requirements Indicator 7.3.1</p> <p>There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2).</p> <p>Evidence of Nonconformity</p> <p>No HCV assessment conducted prior to KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> <p>Statement of Nonconformity</p> <p>No HCV assessment conducted prior to new planting</p> <p>Corrective Actions</p> <p>i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha.</p> <p>ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p>	Major

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	<p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are relieved from the submission of the NPP.</p>	
	<p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This issue will be further verified in the next assessment.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M6	<p>Requirements Indicator 7.3.2 A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status.</p> <p>Evidence of Nonconformity No HCV assessment conducted prior to KSGS smallholder (Rumah Majang and Rumah Ballully) new planting including land use change analysis.</p> <p>Statement of Nonconformity No HCV assessment conducted prior to new planting</p> <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are relieved from the submission of the NPP.</p>	Major

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	<p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This issue will be further verified in the next assessment.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M7	<p>Requirements Indicator 7.7.1 There shall be no land preparation by burning, other than in specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions.</p> <p>Evidence of Nonconformity No evidence to show the method of land preparation for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> <p>Statement of Nonconformity No evidence to show the method of land preparation.</p> <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are relieved from the submission of the NPP.</p> <p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This issue will be further verified in the next assessment.</p>	Major

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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M8	<p>Requirements Indicator 7.8.1 The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated.</p> <p>Evidence of Nonconformity Carbon stock assessment was not carried out for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> <p>Statement of Nonconformity Carbon stock of the proposed development area was not identified and estimated.</p> <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This issue will be further verified in the next assessment.</p>	Major

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M9	<p>Requirements Indicator 7.2.1 Soil suitability maps or soil surveys adequate to establish the long-term suitability</p>	Major

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	<p>of land for oil palm cultivation shall be available and taken into account in plans and operations.</p>	
	<p>Evidence of Nonconformity No soil suitability maps and survey available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p>	
	<p>Statement of Nonconformity Soil suitability maps and survey was not available</p>	
	<p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are relieved from the submission of the NPP.</p>	
	<p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This issue will be further verified in the next assessment.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M10	<p>Requirements Indicator 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.</p> <p>Evidence of Nonconformity Keresa Mill and Jiba Estate: Document reviewed found that plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified with the consultation of affected parties, documented and timetabled, including responsibilities for implementation was not available.</p>	Major

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	<p>Statement of Nonconformity Plan to mitigate the negative impacts and promotion of positive ones was not available.</p>	
	<p>Corrective Actions SIA management plan was established for Keresia Plantation and has incorporated input from stakeholders. The major NC was closed out 5/12/16</p>	
	<p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Continuous implementation will be further verified in the next audit.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M11	<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>	Major
	<p>Evidence of Nonconformity All Operating Units: Interviewed with the TQM executives and Women and Children Committee Chairman found that reproductive rights policy was not available.</p>	
	<p>Statement of Nonconformity Policy to protect the reproductive rights of all, especially of women was not available.</p>	
	<p>Corrective Actions Reproductive rights policy will be established by Keresia Plantation's HR department. Final draft was approved on 30/11/16 by HR and still pending for endorsement by Managing Director. Verified endorsed version signed by Managing Director dated 7/12/2016</p>	
	<p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Continuous implementation will be further verified in the next audit.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M12	<p>Requirements Indicator 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).</p>	Major
	<p>Evidence of Nonconformity All Operating Units: Interviewed the TQM executives and document reviewed found that policy to respect human rights was not available.</p>	
	<p>Statement of Nonconformity Policy to respect human rights was not available.</p>	
	<p>Corrective Actions</p>	

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	Human rights policy will be established by Keresa Plantation's HR department. Final draft was approved on 30/11/16 by HR and still pending for endorsement by Managing Director Verified endorsed version signed by Managing Director dated 7/12/2016	
	Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Continuous implementation will be further verified in the next audit.	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M13	Requirements Indicator 6.5.1 Documentation of pay and conditions shall be available. Evidence of Nonconformity Sujan & Jiba Estate: Sampled piece-rated workers for both estates did not achieve the Minimum Wage Order 2016 of RM 920: a) Employee No.: 10687 for month June – August 2016 (Sujan Estate) b) Employee No.: 10726 for month July 2016 (Sujan Estate) c) Employee No.: 10084 for month July 2016 (Jiba estate) d) Employee No.: 07223 for month August 2016 (Jiba Estate) e) Employee No.: 10588 for month July and August 2016 (Jiba Estate) Statement of Nonconformity Sujan estate did not comply with Minimum Wage Order 2016. Corrective Actions Verified manual calculation based on November 2016 check roll for the said workers. All workers salary exceeded the Sarawak minimum wages of RM920. Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Continuous implementation will be further verified in the next audit.	Major

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M14	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. Evidence of Nonconformity Sujan & Jiba Estate: Old version of worker’s contract has been utilized where under Section 3.2 public holiday entitlement was only 17 days instead of 16 days, Section 4.1 Pay was RM 31.00/ day instead of RM 35.38/ day and Section 8.2 Sick leave pay was still RM	Major

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	<p>31.00/ day. Sampled workers as below: a) Employee No.: 10687 (Sujan estate) b) Employee No.: 10849 (Sujan estate) c) Employee No.: 10726 (Sujan estate) d) Employee No.: 10866 (Jiba estate) e) Employee No.: 10608 (Jiba estate) f) Employee No.: 10527 (Jiba estate)</p> <p>Jiba Estate: Worker’s contracts of employment sampled below found that the employment contract for those worked more than 2 years were expired. Extension contracts were not available. a) Employee No.: 10387 (Jiba estate) b) Employee No.: 10201 (Jiba estate)</p> <p>In addition, worker’s contract of employment for the sampled workers below was not available: a) Employee No.: 12189 who joined on 11/12/2011 b) Employee No.: 10084 who joined on 27/2/2010</p>	
	<p>Statement of Nonconformity Worker’s contract that has been utilized was not updated according to the new regulations. Contracts and extended contracts of employment for workers employed and extended 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.) was not available.</p>	
	<p>Corrective Actions Verified the latest contract (main contract and contract extension) signed by the said workers.</p>	
	<p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Continuous implementation will be further verified in the next audit.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M15	<p>Requirements Indicator 6.12.1 There shall be evidence that no forms of forced or trafficked labour are used.</p>	Major
	<p>Evidence of Nonconformity In Sujan and Jiba Estate, sampled workers who were on vacation leave at their home country were sighted a security bond of RM 500 paid to the company. They were signed on a consent letter before on leave. Sampled workers as below: a) Employee No.: 10037 (signed the letter on 27/8/2016) and received the security deposit on 5/10/2016 from the company after vacation leave. (Sujan Estate) b) Employee No.: 20171 (signed the letter on 13/7/2016) and received the security deposit on 19/8/2016 from the company after vacation leave. (Sujan Estate) c) Employee No.: 10053 (signed the letter on 10/6/2016) and received the</p>	

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	<p>security deposit on 23/8/2016 from the company after vacation leave. (Jiba Estate) The submission of security deposit indirectly restrict the workers from accessing their passport.</p> <p>Consent letter to surrender passport voluntarily was not available for all the foreign workers.</p>	
	<p>Statement of Nonconformity The workers are requested by the company to pay deposit RM500 for accessing their passport when they apply for vacation leave at their home country. No evidence of the workers surrendered their passport voluntarily.</p>	
	<p>Corrective Actions i) Consent letter provided to voluntarily surrender the passport available for the said workers. ii) Memo circulated to all managers (estates and mill) of the restriction of security deposit collection.</p>	
	<p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Continuous implementation will be further verified in the next audit.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M16	<p>Requirements Indicator 4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented</p> <p>Evidence of Nonconformity During the reviewing of the Environment Impact & Aspect assessment and mitigation, the document was found not a controlled document. The date and version of the number could not be identified. Furthermore the document reviewed was not approved by management. During the review of document Water Management Plan (KP 2-201), it was identified that the plan shall be reviewed every 3 years. Since the document was dated June 2010, there shall be 2 reviewed since June 2010. However, such reviewed was not identified.</p> <p>Statement of Nonconformity The organization could not demonstrate documentation management systems and internal control procedure.</p> <p>Corrective Actions The document will be a controlled document and water Management Plan will be reviewed every 3 years</p> <p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Continuous implementation will be further verified in the next audit.</p>	Major

Non-Conformity		
NCR #	Description	Category (Major / Minor)

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1387081M17	<p>Requirements Indicator 4.6.6 Storage of all pesticides shall be according to recognized best practices. All pesticide containers shall be properly disposed of and not used for other purposes.</p>	Major
	<p>Evidence of Nonconformity During the field assessment at the Jiba Estate’s Linesite, it has identified improper storage of pesticide containers at 3 locations. Those containers were painted and classified as poison containers.</p>	
	<p>Statement of Nonconformity The organization should ensure that the workplace, machinery, equipment, transport and processes under their control are safe and without undue risk to health.</p>	
	<p>Corrective Actions All pesticide containers stored properly in the store and the suppliers will take the pesticide containers to dispose. Photo of pesticides containers stored properly in the store with the red mark was verified. Awareness training was given to all workers 10/11/16.</p>	
	<p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Contiouous implementation will be further verified in the next audit.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081M18	<p>Requirements Indicator 5.3.2 All chemicals and their containers shall be disposed of responsibly.</p>	Major
	<p>Evidence of Nonconformity The following were identified at the mill operations: 1. At the scrap yard, wastes contaminated with grease or lubricant were identified. 2. The workshop and the diesel engine room are considered potential areas that spillage of grease / lubricant / diesel could occur. As such, complete spill kits shall be available. During the assessment, spill kits could not be identified. 3. In the diesel engine room, it was identified that spend oil are found in disposal bin.</p> <p>The following were identified at the laboratory: 1.The laboratory use hexane. However the disposal of hexane residue was not classified as scheduled.</p> <p>The following were identified at the Jiba / Sujan estate: 1. The clinical wastes were not properly contained and store in secured location prior disposal. 2. The schedule waste store of Sujan Estate was not locked and secured for unauthorized personnel to assess. 3. At the fertilizer and chemical store of Sujan, there were no rinsing and/or premix area. Those rinsed chemical container are not properly secured while it is</p>	

	<p>being dried.</p> <p>4. The schedule wastes were not identified according to date of first generated.</p> <p>5. At the diesel engine room of Jiba Estate, 4 empty lubricant drum was identified sitting on the empty land next to the engine room.</p> <p>6. It was found that a trap was installed at the premix and washing area of Jiba estate. However the trap would not be able to trap those mixed chemical. Hence, if there were any spillage and/or washing residue of the chemical, will be directed directly open drain.</p> <p>7. During the assessment at the Jiba Estate’s workshop, it was found that Drip Trays (PCD) were not sufficient as compare to the amount of parked vehicles.</p> <p>8. At the Drinking water treatment plant, it was identified that there are chemical waste (e.g. chlorine drum, soda ash bags). However this waste are not properly disposed.</p>	
	<p>Statement of Nonconformity The organization could not demonstrate the managing and disposal of hazardous chemicals and their containers.</p>	
	<p>Corrective Actions</p> <p>Keresia Mill</p> <ol style="list-style-type: none"> 1. Contaminated scrap iron will be remove from scrap iron yard and will be store in a drum which label as ‘contaminated waste storage’ and will be kept at schedule waste store 2. Emergency spill kit will be provided location with proper signage 3. Spend oil which found in disposal bin will be clean using fibre. A proper drum will be providing to throw any contaminated waste. Those drum and bin will be label properly. 4. A proper drum will be providing throw any hexane residue. Those drum will be label properly. <p>Jiba/Sujan Estate</p> <ol style="list-style-type: none"> 1. Request a quotation from Trieneken to collect clinical waste 2. Make sure the schedule waste store locked everytime to prevent the unauthorized personnel to assess 3. In planning (budget next year) for the new rinsing/premix area 4. The schedule wastes should be updated accordingly 5. 4 empty lubricant drum will be move to schedule waste store 6. To monitor and check back premix area 7. To provide more drip trays 8. The chemical waste will be dispose properly 	
	<p>Assessment Conclusion The major NC was closed during onsite NC closure visit on 05/12/2016. Contiouous implementation will be further verified in the next audit.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N1	<p>Requirements Indicator 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</p>	Minor

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	<p>operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p>	
	<p>Evidence of Nonconformity Keresa POM Observed at boiler station, adequate and appropriate protective equipment was not worn by the fireman while doing clinkers raking activity. Sujan Estate PPE used by manurer was not DOSH approved respirator and just using normal cotton handkerchief/mouth cover. Furthermore, cotton glove was used not rubber gloves as per recommendation. Jiba Estate During the field assessment at the Jiba Estate Diesel Engine room, it was found that no signage to inform the operators that ear protection shall be use when operating the diesel engine. It was identified at the Jiba Estate Diesel Engine room, one of the diesel engine was dismantled for maintenance. However, the cable of that engine was not properly isolated. It was found the cable was laying on the floor.</p>	
	<p>Statement of Nonconformity Adequate and appropriate protective equipment was not made available to all workers at the place of work to cover all potentially hazardous operations</p>	
	<p>Corrective Actions 1. Appropriate PPE will give based on Risk Assessment 2. DOSH approved respirator and rubber glove will be provided to all manurer 3. Signage will be provided and cable was properly isolated</p>	
	<p>Assessment Conclusion Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next audit.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N2	<p>Requirements Indicator 4.7.6 All workers shall be provided with medical care, and covered by accident insurance.</p>	Minor
	<p>Evidence of Nonconformity Noted worker under passport# A8751147 was found expired on 5/10/16</p>	
	<p>Statement of Nonconformity Accident insurance coverage was not comprehensive include all workers</p>	
	<p>Corrective Actions All worker insurance should be renewed after first insurance been expired and will be monitored by TQM and administrative executive.</p>	
	<p>Assessment Conclusion Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next audit.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)

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1387081N3	Requirements Indicator 2.1.2 A documented system, which includes written information on legal requirements, shall be maintained	Minor
	Evidence of Nonconformity New legal requirements were not incorporated in the legal register pertaining to: <ul style="list-style-type: none"> i) Minimum Wages Order 2016 ii) Factory Machinery Act 1970, Person In-Charge Regulations Amendment 2014 iii) Environment Quality, Clean Air Regulation 2014 	
	Statement of Nonconformity Written information on legal requirements was not effectively maintained	
	Corrective Actions To ensure new legal requirements were documented in the legal register and monitored by TQM	
	Assessment Conclusion Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next audit.	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N4	Requirements Indicator 7.1.2 Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts.	Minor
	Evidence of Nonconformity No evidence of SEIA and management plan to include the KSGS smallholder new planting area (Rumah Majang and Rumah Ballrully)	
	Statement of Nonconformity Appropriate management planning and operational procedures has not been developed.	
	Corrective Actions <ul style="list-style-type: none"> i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008; <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p>	

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	<p>Assessment Conclusion The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This finding to be further verified in the next assessment.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N5	<p>Requirements Indicator 7.3.3 Dates of land preparation and commencement shall be recorded.</p> <p>Evidence of Nonconformity Information of land preparation and commencement for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting was not clearly recorded.</p> <p>Statement of Nonconformity No clear dates of land preparation and commencement recorded.</p> <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008; Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016. The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>Assessment Conclusion The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This finding to be further verified in the next assessment.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)

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1387081N6	<p>Requirements Indicator 7.3.4 An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower’s relevant operational procedures (see Criterion 5.2).</p>	Minor
	<p>Evidence of Nonconformity No HCV assessment action plan developed for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting</p>	
	<p>Statement of Nonconformity HCV action plan was not developed</p>	
	<p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008; Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016. The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are relieved from the submission of the NPP.</p>	
	<p>Assessment Conclusion The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This finding to be further verified in the next assessment.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N7	<p>Requirements Indicator 7.3.5 Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2).</p>	Minor
	<p>Evidence of Nonconformity No HCV assessment and management plan for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting</p>	
	<p>Statement of Nonconformity Areas required by affected communities was not identified and incorporated into HCV assessments and management plans</p>	

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	<p>Corrective Actions</p> <p>i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP.</p> <p>Assessment Conclusion</p> <p>The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This finding to be further verified in the next assessment.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N8	<p>Requirements Indicator 7.4.1 Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided</p> <p>Evidence of Nonconformity No maps available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> <p>Statement of Nonconformity Maps identifying marginal and fragile soils, including excessive gradients and peat soils, was not available</p> <p>Corrective Actions</p> <p>i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its</p>	Minor

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	<p>meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are relieved from the submission of the NPP.</p>	
	<p>Assessment Conclusion The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This finding to be further verified in the next assessment.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N9	<p>Requirements Indicator 7.4.2 Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts</p> <p>Evidence of Nonconformity No plans available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> <p>Statement of Nonconformity Plans were not available to protect fragile and marginal soils without incurring adverse impacts</p> <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are relieved from the submission of the NPP.</p> <p>Assessment Conclusion The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This finding to be further verified in the next assessment.</p>	Minor

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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N10	<p>Requirements Indicator 7.7.2 In exceptional cases where fire has to be used for preparing land for planting, 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.</p> <p>Evidence of Nonconformity No evidence of prior approval of the controlled burning was used for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> <p>Statement of Nonconformity No evidence of prior approval of the controlled burning was used.</p> <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008;</p> <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are relieved from the submission of the NPP.</p> <p>Assessment Conclusion The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This finding to be further verified in the next assessment.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)

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1387081N11	<p>Requirements Indicator 7.8.2 There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options.</p> <p>Evidence of Nonconformity There was no plan to minimise net GHG emissions established for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> <p>Statement of Nonconformity Plan to minimize GHG emission was not planned effectively</p> <p>Corrective Actions i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008; Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016. The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement. The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible. RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are relieved from the submission of the NPP.</p> <p>Assessment Conclusion The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This finding to be further verified in the next assessment.</p>	Minor
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N12	<p>Requirements Indicator 7.2.2 Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations.</p> <p>Evidence of Nonconformity No topographic information available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting.</p> <p>Statement of Nonconformity Topographic information to guide the planning of drainage and irrigation systems, roads and other infrastructure was not available</p>	Minor

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	<p>Corrective Actions</p> <ul style="list-style-type: none"> i) Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced to 111.31 Ha. ii) Based on RSPO announcement dated 15/11/16, ref: RSPO/TECH/NPPSH/008; <p>Resolution 6f calling for 'Review and amendment of the updated NPP process as applied to smallholders' submitted by the Solidaridad and Setara Jambi has been passed at the RSPO GA13 held in Bangkok on 10 November 2016.</p> <p>The Resolution demand that the RSPO immediately announce a reprieve from the new planting procedures (NPP) for all smallholders – independent, scheme or associated – until a review of the updated NPP guidance document is completed within 6 month of the announcement.</p> <p>The RPO Board of Governors (BoG) in its meeting on 11 November 2016 has discussed the Resolution and has instructed the RSPO Secretariat to come out with the public announcement as soon as possible.</p> <p>RSPO Secretariat therefore now announce, with immediate effect, that new oil palm development in smallholder areas (independent, scheme or associate) are reprieved from the submission of the NPP. The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate)</p>	
	<p>Assessment Conclusion</p> <p>The NC is closed on 5/12/16 but subject to RSPO latest announcement on NPP for smallholder areas (independent, scheme or associate). This finding to be further verified in the next assessment..</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N13	<p>Requirements Indicator 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>	Minor
	<p>Evidence of Nonconformity</p> <p>All Operating Units: Document verification found policy committing to a code of ethical conduct and integrity in all operations and transactions was not available.</p>	
	<p>Statement of Nonconformity</p> <p>Policy committing to a code of ethical conduct and integrity in all operations and transactions was not available.</p>	
	<p>Corrective Actions</p> <p>Policy of code of ethical conduct will be made available and approved by HQ.</p>	

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	<p>Assessment Conclusion Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next audit.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N14	<p>Requirements Indicator 4.4.1 An implemented water management plan shall be in place</p> <p>Evidence of Nonconformity The assessment team had reviewed the Water Management Plan. The water management plan has stated the commitments of Keresia Plantation towards water quality management to ensure water quality are safe for usage. During the field assessment at the water catchment area at Jiba Estate, it was identified that there was no signage to inform the stakeholders that the water catchment area is a protected water course as the water is utilized to produce drinking water. As such, the water quality shall be monitored by frequent analysis. However, during the assessment, the water quality analysis for the Drinking Water Treatment Plan at Jiba Estate is not available. During the field assessment at Linesite, it was identified that the clean water and water harvesting tanks are connected prior channel into the main pipe of the quarters/houses. As a results the waters are mixed prior being used or consumed.</p> <p>Statement of Nonconformity The organization could not demonstrate the assurance that adequate clean water for drinking, cooking, bathing and cleaning purposes are provided to the local communities, workers and their families.</p> <p>Corrective Actions The signage will be provided to ensure the stakeholders that the water catchment area is a protected water and to monitor water quality analysis will be analyzed by monthly</p> <p>Assessment Conclusion Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next audit.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1387081N15	<p>Requirements Indicator 4.8.2 Records of training for each employee shall be maintained</p> <p>Evidence of Nonconformity During the onsite assessment at the Jiba estate drinking water treatment plant, the operator was interviewed with regards if he has received training on how to operate the water treatment plant. He was able to inform the assessment team on what and how to be done. He was trained by the operator who was previously operating the water treatment plant. Since the Drinking Water Treatment Plan is a</p>	Minor

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	critical location, the operator is required to be properly trained. The training records for this operator was not available.	
	Statement of Nonconformity The training records for the Jiba Estate Drinking Water Treatment Plan operator was not available.	
	Corrective Actions The WTP operator will be trained on Standard Operation Procedure (SOP) and Material Safety Data Sheet (MSDS).	
	Assessment Conclusion Corrective action plan is accepted. Effectiveness of corrective action taken will be further verified in the next audit.	

Observation	
OBS #	Description
Nil	

Positive Findings	
PF #	Description
1	External stakeholders for the mill and estates shown positive feedbacks towards the company.
2	Keresia management unit has maintained good relationship with the local community and other stakeholders.

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 Keresia 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 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.</p>	
IS #	Description
1	<p>Issues: Medical Assistant: No issue reported by the MA. All the records were maintained.</p> <p>Management Responses: Information noted by the management.</p> <p>Audit Team Findings: No further issue.</p>
2	<p>Issues:</p>

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	<p>Creche Attendants: They informed that no any issues reported. They were understood on how to use first aid kit if there is any emergency happened.</p> <p>Management Responses: The MA and management will closely monitor if there is any issue reported.</p> <p>Audit Team Findings: There was no any further issue that required further verification.</p>
3	<p>Issues: Quarry contractor (Road work) and CPO & PK Transporters: Contractor confirm payment is prompt as per agreed contract.</p> <p>Management Responses: Payment is made as per the agreed terms.</p> <p>Audit Team Findings: No other issues.</p>
4	<p>Issues: Workers' Representatives - The representatives highlighted that they are treated equally on use of the facilities. Housing provided is in good condition.</p> <p>Management Responses: The management treats all employees equally with no discrimination. Management will continue to treat all workers equally without discrimination.</p> <p>Audit Team Findings: No complaints were highlighted by foreign workers during interviewed. Site visit to the housing area found out that is in good condition at the time of the visit.</p>
5	<p>Issues: KSGS Smallholders (Rumah Majang) – They informed that no land encroachment by the management. Payment was made according to MPOB daily price. However, they complained that the Sg. Sujan was polluted where fishes were found dead every time after heavy rain. This matter affected their livelihood to obtain the food source from the river.</p> <p>Management Responses: The management informed that in future if there is any case, they will immediately take the river water for analysis.</p> <p>Audit Team Findings: Site inspection to the river had identified the river was desilted due to heavy rain. However, no sight of dead fishes during the visit. Further investigation was conducted at the mill's wastewater treatment facilities if there were possibilities of non-compliance final discharge. It was found that the final discharge is acceptable (e.g. color and smell). There were no leakage or overflow evidence of the open ponds. The audit team had recommended the management team to further investigate on river upstream activities.</p>
6	<p>Issues: Jabatan Tenaga Kerja, Kinabatangan – Through phone interviewed, the officer informed that the management is committed to the compliance of legal requirements. No pending issue was noted.</p> <p>Management Responses: The management will comply with the legal requirements all the time.</p> <p>Audit Team Findings: Document reviewed found that no issue except some sampled workers were not achieved the Minimum Wage Order 2016. Refer to criteria 6.5.1 for further information.</p>
7	<p>Issues: Gender Committee Chairman: No issue of sexual harassment and violence case reported thus far.</p> <p>Management Responses: Information noted by the management.</p> <p>Audit Team Findings: Document reviewed of the meeting minutes and interviewed with female workers confirmed that no issue</p>

on sexual harassment has reported.

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1213818N1	<p>Requirements Indicator 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.</p>	Minor
	<p>Evidence of Nonconformity: Jiba estate: During the document audit, it was found that contract agreement for EFB application contractor (Smart Hub) was not available at the estate.</p>	
	<p>Statement of Nonconformity: EFB application contractor's contract was not cited.</p>	
	<p>Corrective Action: The contract agreement for Smart Hub was found during the audit. However, the agreement was expired on 31/12/2013. No evidence of new contract was signed before commencement of work by the contractor.</p>	
	<p>Assessment Conclusion: The corrective action was found not effective, thus the previous minor escalated to major non-conformity as per RSPO certification system requirement.</p> <p>Major NC closed out verification: At the time of audit, the contract has not signed by due to the unavailability of committee members. Verified renewed contract for EFB application contractor, 2016/SMARTHUB/01.</p> <p>The NC was closed out on 5/12/2016.</p>	

Observation	
OBS #	Description
1	nil

3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
CR01	Minor	18/6/2010	Closed on 13/10/2011

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CR02	Minor	18/6/2010	Closed on 13/10/2011
CR03	Minor	18/6/2010	Closed on 13/10/2011
CR04	Minor	18/6/2010	Closed on 13/10/2011
CR05	Minor	18/6/2010	Closed on 13/10/2011
CR06	Minor	18/6/2010	Closed on 13/10/2011
CR07	Minor	18/6/2010	Closed on 13/10/2011
CR01-1	Minor	13/10/2011	Closed on 06/09/2012
CR02-1	Minor	13/10/2011	Closed on 06/09/2012
CR03-1	Minor	13/10/2011	Closed on 06/09/2012
CR04-1	Minor	13/10/2011	Closed on 06/09/2012
CR05-1	Minor	13/10/2011	Closed on 06/09/2012
CR01-2	Minor	6/9/2012	Closed on 29/08/2013
CR01-3	Minor	29/8/2013	Closed on 24/10/2013
CR02-3	Minor	29/8/2013	Closed on 24/10/2013
CR03-3	Minor	29/8/2013	Closed on 23/9/2014
CR04-3	Minor	29/8/2013	Closed on 23/9/2014
CR05-3	Minor	29/8/2013	Closed on 23/9/2014
1097198M1	Minor	26/9/2014	Closed on 25/11/2014
1097198M2	Minor	26/9/2014	Closed on 25/11/2014
1097198N1	Minor	26/9/2014	Closed on 22/7/2015
1097198N2	Minor	26/9/2014	Closed on 22/7/2015
1213818N1 – 6.10.3	Minor	25/7/2015	“Open” - upgraded to Major NC
1387081M1 – 4.7.1	Major	7/10/2016	Closed on 5/12/16
1387081M2 – 4.6.11	Major	7/10/2016	Closed on 5/12/16
1387081M3 – 4.6.2	Major	7/10/2016	Closed on 5/12/16
1387081M4 – 7.1.1	Major	7/10/2016	Closed on 5/12/16
1387081M5 – 7.3.1	Major	7/10/2016	Closed on 5/12/16
1387081M6 – 7.3.2	Major	7/10/2016	Closed on 5/12/16
1387081M7 – 7.7.1	Major	7/10/2016	Closed on 5/12/16
1387081M8 – 7.8.1	Major	7/10/2016	Closed on 5/12/16
1387081M9 – 7.2.1	Major	7/10/2016	Closed on 5/12/16
1387081M10 – 6.1.3	Major	7/10/2016	Closed on 5/12/16
1387081M11 – 6.9.2	Major	7/10/2016	Closed on 5/12/16
1387081M12 – 6.13.1	Major	7/10/2016	Closed on 5/12/16
1387081M13 – 6.5.1	Major	7/10/2016	Closed on 5/12/16
1387081M14 – 6.5.2	Major	7/10/2016	Closed on 5/12/16

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1387081M15 – 6.12.1	Major	7/10/2016	Closed on 5/12/16
1387081M16 – 4.1.1	Major	7/10/2016	Closed on 5/12/16
1387081M17 – 4.6.6	Major	7/10/2016	Closed on 5/12/16
1387081M18 – 5.3.2	Major	7/10/2016	Closed on 5/12/16
1387081N1 – 4.7.3	Minor	7/10/2016	“Open”
1387081N2 – 4.7.6	Minor	7/10/2016	“Open”
1387081N3 -2.1.2	Minor	7/10/2016	“Open”
1387081N4 – 7.1.2	Minor	7/10/2016	Closed on 5/12/16
1387081N5 – 7.3.3	Minor	7/10/2016	Closed on 5/12/16
1387081N6 – 7.3.4	Minor	7/10/2016	Closed on 5/12/16
1387081N7 – 7.3.5	Minor	7/10/2016	Closed on 5/12/16
1387081N8 – 7.4.1	Minor	7/10/2016	Closed on 5/12/16
1387081N9 – 7.4.2	Minor	7/10/2016	Closed on 5/12/16
1387081N10 – 7.7.2	Minor	7/10/2016	Closed on 5/12/16
1387081N11 – 7.8.2	Minor	7/10/2016	Closed on 5/12/16
1387081N12 – 7.2.2	Minor	7/10/2016	Closed on 5/12/16
1387081N13 – 1.3.1	Minor	7/10/2016	“Open”
1387081N14 – 4.4.1	Minor	7/10/2016	“Open”
1387081N15 – 4.8.2	Minor	7/10/2016	“Open”

Assessment Conclusion and Recommendation:

Based on the findings during the assessment Keresia Palm Oil Mill Certification Unit and supply base complies with the RSPO P&C 2013 (MY-NI 2014), and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Keresia Palm Oil Mill Certification Unit is approved and continued.

Acknowledgement of Assessment Findings	Report Prepared by
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Title: PIC Sustainability / SCM	Title: Lead Auditor
Signature:  Date: 05/06/2017	Signature:  Date: 5/6/17

Appendix A: Summary of Findings

Criterion / Indicator		Assessment Findings	Compliance
Principle 1: Commitment to Transparency			
Criterion 1.1: Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. - Minor compliance -	Interview with the Mill operators & employees and smallholders has shown that the organization has provided adequate information on environment, social and/or legal which relevant to RSPO Criteria.	Complied
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	Records of request for information maintained under file Action Request. Most of the requests are internal i.e. housing repair request by the workers. In general all the SOPs are available upon request.	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.			
1.2.1	Publicly available documents shall include, but are not necessary limited to: • 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). - Major compliance –	Documents related to Environment Plans & Impact assessment and Pollution Prevention & reduction plans were cited at the mill, Sujan Estate and Jiba Estate. The completed set of documents are also kept at the Main Office and the Head office in Kuching. The following sample documents were cited: 1. The environment impact and aspect assessment including pollution plans and reductions. 2. The mitigation plans and monitoring of the mitigations. 3. Standard operating procedures.	Complied
Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.			

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Criterion / Indicator	Assessment Findings	Compliance	
1.3.1	<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. -Minor compliance</p>	<p>Policy committing to a code of ethical conduct and integrity in all operations and transactions was not available.</p> <p>Minor nonconformity was raised.</p>	<p>Minor nonconformance</p>
Principle 2: Compliance with applicable laws and regulations			
Criterion 2.1:			
There is compliance with all applicable local, national and ratified international laws and regulations.			
2.1.1	<p>Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>Legal register covering the applicable local and international laws and regulations are available. Compliance to each applicable law and regulation is monitored by the operating units and TQM sustainability team. Sample permits and license checked:</p> <p>i)MPOB license # 510557004000; validity period 01- Apr-2015 to 31-Mar-2017 for 275,000MT per year</p> <p>ii) Mill DOE license and compliance schedule #000709; validity 1-Jul-2016 to 30-Jun-2017 for 60 MT FFB/hr and method of POME discharge on waterways. (BOD below 50ppm).</p> <p>iii)UPV and Certificate of fitness validity SW PMT 1945 valid until 27/11/16 SW PMT 1947 valid until 27/11/16 SW PMT 1953 valid until 27/11/16 Latest mill inspection dated 8/9/16. List of UPV and SB inspected: SW PMT 1944, SW PMT 1957, SW PMD 1131.</p> <p>iv) Fire Certificate, serial# 295016, No. JBPM:SK/7/33/2015 valid until 1/11/16.</p> <p><u>Sujan/Jiba Estate</u> i) MPOB license# 503656102000 under Keresa Plantations Sdn Bhd. License valid until 28/2/17. ii) Diesel license, BTU.P.33/07(D), serial# Q006868 valid until 11/10/16 and new license is still under renewal process. iii) Storage of petroleum license# SPL000005 valid until 31/12/16 granted by Bintulu Development Authority (BDA).</p>	<p>Complied</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 -	A Legal Compliance procedure has been established (KP 16 Mechanism for ensuring legal compliance dated 15 Mar 2010). All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. TQM sustainability department have reviewed and updated the LORR at both mil and estates on 23/9/2016. Noted that the new legal requirements were not incorporated in the legal register pertaining to: i) Minimum Wages Order 2016 ii) Factory Machinery Act 1970, Person In-Charge Regulations Amendment 2014 iii) Environment Quality, Clean Air Regulation 2014 Thus, a minor NC was raised.	Minor nonconformance
2.1.3 A mechanism for ensuring compliance shall be implemented. - Minor compliance -	The license compliance and validity are monitored. The list of license and its validity are recorded on a board in the mill office. Latest evaluation compliance was last done on 23/9/16.	Complied
2.1.4 A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.	Complied
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.		
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 -	Keresia Estate operation is on lease land. There are documents in place showing legal ownership or lease and a history of land tenure. As reported during the last assessment, estate was developed on State Lease Land, issued by Department of Land and Survey; Bintulu Division dated 28 December 1996 for 99 years (between 01 January 1981 and 01 January 2080) over an area of 6,023 ha in Lot No. 1 Block 17 Lavang Land District, Bintulu Sarawak. <u>KSGS smallholder</u> All KSGS smallholder land categories are Native Customary Rights (NCR) land the legal ownership is verified based on license granted from MPOB. 5 long houses members participated in KSGS smallholder programme. Sample of license and title area for Rumah Majang as follows: i)MPOB L1 316695-70100, total area: 12.31 Ha ii)MPOB L1 316747-301000, total area: 8.13 Ha iii)MPOB L1 316751-101000, total area: 26.91 Ha iv)MPOB L1 316750-301000, total area: 5.77 Ha v)MPOB L1 316758-901000, total area: 18.52 Ha vi) MPOB L1 316745-701000, total area : 7.15 Ha All licenses were found valid until 31/3/21.	Complied
2.2.2 Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	Field visit to S06K1 (pack No. 709) at Sujan estate noted that boundary with NCR land is visibly maintained and verified during the visit. Legal boundaries are clearly demarcated and visibly maintained throughout the estate. Mill is located inside Sujan Estate and sharing the estate boundary. All the boundaries are visibly maintained as per company SOP.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There is no land dispute in the certification unit and supply base at the time of audit. The land leased by Keresha and land ownership documents verified. Complied
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land leased by Keresha and land ownership documents verified. Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land leased by Keresha and land ownership documents verified. Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There is no land dispute in the certification unit and supply base at the time of audit. The land leased by Keresha and land ownership documents verified. Complied
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.		
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities). - Major compliance -	The estate lands are legally owned and leased by the company. The existing estates are not encumbered by any customary land rights. Interview with the surrounding communities and stakeholders confirm no disputes. Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	The estate lands are legally owned by the company and no other users were identified within the land area.	Complied
2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	The estate lands are legally owned by the company and no other users were identified within the land area.	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 company and no other users were identified within the land area.	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.		

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Criterion / Indicator	Assessment Findings	Compliance
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 -	Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, costs of production, etc. It also includes environment, social (workers and staffs welfare), and health and safety component and associated capital expenditure for improvement of smallholder schemes. CAPEX gazetted for 2016 and 2017: i) Workers quarters ii) Weighbridge iii) Loading ramp and concrete floor iv) Ramp extension. v) Sterilizer modification vi) Biogas project	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 -	As reported during last assessment, there is no requirement for an annual replanting programme at this stage as the earliest plantings were in 1997 and the latest planting in 2007, thus there will no replanting programme until at least 2023.	Complied
Principle 4: Use of appropriate best practices by growers and millers		
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.		
4.1.1 Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	Keresha has established Standard Operating Procedures (SOPs) for mill and estates covering all the relevant operations dated 21/8/2011. Inspection to the field and mill confirm that the SOPs are implemented. Assistant Managers and staff monitor the implementation. During the reviewing of the Environment Impact & Aspect assessment and mitigation, the document was found not a controlled document. The date and version of the number could not be identified. Furthermore the document reviewed was not approved by management. During the review of document Water Management Plan (KP 2-201), it was identified that the plan shall be reviewed every 3 years. Since the document was dated June 2010, there shall be 2 reviewed since June 2010. However, such reviewed was not identified. Thus, a major NC was issued.	Major nonconformance
4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -	External Mill Advisor and TQM department inspect and report on the operations on annual basis. Latest mill advisor visit was on 5/9/16. The on-site managers develop Action Plans from the Advisory Reports for improvement of the operations. Review of Advisory Reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs. During mill visit it was noted that that operating parameters were consistently recorded by the operators.	Complied

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4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	Records of monitoring by TQM were checked. Internal audit by TQM was carried out in September 2016 (Keresu Mill: 28/9/16, Sujan Estate: 27/9/16, Jiba Estate: 29/9/16 KSGS audit by TQM was planned twice per year for KSGS smallholder. Latest visit at "Rumah Majang" KSGS member dated 19/9/16. Good agricultural practice and ESH elements were audited. Follow-up audit is required if the non-compliances issued to the respective smallholder for improvement.	Complied
4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	Keresu mill maintains a daily record of all FFB received. The records show the origin, weight, transporters details and etc of the FFB received.	Complied
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.		
4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Good agriculture practices which follows the Keresu manual contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensures optimal and sustained yield. The Smallholders Coordinator (TQM) has carried out training on Best Practice including safe use of chemical, MPOB training, soil training, best management practice on agronomic (harvesting, fertilizer application, and pesticide application); block maintenance, and social related training. Regular field to every member block visit was carried out to monitor the best practice implementation at least once every two years. Audit finding was presented in the longhouse. During the past years, all smallholders' blocks have been visited	Complied
4.2.2 Records of fertiliser inputs shall be maintained. - Minor compliance -	Fertilizer application follows the recommendation from the agronomist. Refer to the latest agronomist report October 2015 and recommendation for specific field (OP 97- OP 99) and (OP 00-OP 07) for 2016. Application records are documented in the daily costing book. Sample checked at Sujan estate (Kemena 1 Divison, OP01-OP06) compound fertilizer (13/6/27/2/0.65B) was applied as per recommendation with 2kg/palm. Record shows the application date, filed number, dosage applied per palm, type of fertilizer and number of applicators. <u>KSGS Smallholder</u> Small Holders demonstrated that they understand the requirements and techniques to maintain soil fertility and this were explained to them by company representatives.	Complied

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4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	Leaf analysis result which shows the nutrient level was used as guidance for the fertilizer recommendation. Leaf sampling carried out on 4/7/15 by Sarawak Oil palms Berhad Laboratory (Ref. No.: 001/KRS/FOL/15) four Kemena. Periodic soil sampling is carried out at 5 years interval. The last sample was taken on September 2015 for Keresa Estates, KSGS smallholder and non-member to established characteristic baseline data for soil	Complied
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	EFB application only applied to selected fields at the estates. Average about 40mt/ha EFB applied. Noted that EFB was also applied by KSGS smallholder which supplied by Keresa POM.	Complied
Criterion 4.3: Practices minimise and control erosion and degradation of soils.		
4.3.1 Maps of any fragile soils shall be available. - Major compliance -	Map of fragile soil available, refer to soil map under EMR, CK/EV102/210. Merit/Bekenu Association : 51% Bekenu/Sarikei Association : 14% Silantek/Nyalau Association : 13% No problematic or fragile soil noted.	Complied
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 -	Slope map available. Slope area constructed with terrace and side drainage. Planting terraces had been constructed where slope >10°. Fields are established with cover crops such as muccuna and soft grasses and ferns.	Complied
4.3.3 A road maintenance programme shall be in place. - Minor compliance -	Estates visited have implemented annual Road Maintenance Programme. Roads inspected during field audit are generally in a good condition due to the lateritic soil. Road maintenance programme planned for 2016: Gravelling : Stapang 2 – May 16 (S06K1) Road repair : Stapang 2 – Apr 16 (S06K3) Road side drain : Stapang 3 – May 16 (S07K3)	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil.	Complied
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no peat soil.	Not applicable
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no soil categorised as problematic or fragile soil at all estates visited.	Complied

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Criterion / Indicator		Assessment Findings	Compliance												
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.															
4.4.1	An implemented water management plan shall be in place. - Minor compliance -	<p>The assessment team had reviewed the Water Management Plan. The water management plan has stated the commitments of Keresia Plantation towards water quality management to ensure water quality are safe for usage.</p> <p>During the field assessment at the water catchment area at Jiba Estate, it was identified that there was no signage to inform the stakeholders that the water catchment area is a protected water course as the water is utilized to produce drinking water.</p> <p>As such, the water quality shall be monitored by frequent analysis. However, during the assessment, the water quality analysis for the Drinking Water Treatment Plan at Jiba Estate is not available.</p> <p>During the field assessment at Linesite, it was identified that the clean water and water harvesting tanks are connected prior channel into the main pipe of the quarters/houses. As a results the waters are mixed prior being used or consumed. Thus, a minor NC was issued.</p>	Minor nonconformance												
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>The riparian and buffer zones of the estates has been established following the TQM System Doc E-4.5.3 "Riparian Zone Establishment Guideline" dated Jan 2010 version 1.0. The zones had been established following the requirement stated in the EIA approval (dated 20/11/1996). The zone has been established as below:</p> <table border="1"> <thead> <tr> <th>Width of the river</th> <th>Buffer zone for both banks</th> </tr> </thead> <tbody> <tr> <td>>40 meters</td> <td>50 meters</td> </tr> <tr> <td>20-40 meters</td> <td>40 meters</td> </tr> <tr> <td>10-20 meters</td> <td>20 meters</td> </tr> <tr> <td>5-10 meters</td> <td>10 meters</td> </tr> <tr> <td><5 meters</td> <td>5 meters</td> </tr> </tbody> </table> <p>It was sighted during the field assessment, the buffer and riparian zone for gazetted rivers have been established correctly following the TQM procedures. Interviewed has been conducted with workers to confirm they understood about the zone that no spraying and manuring is allowed.</p> <p>Training records on manuring and spraying has been verified. During the field assessment, it was sighted that sign boards with instruction on buffer zone protection is in place.</p> <p>River water analysis are required to be conducted once every 3 months (according to the EIA approval). The latest available river water analysis for riparian/buffer zone were conducted by Chemsain Konsultant Sdn Bhd dated 27/4/2016 in the Environmental Monitoring Report for period Feb 2016 – April 2016 Ref CK/MO102-210/1/16. The analysis were conducted against Class IIB of NWQSM.</p>	Width of the river	Buffer zone for both banks	>40 meters	50 meters	20-40 meters	40 meters	10-20 meters	20 meters	5-10 meters	10 meters	<5 meters	5 meters	Complied
Width of the river	Buffer zone for both banks														
>40 meters	50 meters														
20-40 meters	40 meters														
10-20 meters	20 meters														
5-10 meters	10 meters														
<5 meters	5 meters														

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<p>4.4.3</p> <p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -</p>	<p>Palm Oil Mill Effluent (POME) are treated with open anaerobic pond treatment system. The Operation License issued by the DOE to the POM stated that the limit for final discharge BOD is 50mg/l for latest issued license. The license is valid for one year until 30/6/2017.</p> <p>Regular monitoring was conducted by the mill by taking the sample of waste water at final discharge point and water at the upstream and downstream of the river.</p> <p>The POME final discharge sample analyses results for August 2015 – July 2016 shown that the mill has consistently met the license requirement (Doc sample: ESI Laboratory Sdn. Bhd. Certificate of analysis ref. # KMSB/16-08/223 dated 20/9/2016; ESI Laboratory Sdn. Bhd. Certificate of analysis ref. # KMSB/12-01/215 dated 2/2/2016)</p> <p>The upstream and downstream sample analyses results for August 2015 – July 2016 shown that the BOD limits are relatively low (range from <2.0-5.0) (Doc sample: ESI Laboratory Sdn. Bhd. Certificate of analysis Ref: KMSB/16-08/223 dated 20/9/2016; ESI Laboratory Sdn. Bhd. Certificate of analysis Ref: KMSB/12-01/216 dated 5/2/2016).</p> <p>The POM is required to submit the Effluent monitoring report to the DOE on quarterly basis. The latest available report was submitted to DOE dated 11/7/2016 covering the month of April, May and June 2016. The report was submitted via the DOE portal. The report for July August and September 2016 was still in preparation during the time of the audit.</p> <p>The effluent discharge limits monitoring are documented KM 4-2 Water Quality Monitoring.</p>	<p>Complied</p>
<p>4.4.4</p> <p>Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -</p>	<p>Water consumption (KM 4-13) were monitored and measured individually for firefighting, housing, mill processing and boiler. The average consumption for the month of August 2015 till August 2016 is 0.75 m³/ton FFB processed. The highest consumption of the month is 0.80 in June 2016. As compare to the previous year e.g. 2014 and 2015, the water consumption per ton of FFB process has significantly reduced.</p>	<p>Complied</p>
<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
<p>4.5.1</p> <p>Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -</p>	<p>The implementation on biological method of controlling pest in the plantation through IPM such as Beneficial plants <i>Cassia coganensis</i>, <i>Turnera subulata</i> and <i>Antigonon leptopus</i> as a preventive measure to control leaf eating pest were planted in all the estates. Also included is the use of pheromones to control <i>Rhinoceros</i> beetles although there has been no outbreak for some time. There is also a policy of not killing snakes in Keresa and this has led to a substantial reduction in the number of rats in the plantation. This is further evidenced by the fact that rat bait has not been purchased for more than 3 years.</p>	<p>Complied</p>

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4.5.2 Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	IPM training is given by the TQM executives and plantation executives with qualification in agriculture. Interview with the census team confirm their understanding of the Keres SOP on census. IPM training covers census, planting of beneficial plants etc. Interview of smallholders indicated that they have better understanding of IPM and several of them have planted beneficial plants on their plots.	Complied
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment		
4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Justification of all pesticides used as per SOP under Weeding procedure, SOP# 4.iv 2.1 Circle Spraying (STARMIX, LATRON) 2.2 Selective Spraying, broadleaf & noxious (Metsulfuron Methyl, LATRON) 3.0 Eradication of VOP'S (Glyphosate high dosage) <u>P&D control</u> Termite control – Lorsban (Chlorpyrifos, Class III) Leaf Eating Pest – Foliar Spray (Dipel, "Bacillus" Class IV) Trunk Injection (Tamaron, "Methamidophos" Class 1B)	Complied
4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) was not available. Thus, major NC was issued.	Major nonconformance
4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Keres SOP. The implementation in the field is consistent with the SOP	Complied
4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Paraquat was eliminated. At the time of assessment there were no class 1a or 1b pesticides. Alternatives such as Glyphosate were used with the elimination of Paraqua	Complied

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4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipment's and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers.	Complied
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 -	During the field assessment at the Jiba Estate's Linesite, it has identified improper storage of pesticide containers at 3 locations. Those containers were painted and classified as poison containers. Thus, a Major NC was issued.	Major nonconformance
4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor 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
4.6.8 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.	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 -	Employees handling pesticide given knowledge and skill required by the OSH Department to cover safe handling practices and standard operating procedures. Last training was conducted on 29/1/16. As for the KSGS smallholders, the TQM executives have provided training and conduct regular inspection to check the implementation. Interview with the smallholders found that they were able to demonstrate safe handling of pesticide	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.6.10	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance -</p>	<p>Mill –</p> <p>Interview has been conducted with workers from the mill (water treatment plant operator; storekeeper; foreman and workshop operator) with regards to the managing of waste materials. The operators were able to inform the audit team the methods for disposing the scheduled waste and could differentiate the type of waste.</p> <p>Estate –</p> <p>Interview has been conducted with workers from the estate (store keepers and mechanics). It was found that the operators have knowledge on the disposal of schedule waste.</p> <p>The latest training provided to the workers was on 28/1/2015 (Doc – summary report of Latihan Tentang Pengendalian Bahan Buangan Terjadual). It was observed that there is an error in the report for 2 items – used Hand gloves and cloths are being burned. According to the operation practice and regulations, these two items are collected by licensed Schedule Waste collector.</p>	Complied
4.6.11	<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>No medical surveillance conducted for the sprayer gang at field S07K1, Sujan Estate. Thus, a major nC was issued.</p>	Major nonconformance
4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance -</p>	<p>Interview with female workers confirmed knowledge of the policy of transfer to alternative duties if they wished to continue working when pregnancy was confirmed or breast-feeding. Monthly check by estate Medical Assistant is being conducted for all female sprayers to determine pregnancy and breast-feeding.</p>	Complied
<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. - Major compliance -</p>	<p>Keresas's OHS Policy dated 29 January 2010 signed by the top management provides guidance for all OSH related matters. This policy communicated to all employees onsite during safety meeting and morning briefing. OSH plan covering in-house training, audit and inspection and meeting was plan throughout the year. OSH programme conducted for 2016:</p> <p><u>Audiometric Testing</u> Baseline & annual audiogram was conducted on 6/11/15 for 20 workers form the operation by Global Green OSH Services Sdn Bhd. 14 hearing impairment cases were recorded and scheduled for the next audiometric testing in 2016. Testing result was reviewed by OHD, JKPP HQ/08/DOC/00/427.</p> <p><u>Personal Chemical Exposure Monitoring (PCEM)</u> PCEM was last conducted on February 2016 covering 3 work units(WTP, Lab and workshop). Result of chemical exposure as shown below: N-Hexane : 102.53 mg/m³ vs 176 mg/m³ (TWA8) Welding fumes (Fe₂O₃): 0.65 mg/m³ vs 5.0 mg/m³ (TWA8) Chlorine : ND(<0.07) vs 4.5 mg/m³</p> <p>Medical surveillance and LEV monitoring was not carried out within 12 month interval. Thus, major NC was issued.</p>	<p>Major nonconformance</p>
<p>4.7.2</p> <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>Mill: Risk assessment sampled department Reception, Sterilizer and Threshing Station. Noted activities, Hazard, risk analysis been adequately covered. Last review was done after accident occurrence at boiler station related to dust cyclone cleaning on 10/4/16. Control measures been adequately monitored for the identified risks.</p> <p>CHRA was conducted on July 2012 by DOSH registered assessor, JKPP HIE 127/171-2(71). Recommendation for specific work unit :</p> <p>i) Lab – LEV monitoring, PCEM (n-hexane) and medical surveillance ii) Workshop – PCEM (welding fumes)</p> <p>Estates: Risk assessment sampled department Pest & Diseases, Workshop and Harvesting. Noted activities, Hazard, risk analysis been adequately covered. Control measures been adequately monitored for the identified risks.</p> <p>CHRA was conducted on 25th June until 20th September 2012 by DOSH registered assessor, JKPP HIE 127/171-2(164). Recommendation for specific work unit :</p> <p>i) Sprayer – medical surveillance ii) Workshop – PCEM (welding fumes)</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p><u>Keresia POM</u></p> <p>Observed at boiler station, adequate and appropriate protective equipment was not worn by the fireman while doing clinkers raking activity.</p> <p><u>Sujan Estate</u></p> <p>PPE used by manurer was not DOSH approved respirator and just using normal cotton handkerchief/mouth cover. Furthermore, cotton glove was used not rubber gloves as per recommendation.</p> <p><u>Jiba Estate</u></p> <p>During the field assessment at the Jiba Estate Diesel Engine room, it was found that no signage to inform the operators that ear protection shall be use when operating the diesel engine.</p> <p>It was identified at the Jiba Estate Diesel Engine room, one of the diesel engine was dismantled for maintenance. However, the cable of that engine was not properly isolated. It was found the cable was laying on the floor.</p> <p>Thus, a minor NC was issued.</p>	<p>Minor nonconformance</p>
<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>Assistant manager at each of the operating units are appointed as OSH Coordinators.</p> <p>Mill: Members of OSH committee were clearly identified from employer and employee representatives. Periodical OSH committee meeting been conducted on quarterly basis. Sighted minutes OSH Committee meeting dated 30/9/16, 15/6/16, 3/3/16</p> <p>Estates: Members of OSH committee been clearly identified from employer and employee representatives. Periodical OSH committee meeting been conducted on quarterly basis. Sighted minutes OSH Committee meeting dated 30/9/16, 21/6/16 and 23/2/16</p>	<p>Complied</p>
<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>Emergency Preparedness and Response procedure with effective date 1/6/12 has been clearly established and communicated to all workers. Fire drill been conducted on yearly basis. Fire drill has yet to be conducted by end of 2016. ERP organization chart, assembly area and location of fire extinguishers and contact numbers available and displayed at relevant locations. First aiders competency certificate available e.g. for office operator. First aid equipment available at worksites e.g. at Laboratory and Store.</p> <p>Records of incident available, using internal reporting system. Refer accident dated 10/4/16 at boiler dust collector. Investigation was internally and also from DOSH. NOI was issued by DOSH. Other related reporting to DOSH; i.e JKKP 6 & were checked and submitted in timely manner.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance												
4.7.6 All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	All workers provided with medical care, and covered by accident insurance. Sample insurance policies checked: FWCS – Allianz General Insurance Company (Malaysia) Berhad, policy# 15WKU700135 valid until 9/6/17 Sample workers: passport# B05344134 Allianz General Insurance Company (Malaysia) Berhad, policy# 15PKU700692 valid until 2/11/16 Sample workers: passport# B2185066 <u>Sujan Estate</u> Iqbal (passport#A8751147) – policy 14WKU700168 valid until 5/10/16 (expired policy) <u>Jiba Estate</u> Lalang (passport#A3150042) – policy 15WKU700029 valid until 5/2/17 Benyemin Selan(passport#A536318) – policy 15WKU700154 valid until 20/8/17 Thus, minor NC was raised.	Minor nonconformance												
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	Records on Lost Time Accident (LTA) metrics displayed at the operating units and reported to head office. Zero fatal accident was recorded. <table border="1" data-bbox="662 1160 1300 1366"> <thead> <tr> <th>Year</th> <th>Keresa Mill</th> <th>Sujan Estate</th> <th>Jiba Estate</th> </tr> </thead> <tbody> <tr> <td>2015</td> <td>1 case, 27 LTA</td> <td>0</td> <td>0</td> </tr> <tr> <td>2016 to date</td> <td>1 case 51 LTA</td> <td>1 case 21 LTA</td> <td>1 case 29 LTA</td> </tr> </tbody> </table>	Year	Keresa Mill	Sujan Estate	Jiba Estate	2015	1 case, 27 LTA	0	0	2016 to date	1 case 51 LTA	1 case 21 LTA	1 case 29 LTA	Complied
Year	Keresa Mill	Sujan Estate	Jiba Estate											
2015	1 case, 27 LTA	0	0											
2016 to date	1 case 51 LTA	1 case 21 LTA	1 case 29 LTA											
Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.														
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	A formal training programme on all aspects of RSPO Principles and Criteria has been established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied	Complied												

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<p>4.8.2 Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Records of training for employees available and maintained. Records verified on a sampling basis at the Milland estates visited covers all aspect of training and RSPO P&C:</p> <ul style="list-style-type: none"> i) Basic fire safety training – 12/7/16 ii) First aid training – 21/5/16 iii) FFB Grading training – 8/4/16 iv) Security and Traffic Control Training – 11/3/16 v) Chemical Handling Training – 10/3/16 vi) Safety and Health Training – 29/1/16 <p>During the onsite assessment at the Jiba estate drinking water treatment plant, the operator was interviewed with regards if he has received training on how to operate the water treatment plant. He was able to inform the assessment team on what and how to be done. He was trained by the operator who was previously operating the water treatment plant.</p> <p>Since the Drinking Water Treatment Plan is a critical location, the operator is required to be properly trained. The training records for this operator was not available. Thus. A minor NC was issued.</p>	<p>Minor nonconformance</p>

Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criterion 5.1:

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

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<p>5.1.1 An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>The Preliminary EIA study conducted by Chemsain Konsultant Sdn Bhd and Chemsain Environmental Consultants Sdn Bhd was reviewed. The EIA study was approved by the Natural Resources and Environment Board (NREB) Sarawak on 20/11/1996 Ref (2)NREB/6-3/59. According to the approval, it is required that the Environmental Monitoring Report shall be submitted to the NREB once every 3 months.</p> <p>Mill – The EIA is documented in KM-1 EIA Reports Assessment. The environment impact assessment covers the entire milling activities (Doc sample – Office/Administration evaluation date 26/1/2012; Engine Room evaluation dated 07/2/2012; Effluent Pond evaluation dated 11/1/2011). Management system is in place to ensure the company has developed a structure to manage and implement environmental management system. This is documented in the Total Quality Management System chapter 4 covering E-4.1 Introduction, Policy & Responsibilities dated Nov 2009; E-4.2 Environmental Management System dated Nov 2009; E-4.3 Environmental Aspects dated Nov 2009; E-4.4 Policy & Objectives.</p> <p>Estate – The Environmental Aspect & Impact assessment has been reviewed. The assessment is conducted according to the Procedure Manual – Identification of Environmental Aspects and Evaluations of Environmental Impacts Ref: KPSB 1/2012 dated 01/01/2012. The scoring and evaluation criteria has been provided in this Manual.</p> <p>Sample of assessment reviewed:</p> <ul style="list-style-type: none"> • Manuring which covers the activity <ul style="list-style-type: none"> ○ Disposal of empty fertilizer bags (both inorganic and organic) will impact on depletion of natural resources. ○ Heavy Rain that causes fertilizer washed off and impact on water pollution ○ Over dosage of fertilizer causes toxicity to the plant and that impact on business ○ Extreme drought. <p>The mitigation plans related to the sample assessed above, has been reviewed and found satisfactory. Mitigation plans includes work Procedures and Training has been provided to the operators. The training records for Manual Operation dated 24/3/2013 and 21/4/2013 was cited.</p>	<p>Complied</p>

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<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>The impacts has been identified and documented in KM 4-1 EIA Reports/Assessments. No changes are required in current practices based on the environmental aspects and impacts identified.</p> <p>According to the EIA approval dated 20/11/2016, progressive Environmental Monitoring Reports are required to be submitted to the authority. The latest Environmental Monitoring Report (EMR) Ref NREB6-1/2G/6 dated 27/4/2016 was reviewed to confirm Keresas are meeting the legal requirements. The EMR has reported the mitigation plans results. As such has been reported, it is deemed that a management plan is in place to monitor the effectiveness of the mitigation plan. By reviewing this report, it is confirm that there are no changes required for the current mitigation practices.</p> <p>The responsible personnel appointed by the management includes management staff from central office and operation units including Assistant General Manager, Total Quality Management Manager, Estate Managers, Safety Officer, Estate Executives and administrative staff.</p>	<p>Complied</p>
<p>5.1.3</p> <p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. - Minor compliance -</p>	<p>The monitoring of mitigation to those identified environmental impacts and aspects are reported in the monthly progress report. The cited monthly report dated August 2016 and December 2015 has reported the monitoring of the Environmental Safety and Health implementation.</p> <p>As according to the EIA approval, the Environmental Management Report is required to be submitted to the Natural Resources & Environmental Board of Sarawak 3 times a year. The report has been reviewed. The monitoring of the mitigations and its effectiveness are reported in the report. Hence, it is deemed that the plan has been reviewed on a frequent basis for any operational changes.</p> <p>The assessment team had reviewed the 2016 Budget Report. The report has reported budget has been allocated for operations improvement.</p>	<p>Complied</p>
<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>		

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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 HCV report dated 2011 by prepared by Wild Asia conclude that there is no HCV in the areas apart from riparian zones around the various rivers running through the estate. The riparian areas have been identified the signposted have been observed during field assessment.</p> <p>The Smallholders were interviewed during the field assessment to confirm about their awareness towards restrictions of the riparian zones.</p> <p>During the field assessment there were no HCV areas being overserved at smallholder blocks. No hunting was observed during this audit. Communities recognize the company's policy on no hunting in the property.</p>
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 protected, rare or threatened species identified and reported at the Keresas areas.</p> <p>The interview with the smallholders (who are also the local communities), had confirmed that there are no RTEs observed at the adjacent areas.</p>
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	<p>By means of interviewing the workers of Keresas and the smallholders confirmed that they are aware on the company policy that prohibits hunting.</p>
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance -</p>	<p>The biodiversity management plan for year 2016 has been prepared on the 14/12/15 by TQM department. The plan includes monitoring of buffer zone area in the estate and surrounding area.</p>
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	<p>There was no HCV set-aside that needs any negotiation process with the local communities.</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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Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.1</p> <p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>Based on document KM 4-1 Pollution Prevention Plan, the identified and documented waste products includes general waste and scheduled waste. Sources of waste were from the mill, estates and housing area.</p> <p>The biomass (e.g. fibers and shells) waste produced in the milling process will be used to generate renewable energy through the boiler. Boiler ashes from the boiler are normally used for road repairing / land disposal.</p> <p>The EFB and decanter solids will be mulch in the field.</p> <p>The vehicles related waste (e.g. lubricants, air filter, batteries and tires) have been identified.</p> <p>For estates, the reusable and recyclable wastes identified includes fertilizer bags and chemical containers. Organic biomass waste generated by estates including fronds and chipped fell palms.</p> <p>Other specific activities such as mill maintenance and estate vehicle workshop generate few categories of scheduled waste such as SW 305, SW 306, SW 409 and SW 410.</p> <p>Clinic operation generated clinical waste, garbage and human waste.</p>	<p>Complied</p>

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<p>5.3.2 All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>The following were identified at the mill operations:</p> <ol style="list-style-type: none"> 1. At the scrap yard, wastes contaminated with grease or lubricant were identified. 2. The workshop and the diesel engine room are considered potential areas that spillage of grease / lubricant / diesel could occur. As such, complete spill kits shall be available. During the assessment, spill kits could not be identified. 3. In the diesel engine room, it was identified that spend oil are found in disposal bin. <p>The following were identified at the laboratory:</p> <ol style="list-style-type: none"> 1.The laboratory use hexane. However the disposal of hexane residue was not classified as scheduled. <p>The following were identified at the Jiba / Sujan estate:</p> <ol style="list-style-type: none"> 1. The clinical wastes were not properly contained and store in secured location prior disposal. 2. The schedule waste store of Sujan Estate was not locked and secured for unauthorized personnel to assess. 3. At the fertilizer and chemical store of Sujan, there were no rinsing and/or premix area. Those rinsed chemical container are not properly secured while it is being dried. 4. The schedule wastes were not identified according to date of first generated. 5. At the diesel engine room of Jiba Estate, 4 empty lubricant drum was identified sitting on the empty land next to the engine room. 6. It was found that a trap was installed at the premix and washing area of Jiba estate. However the trap would not be able to trap those mixed chemical. Hence, if there were any spillage and/or washing residue of the chemical, will be directed directly open drain. 7. During the assessment at the Jiba Estate’s workshop, it was found that Drip Trays (PCD) were not sufficient as compare to the amount of parked vehicles. 8. At the Drinking water treatment plant, it was identified that there are chemical waste (e.g. chlorine drum, soda ash bags). However this waste are not properly disposed. <p>Thus, a major NC was issued.</p>	<p>Major nonconformance</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>Document KM 4-1 Pollution Prevention Plan has emphasized in the pollution prevention plan. The site visit confirmed that the practice of reduce, reuse and recycle of materials has been implemented throughout the company mill and estates.</p> <p>Method of handling the domestic/general wastes are segregation at the collection point from offices and housing area before being disposed through landfill.</p> <p>For scheduled wastes, the handling was done according to the legal requirement where a scheduled waste store was constructed in each operating unit for storage. The wastes are stored in drums and when the drum is filled, the waste collector will be informed for collection. Considering the location of the mill/estate, the collection will only happened once there are several filled drums of wastes (e.g. used lubricant oil, used oil filter). The wastes generated are monitored daily.</p> <p>A company registered with DOE, E-Concern (M) Sdn Bhd was appointed to collect the scheduled waste from all the scheduled waste storage facilities within the company. The latest waste was collected on 03/08/2016 – 4 2/3 drum of Used Lubricant Oil and 1 drum of Used Oil Filter was collected.</p> <p>Clinical wastes are disposed through Medan Sentral Clinic. The latest disposal of clinical waste is on 28/2/2016.</p>	<p>Complied</p>
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<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>Utilization of fossil fuels (diesel for genset) is continuously monitored on daily basis. The control of the consumption is through stores stocks and materials check reported on monthly basis.</p> <p>In reviewing the 2016 Budget, budget has been allocated to purchase new operation vehicles (e.g. wheel loader). As there are plans to purchase new vehicles, it is deemed the consumption of diesel will be reduces as new vehicles will generally have better efficiency.</p> <p>The annual Preventive Schedule was reviewed to confirm the diesel engine generator are subjected periodic maintenance. Such maintenance is crucial to enable the engine to operate at optimum and hence maintain its efficiency. Keresia has a service contract with the engine supplier to perform this periodic maintenance on every 2,500 hours of operations. The Service record for May 2016 was reviewed.</p> <p>The Maintenance Manager was interviewed with regards to the operations of the diesel engines. The diesel engines will only be utilized during start up and mill maintenance. There are minimal "top-up" usage during the milling hours to prevent inefficient diesel consumption. The boiler and steam turbine maintenance program was reviewed to confirm that Preventive maintenance were conducted to maintain optimum operations.</p>	<p>Complied</p>

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Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.		
5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	Based on interview with the estate managers, their best practice in land preparation before replanting is tree chipping. There is no burning practice by the company. In case of the palm tree got infected by Ganoderma disease, the tree will be "killed" by injection and allowed to be rot. By using this method, the disease can be prevented from spreading to nearby trees. As such Keresa estate has been practicing no burning in land preparation. Poster of "No Open Burning" by the Sarawak Natural Resources and Environment Board was promoted within the mill and estate facilities to educate the workers of no open burning.	Complied
5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	During the field assessment, there were no burning traces found.	Complied
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.		
5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	The polluting activities assessment has been conducted and documented in KM 4-1 EIA Report/Assessment. The main emissions identified in the mill includes: <ul style="list-style-type: none"> • The smoke emission index of the boiler stack is monitored with continuous online GGES Smoke Density Meter. The latest available report dated 09/3/2015. The online system is faulty and has been reported to the DOE on 24/11/2015. • Dust particulate emission of the boiler for January – June 2016 was monitored and reported by ESI Sampling Sdn Bhd: <ul style="list-style-type: none"> ○ Boiler 1 <ul style="list-style-type: none"> ▪ Report Reference: KMSB/ST-B1/2016/01 ▪ Measuring date: 26/2/2016 ▪ Results: 0.374 g/Nm³ ○ Boiler 2 <ul style="list-style-type: none"> ▪ Report Reference: KMSB/ST-B2/2016/1 ▪ Measuring date: 29/4/2016 ▪ Results: 0.390 g/Nm³ • Vehicles CO₂ emission. • Effluent treatment system methane emission. The main emissions identified in the estate includes: <ul style="list-style-type: none"> • Emissions from agro chemical usage. • Emissions from electricity and energy. Emissions from transport and vehicles.	Complied

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<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance</p>	<p>Based on KM 4-1 Baseline Waste ID, main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH4) emission through POME treatment.</p> <p>The company are in process of obtaining proposals to construct methane capture facilities in POME treatment pond. Received one proposal from Konpro Consultant[NC1]. Expected to complete the construction of the biogas plant by 2017.</p> <p>Other significant GHG emissions from estates operation has been identified. The emissions includes COx, SOx and NOx from various sources including fossil fuel, chemical and fertilizer consumptions.</p> <p>The fertilizers usage are monitored through the recommendation by the agronomist. The latest recommendation was provided by CCF Agro Service dated 20/10/2015. As the fertilizers are recommended by qualified agronomist, the usage is considered optimum.</p>	<p>Complied</p>
<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -</p>	<p>Monitoring of the GHG quantity was done through its licensed GHG calculator, where annual quantification of all GHG sources was input into the calculator. Default values of emissions factor Calculation of the GHG emissions were derived from the RES-directive Annex V, table D as estimated by BioGrace project. These calculations were then checked against the calculations through ENZO. The GHG calculations were done separately between the mill and estates. The 2015 GHG report submitted to RSPO was reviewed.</p> <p>The GHG emission for mill reported for 2015 was 447.39kgCO2e/ton CPO.</p> <p>The GHG emission for Sujan estate reported for 2015 is 80.13kgCO2e/ton FFB.</p> <p>The GHG emission for Jiba estate reported for 2015 is 99.69kgCO2e/ton FFB.</p> <p>The 2016 GHG report will be submitted RSPO by end of the year.</p>	<p>Complied</p>
<p>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.</p>		
<p>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.</p>		
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -</p>	<p>SIA was conducted on 31/7/2014 for the mill by TQM and 2-5/8/2011 for Sujan & Jiba Estate by Wild Asia and an employee satisfaction survey on 16/12/2015 by TQM team with participation of internal stakeholders to survey on three categories which related to terms and conditions of work, social provision and safety & health. The methodology of the assessment was by given questionnaire to the stakeholders.</p>	<p>Complied</p>
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -</p>	<p>The assessment was conducted with the participation of affected parties such as employees from different work stations. The assessment covered social issues, safety and health and terms & conditions of work.</p>	<p>Complied</p>

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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 -	<u>Sujan Estate:</u> The summary of action request is available. Any issues raised by the stakeholders have been recorded and actions to be taken with proposed timeline and person responsible has been incorporated into the summary. <u>Mill and Jiba Estate:</u> Plan to mitigate the negative impacts and promotion of positive ones is not available for Keresa Mill and Jiba Estate. Major nonconformity was raised.	Major nonconformance
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	The plan has been reviewed yearly for Sujan Estate. The latest review was conducted on year 2016.	Complied
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	TQM department executives are the responsible persons to identify and assist the smallholder scheme. Meeting with smallholders were conducted to discuss issues related to the smallholders. Latest meeting was carried out on 6/9/2016 with 19 participants.	Not applicable
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	The Mill and Estate has communicated with local communities and interested parties through two-way communication. Through interviewed with the stakeholders, they were understood and aware of the ways of communication with the management.	Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	Safety & Health Officer (for mill) and AGM of Keresa Group Plantation (for estates) have been nominated as communication officer to handle any social related issues.	Complied
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 -	Stakeholder list has been developed for the estates. A combined meeting with head of longhouses (smallholders) for both estates was conducted on 6/9/2016 with 19 participants. Mill has generated a stakeholder list dated 10/7/2016 where all the relevant stakeholders such as contractors and suppliers, government authorities, smallholders and etc has been included into the list.	Complied
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.			

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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 -	Complied
6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. - Major compliance -	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 -	Complied
6.4.2	SOP as per clause 6.4.1 above.	Complied
6.4.3	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 -	Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.		

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<p>6.5.1 Documentation of pay and conditions shall be available. - Major compliance -</p>	<p>The mill and estates consist of local workers and foreign workers which were under direct employment. The payslip for direct employment has included income, deduction, employer contributions, overtime and etc.</p> <p>Sampled payslips for direct employment have sighted as below:</p> <ul style="list-style-type: none"> a) Employment No.: E0674 (mill) b) Employment No.: E0062 (mill) c) Employment No.: E0099 (mill) d) Employment No.: 10563 (Sujan estate) e) Employment No.: 07178 (Sujan estate) f) Employment No.: 12189 (Jiba estate) g) Employment No.: 10527 (Jiba estate) <p>The sampled mill and estates workers above have achieved Minimum Wage Order 2016 for July and August 2016 of RM 920.</p> <p><u>Sujan & Jiba Estate:</u></p> <p>However, sampled of piece-rated workers for both estates did not achieve the Minimum Wage Order 2016 of RM 920:</p> <ul style="list-style-type: none"> a) Employee No.: 10687 for month June – August 2016 (Sujan Estate) b) Employee No.: 10726 for month July 2016 (Sujan Estate) c) Employee No.: 10084 for month July 2016 (Jiba estate) d) Employee No.: 07223 for month August 2016 (Jiba Estate) e) Employee No.: 10588 for month July and August 2016 (Jiba Estate) <p>Major nonconformity was raised.</p>	<p>Major nonconformance</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>Mill and estates has recruited local workers and Indonesian workers. The contract has stated the following information and terms:</p> <ul style="list-style-type: none"> a) Position b) Period of contract c) Salary d) Working hours and OT e) Rest day and work on rest day f) Public Holiday and Annual leave g) And etc. <p>The contracts were signed by the workers and explained to the workers in the languages understand by them. Sampled mill and estates workers' contracts as below:</p> <ul style="list-style-type: none"> a) Employee No.: E0240 (mill) b) Employee No.: E0668 (mill) c) Employee No.: E0605 (mill) d) Employee No.: 07178 (Sujan estate) e) Employee No.: 10820 (Sujan estate) <p><u>Sujan & Jiba Estate:</u> Old version of worker's contract has been utilized where under Section 3.2 public holiday entitlement was only 17 days instead of 16 days, Section 4.1 Pay was RM 31.00/ day instead of RM 35.38/ day and Section 8.2 Sick leave pay was still RM 31.00/ day. Sampled workers as below:</p> <ul style="list-style-type: none"> a) Employee No.: 10687 (Sujan estate) b) Employee No.: 10849 (Sujan estate) c) Employee No.: 10726 (Sujan estate) d) Employee No.: 10866 (Jiba estate) e) Employee No.: 10608 (Jiba estate) f) Employee No.: 10527 (Jiba estate) <p><u>Jiba Estate:</u> Worker's contracts of employment sampled below found that the employment contract for those worked more than 2 years were expired.</p> <ul style="list-style-type: none"> a) Employee No.: 10387 (Jiba estate) b) Employee No.: 10201 (Jiba estate) <p>In addition, worker's contract of employment for the sampled workers below was not available:</p> <ul style="list-style-type: none"> a) Employee No.: 12189 who joined on 11/12/2011 b) Employee No.: 10084 who joined on 27/2/2010 <p>Major nonconformity was raised.</p>	<p>Major nonconformance</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 -	Housing of adequate quality is provided to the workers where maximum 4 persons in a house with 3 or 4 bedrooms. Houses are equipped with electricity, piped water, waste collection service and etc. Medical facilities and services are provided to the workers.	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 -	Accesses to food for the workers are considered adequately and sufficiently. There are sundry shops and restaurants within the vicinity. Goods and foods price were displayed on the item itself. Interviewed with the workers shown that they were satisfied with the price of goods and foods sold at the sundry shops.	Complied
Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.			
6.6.1	A published statement in local languages recognising freedom of association shall be available. - Major compliance -	The management has implemented a freedom of association policy dated 1/12/2009. The policy has been briefed to the workers and displayed at the compound's notice board. The workers were understood about the policy through interview.	Complied
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	The mill management has established a Joint Consultative Committee as a channel of communication between management and employees. The issues discussed during meeting would be issues related to working arrangements, terms and conditions of employment, welfare and housing amenities and etc. The management has developed an action request for the issues raised during the meeting. Combined JCC meeting for both estates has been conducted on 18/7/2016 with 34 participants. Issues raised during meeting were under monitoring and on-going process to solve the issues.	Complied
Criterion 6.7: Children are not employed or exploited.			
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	Minimum age policy has been developed and implemented on 1/12/2009. The management has committed not to recruit workers younger than 18 years old. Document reviewed through the master list of employee noted that no child labour been used in the operating units.	Complied
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.			
6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Equal rights/ opportunity policy has been implemented on 1/12/2009 and displayed at the notice board at the compound. The policy has been briefed to the workers on 26/3/2015.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	The workers were given equal opportunities on the job offered. They have recruited female workers, local communities, and foreign workers to work in the mill and estates. They offered the jobs based on capabilities and medical fitness. They were provided with basic facilities such as housing without any discrimination. 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 -	Sexual harassment and violence policy dated 1/12/2009 has been implemented. The policy has been briefed to the female workers on 26/3/2015. Complied
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Policy to protect the reproductive rights of all, especially of women was not available. Major nonconformity 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 -	Mill and estates have established Women & Children Association to discuss issues related to women and children. The management has developed a complaint procedure with ref. no. 3.2 as a mechanism to solve the issues. The last meeting was conducted on 10/3/2016 and 27/7/2016 for mill, Sujan estate and Jiba estate respectively. Attendant list is sighted. So far, there was no sexual harassment cases reported. Committee of Sujan and Jiba estate has organized activities such as sexual harassment talk on 19/8/2016, health screening programme on 23/3/2015, volleyball competition on 12-13/2/2016 and etc. 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 -	The mill has displayed the FFB pricing daily at the weighbridge area according to the MPOB guideline price. 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 -	FFB pricing is based on MPOB pricing. The company has a standard calculation of FFB price given by the head office. The management has explained the terms and condition of the contract prior to sign by the smallholders or dealers. Latest meeting minutes with smallholders dated 6/9/2016 found the FFB pricing has been explained again to the smallholders by the TQM executives. 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 -	Contractors have signed on a contract agreement before commenced to work. The agreement has detailing the rate of work, payment of work and etc. The payment will be made once every month after Mill Manager has approved. Sampled of contract as below: a) Contract No.: 02/2016 – CPO and PK Transporter valid from 1/7/2016 to 30/6/2018. b) Contract No.: KPSB/2016FERT-HAPSENG – Fertilizer supplier which expired on 31/12/2016 c) Contract No.: KPSB/2016FERT-AGROMATE – Fertilizer supplier which expired on 31/12/2016 Previous NC: Contract agreement for Smart Hub was found during the audit. However, the agreement was expired on 31/12/2013. No evidence of new contract was signed before commencement of work by the contractor. Minor nonconformity was upgraded to Major nonconformity.	Complied
6.10.4 Agreed payments shall be made in a timely manner. - Minor compliance -	The payment was made within one week after received invoice from the contractors. No complaint was noted in the complaint and grievance form as well as interviewed with the contractors.	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 management has provided transport to send students to government school outside the compound for free, donation to gender committee for activities such as sport day for children and volleyball competition for women. Besides, the estate also made contribution to longhouse for festival celebration.	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 –	The management has conducted an assessment for smallholders to understand problems faced by them. Besides, TQM team has meeting with the smallholders whenever necessary. The smallholders were invited to join any training relevant to them as well. TQM team has conducted training for the smallholder group scheme such as usage of fire extinguisher on 19/9/2016 and training on spraying on 1/7/2016. Besides, the management has provided advice to the smallholders on fertilizer and chemical usage to increase productivity. Through interview with the smallholders to confirm that they were provided training on the best management practices.	Complied
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 -	<p>Local workers and foreign workers are legal where they possess of valid identification card and passport during the employment with Keresa Plantations Sdn. Bhd. The workers had signed on the contract of employment. No evident of trafficked labour was sighted.</p> <p>In Sujan and Jiba Estate, sampled workers who were on vacation leave at their home country were sighted a security bond of RM 500 paid to the company. They were signed on a consent letter before on leave. Sampled workers as below:</p> <ul style="list-style-type: none"> a) Employee No.: 10037 (signed the letter on 27/8/2016) and received the security deposit on 5/10/2016 from the company after vacation leave. (Sujan Estate) b) Employee No.: 20171 (signed the letter on 13/7/2016) and received the security deposit on 19/8/2016 from the company after vacation leave. (Sujan Estate) c) Employee No.: 10053 (signed the letter on 10/6/2016) and received the security deposit on 23/8/2016 from the company after vacation leave. (Jiba Estate) <p>The submission of security deposit indirectly restrict the workers from accessing their passport.</p> <p>Consent letter to surrender passport voluntarily was not available for all the foreign workers.</p> <p>Major non-conformance was raised.</p>	Major nonconformance
6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	No contract of substitution is sighted.	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 -	Policy to respect human rights was not available. Major nonconformity was raised.	Major nonconformance
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.	There was no foreign workers’ children in Keresa operating units.	Complied

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Criterion / Indicator	Assessment Findings	Compliance	
<p>Principle 7: Responsible development of new plantings KSGS Smallholder has carried out new plantings after 2010 specifically at smallholder’s owned NCR land. As per new RSPO New Planting Procedure 2015, principle 7 need to be assessed and in compliance during surveillance or recertification assessment.</p>			
<p>Criterion 7.1: A comprehensive and participatory independent social and environmental impact assessment is undertaken prior to establishing new plantings or operations, or expanding existing ones, and the results incorporated into planning, management and operations.</p>			
7.1.1	<p>An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented. - Major compliance -</p>	<p>No SEIA conducted for the new planting for KSGS smallholder (Rumah Majang and Rumah Ballrully) A major NC was issued.</p>	Major nonconformance
7.1.2	<p>Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts. - Minor compliance -</p>	<p>No evidence of SEIA and management plan to include the KSGS smallholder new planting area (Rumah Majang and Rumah Ballrully) A minor NC was issued.</p>	Minor nonconformance
7.1.3	<p>Where the development includes an outgrower scheme, the impacts of the scheme and the implications of the way it is managed shall be given particular attention. - Minor compliance -</p>	<p>There was no outgrower scheme included in Keresia Plantation land development. Thus, this indicator is not applicable.</p>	Not applicable
<p>Criterion 7.2: Soil survey and topographic information are used for site planning in the establishedment of new plantings, and the results are incorporated into plans and operations</p>			
7.2.1	<p>Soil suitability maps or soil surveys adequate to establish the long-term suitability of land for oil palm cultivation shall be available and taken into account in plans and operations. - Major compliance -</p>	<p>No soil suitability maps and survey available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting A major NC was issued.</p>	Major nonconformance
7.2.2	<p>Topographic information adequate to guide the planning of drainage and irrigation systems, roads and other infrastructure shall be available and taken into account in plans and operations. - Minor compliance -</p>	<p>No topographic information available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting. A minor NC was issued.</p>	Minor nonconformance
<p>Criterion 7.3: New plantings since November 2005 have not replaced primary forest or any area required to maintain or enhance one or more High Conservation Values</p>			

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Criterion / Indicator	Assessment Findings	Compliance
7.3.1 There shall be evidence that no new plantings have replaced primary forest, or any area required to maintain or enhance one or more High Conservation Values (HCVs), since November 2005. New plantings shall be planned and managed to best ensure the HCVs identified are maintained and/or enhanced (see Criterion 5.2). - Major compliance -	No HCV assessment conducted prior to KSGS smallholder (Rumah Majang and Rumah Ballrully)new planting A major NC was issued.	Major nonconformance
7.3.2 A comprehensive HCV assessment, including stakeholder consultation, shall be conducted prior to any conversion or new planting. This shall include a land use change analysis to determine changes to the vegetation since November 2005. This analysis shall be used, with proxies, to indicate changes to HCV status. - Major compliance -	No HCV assessment conducted prior to KSGS smallholder (Rumah Majang and Rumah Ballrully)new planting including land use change analysis. A major NC was issued.	Major nonconformance
7.3.3 Dates of land preparation and commencement shall be recorded. - Minor compliance -	Information of land preparation and commencement for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting was not clearly recorded. A minor NC was issued.	Minor nonconformance
7.3.4 An action plan shall be developed that describes operational actions consequent to the findings of the HCV assessment, and that references the grower's relevant operational procedures (see Criterion 5.2). - Major compliance -	No HCV assessment action plan developed for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting A minor NC was issued.	Minor nonconformance
7.3.5 Areas required by affected communities to meet their basic needs, taking into account potential positive and negative changes in livelihood resulting from proposed operations, shall be identified in consultation with the communities and incorporated into HCV assessments and management plans (see Criterion 5.2). - Minor compliance -	No HCV assessment and management plan for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting A minor NC was issued.	Minor nonconformance
Criterion 7.4: Extensive planting on steep terrain, and/or marginal and fragile soils, including peat, is avoided		
7.4.1 Maps identifying marginal and fragile soils, including excessive gradients and peat soils, shall be available and used to identify areas to be avoided - Minor compliance -	No maps available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting. A minor NC was issued.	Minor nonconformance

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Criterion / Indicator	Assessment Findings	Compliance	
7.4.2	Where limited planting on fragile and marginal soils, including peat, is proposed, plans shall be developed and implemented to protect them without incurring adverse impacts. - Major compliance -	No plans available for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting. A minor NC was issued.	Minor nonconformance
Criterion 7.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their free, prior and informed consent. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			
7.5.1	Evidence shall be available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the grower/miller is signed and ratified by these local peoples. - Major compliance -	The status of land for the associated smallholder is NCR land. Development of land is based on their decision and not influenced by other parties including Keresia Plantation.	Complied
Criterion 7.6: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their free, prior and informed consent and negotiated agreements.			
7.6.1	Documented identification and assessment of demonstrable legal, customary and user rights shall be available. - Major compliance -	Legal ownership was demonstrated via license granted by MPOB for the specific smallholder under Rumah Majang and Rumah Ballrully which has carried out new planting i) Rumah Ballrully : (Rining) MPOB L1, 538287-701000, Title area: 38.91 (increased hectarage - 24.31 Ha) ii) Rumah Majang : (Linggong) MPOB L1, 472108-801000 title area 32.52 Ha (increased hectarage – 27.02 ha)	Complied
7.6.2	A system for identifying people entitled to compensation shall be in place. - Major compliance -	Not applicable as the land category is NCR and owned by the respective smallholders	Not applicable
7.6.3	A system for calculating and distributing fair compensation (monetary or otherwise) shall be in place. - Major compliance -	Not applicable as the land category is NCR and owned by the respective smallholders	Not applicable
7.6.4	Communities that have lost access and rights to land for plantation expansion shall be given opportunities to benefit from plantation development. - Minor compliance -	Not applicable as the land category is NCR and owned by the respective smallholders	Not applicable
7.6.5	The process and outcome of any compensation claims shall be documented and made publicly available. - Minor compliance -	Not applicable as the land category is NCR and owned by the respective smallholders	Not applicable

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Criterion / Indicator	Assessment Findings	Compliance
7.6.6	Evidence shall be available that the affected communities and rights holders have access to information and advice, that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. - Minor compliance -	Not applicable as the land category is NCR and owned by the respective smallholders Not applicable
Criterion 7.7: No use of fire in the preparation of new plantings other than in specific situations, as identified in the ASEAN guidelines or other regional best practice.		
7.7.1	There shall be no land preparation by burning, other than in specific situations, as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	No evidence to show the method of land preparation for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting. A major NC was issued. Major nonconformance
7.7.2	In exceptional cases where fire has to be used for preparing land for planting, 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 -	No evidence of prior approval of the controlled burning was used for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting. A minor NC was issued Minor nonconformance
Criterion 7.8: New plantation developments are designed to minimise net greenhouse emissions		
7.8.1	The carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development shall be identified and estimated. - Major compliance -	Carbon stock assessment was not carried out for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting A major NC was issued. Major nonconformance
7.8.2	There shall be a plan to minimise net GHG emissions which takes into account avoidance of land areas with high carbon stocks and/or sequestration options. - Minor compliance -	There was no plan to minimise net GHG emissions established for for KSGS smallholder (Rumah Majang and Rumah Ballrully) new planting A minor NC was issued Minor nonconformance
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.		

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Criterion / Indicator	Assessment Findings	Compliance
<p>8.1.1</p> <p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Keresa Plantations and mill have generated a continual improvement plan which last reviewed on August 2016. The plan has included the following activities:</p> <ul style="list-style-type: none"> a) Economic value: Key performance indicators b) Social value c) Community: Action plan d) Environmental value: Control of pollution & significant impacts on environment e) And etc <p>Example of activities to be improved as such:</p> <ul style="list-style-type: none"> a) To introduce reduced, reused and recycles plan & programme b) To review environmental & biodiversity c) Zero longhouse complaints on water quality d) To increase percentage of natural tree cover etc. 	<p>Complied</p>

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Appendix B: Approved Time Bound Plan

Keresia Plantations Sdn Bhd operates one palm oil mill and three estates. Palm Oil Mill, two estates and associated smallholder are certified since 2010. Kubud estate was planted in 2012 without prior HCV assessment. This issue was brought to RSPO voluntarily by the company to RSPO Technical Director on 17 September 2013. This area is under compensation mechanism and not certified. The timeline to certify Kubud Estate is depends on the approval of the Keresia Plantations Sdn Bhd’s compensation proposal by RSPO.

No.	Production Units	Location	Status	TBP	Remark
1	Keresia Plantation			To be completed by 2020 based on ACOP 2015	Company leased land from community and developed into oil palm Sg Kubud Estate to help the community. The land was opened by community since early 1900 through shifting cultivation. Kubud Estate yet to be included in the TBP because the community developed the land without prior HCV. This case was voluntarily reported to RSPO by Keresia and we are in the process of getting exemption from RSPO due to the land was originally cleared through shifting cultivation in early 1990s by the community and belongs to the community through Native Customary Right. Pending resolution by RSPO.
	Sujan Estate	Lavang Land District, Bintulu, Sarawak	Certified in 2010		
	Jiba Estate	Lavang Land District, Bintulu, Sarawak	Certified in 2010		
	Sg Kubud Estate	Lavang Land District, Bintulu, Sarawak	Pending for compensation proposal by RSPO		

Appendix C: Certification Unit RSPO Certificate Details

Keresia Plantations Sdn Bhd
Lot 1, Block 17, Lavang Land District
97000 Bintulu
Sarawak, Malaysia
RSPO membership number: 1-0077-09-000-00

BSI RSPO Certificate No. : RSPO 559278
Date of Initial Certificate Issued: 21/10/2010
Date of Expiry: 20/10/2020
Applicable Standards: RSPO P&C MYNI-2014; RSPO Supply Chain Certification Standard November 2014 Module E
– CPO Mills: Mass Balance)

Keresia Palm Oil Mill and Supply Base					
Location Address	Keresia Plantations Sdn Bhd, Lot 1, Block 17, Lavang Land District 97000 Bintulu, Sarawak, Malaysia				
GPS Location	113° 35' 59.1 E ; 03° 09' 49.6" N				
CPO Tonnage Total	26,934.95 mt				
PK Tonnage Total	5,670.52 mt				
CPO Claimed for Certification*	26,934.95 mt				
PK Claimed for Certification *	5,670.52 mt				
Own estates FFB Tonnage	138,365.00 mt				
Scheme Smallholder FFB Tonnage	3,397.92 mt				
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Sujan Estate	3,078.08	0	464.62	3,542.70	82,427.00
Jiba Estate	2,268.82	0	211.48	2,480.30	55,938.00
Estate Total	5,346.90	0	676.10	6,023.00	138,365.00
KSGS S	111.31	0	0	111.31	3,397.92
Grand Total	5,458.21	0	676.10	6,134.31	141,762.92

*Exclusion of 16 members of KSGS with termination letter was verified. Additional 21 members excluded from RSPO certification due to non-active participation since January 2016. Total certified area reduced from 357 ha to 111.31 Ha compared to previous assessment for KSGS smallholder.

Appendix D: Assessment Plan

Date	Time	Subjects	Hidhir	Nicholas	Ning Shing
Monday 03/10/2016	AM	Audit Team traveling to Bintulu via MH 2746 Check in hotel at Bintulu	√	√	√
Tuesday 04/10/2016 Keresia Palm Oil Mill	0630 - 0830	Audit team travel from Bintulu to Keresia Plantation Opening Meeting: <ul style="list-style-type: none"> • Opening Presentation by Audit team leader. • Confirmation of assessment scope and finalize Audit plan (including stakeholder’s consultation). • Verification on previous audit findings 	√	√	√
	0900 - 1200	Keresia Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc.	√	√	√
	1200 - 1300	Lunch	√	√	√
	1300 - 1630	Keresia Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
	1630- 1700	Interim Closing briefing	√	√	√
Wednesday 05/10/2016 Sujan Estate	0830- 0900	Sujan Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	-
	0900- 1200	Meeting with stakeholders (Government, village rep, workers leader, contractor etc.)	-	-	√
	1200- 1300	Lunch	√	√	√
	1300- 1630	Sujan Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	1630- 1700	Interim Closing briefing	√	√	√

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Date	Time	Subjects	Hidhir	Nicholas	Ning Shing
Thursday 06/10/2016 Jiba Estate & KSGS Smallholders	0830- 1200	Jiba Estate & KSGS Smallholders 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.	√	√	√
	1200- 1300	Lunch	√	√	√
	1300- 1630	Jiba Estate & KSGS Smallholders 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	Verify any outstanding issues & preparation for closing meeting	√	√	√
	1730 - 1800	Closing meeting & presentation of findings	√	√	√
Friday 07/10/2016 KSGS Smallholders	0830- 1030	KSGS Smallholders Document audit continues for KSGS Smallholders	√	√	√
	1030– 1130	Verify any outstanding issues & preparation for closing meeting	√	√	√
	1130– 1200	Closing meeting	√	√	√
	1200	Lunch and traveling back to Bintulu	√	√	√
Saturday 08/10/2016	AM	Audit team travel back to KL via AK 5247	√	√	√

Appendix E: Stakeholders Contacted

Internal Stakeholders

<ul style="list-style-type: none"> - Keresia Plantations Sdn. Bhd. management team - TQM Executives - Medical Assistant - Crèche Attendants - Female worker - Gender committee chairman - Foreign worker’s representatives 	<ul style="list-style-type: none"> - Quarry contractor - CPO & PK transporters 	
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External Stakeholders

<p>Government Departments</p> <ul style="list-style-type: none"> - Jabatan Tenaga Kerja Officer (Through phone call) 	<p>NGOs and others</p>	<p>Local Communities</p> <p>KSGS Smallholder (Rumah Majang)</p> <ul style="list-style-type: none"> - Bakat Ak Jampong - Jelian Ak Kalai - Balawan Ak Ngangau - Aja Anak Guyam - Jalin Ak Dindang - Richit Ak Mancho - Lingong Ak Ragan <p>Other “rumah panjang”</p> <ul style="list-style-type: none"> - RL: Lincong Ak Along - RB: Rinching Ak Uncho
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Appendix F: CPO Mill Supply Chain Assessment Report (Module E: Mass Balance)

Requirements	Compliance
E.1 Definition	
<p>E.1.1 Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>The Keresia Palm Oil Mill receives and process both certified and non-certified FFB. Therefore, it uses the Mass Balance supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified Products.</p>
E.2 Explanation	
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the 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 should 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>E.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>
E.3 Documented procedures	
<p>E.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> <ul style="list-style-type: none"> a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The name 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 procedures for the implementation of this standard. 	<p>Keresia mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to verify the receiving documents to differentiate the certified and non-certified FFB received. The person in charge is the mill manager assisted by assistant mill manager and weighbridge clerk.</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBS.</p>	<p>Keresia Palm Oil Mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking on the receiving documents to differentiate the certified and non-certified FFB received.</p>
E.4 Purchasing and goods in	
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBS received.</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and noncertified FFB. Records verified by internal and external audit.</p>

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E.4.2 The site shall inform the CB immediately if there is a projected overproduction.	The facilities aware of this procedure.
E.5 Record keeping	
E.5.1 a) 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. (b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(ie product can be sold before it is in stock.)	Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and noncertified FFB. Computerized system in place. Records verified by internal and external audit. Computerized system in place with the delivery deducted accordingly. The Mill aware that only positive stock can be delivered. No short selling.
E.5.2 In cases where a mill outsources activities to an independent palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement	No outsourcing activities.

Actual Certified Palm Production – October 2015 – September 2016 (ASA1 1)

Mill	Processing Capacity	CPO	PK
Keresa Palm Oil Mill	30 mt/hr	24,296.62	5,115.67

Actual Sales of Certified Palm Products – October 2015 – September 2016 (ASA1 1)

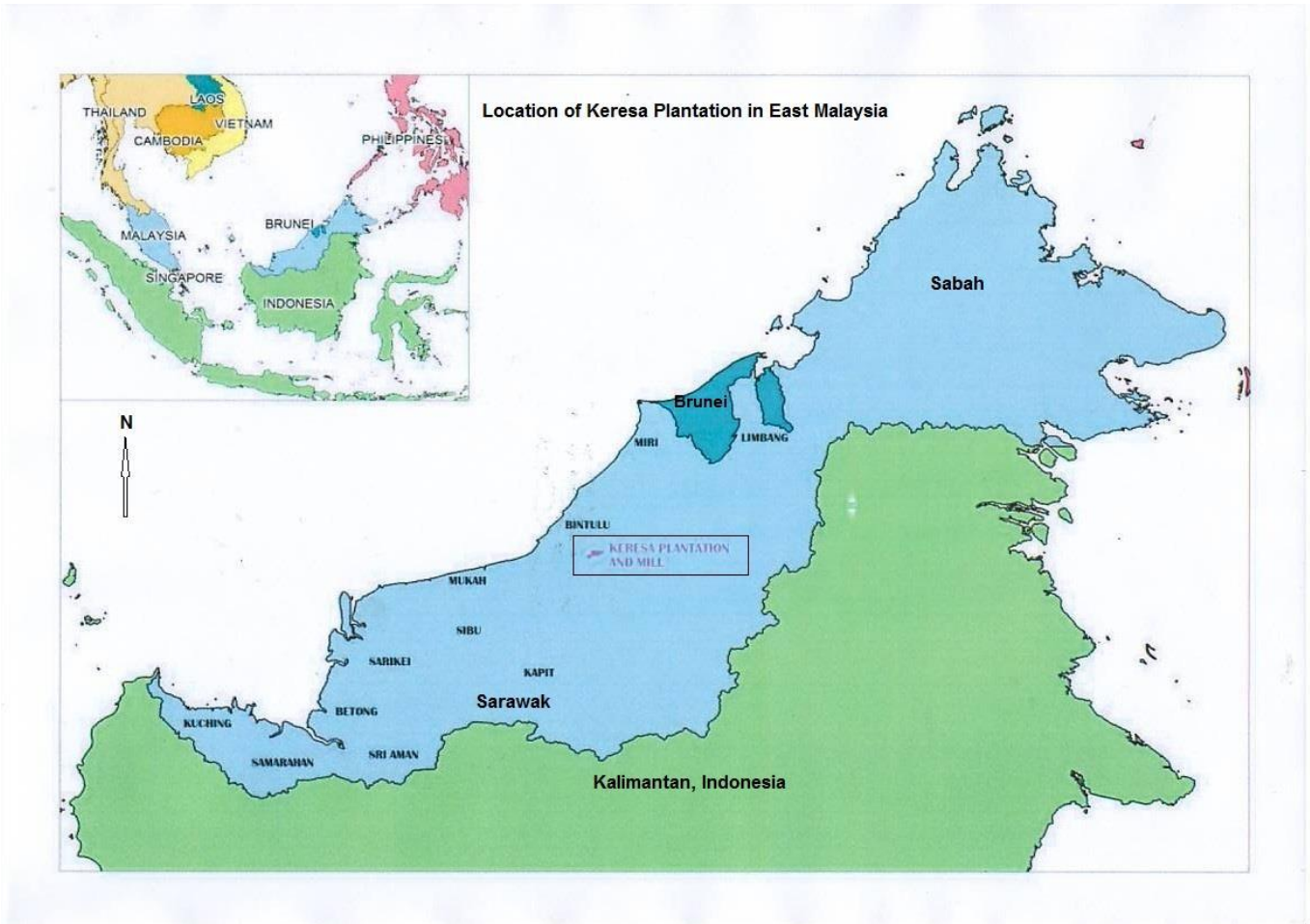
Mill	CPO (Certified)	Remarks	PK (Certified)	Remarks
Keresa Palm Oil Mill	0	No physical sales	0	No physical sales

Month	Certified Supply Base (from own certificate scope) (mt)						Total FFB/Month (mt)
	Sujan Estate	Jiba Estate	KSGS Smallholder				
October 2015	7122.43	4807.29	286.48				12216.2
November 2015	8013.43	5270.25	429.01				13712.69
December 2015	7767.75	6250.77	408.20				14426.72
Jan 2016	6968.82	5070.62	410.13				12449.57
Feb 2016	6680.42	4537.18	248.55				11466.15
March	5161.23	4080.97	191.61				9433.81

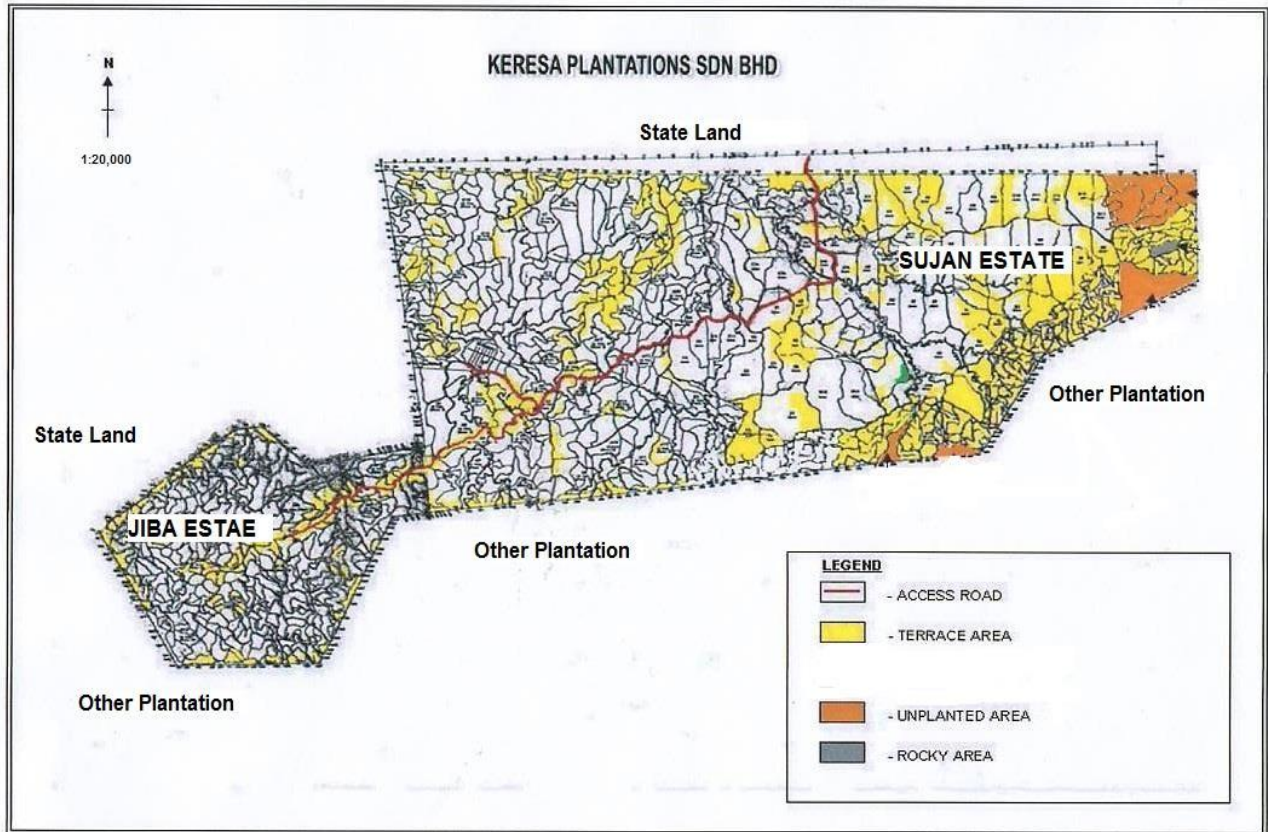
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April 2016	4668.43	3739.21	208.40					8616.04
May	5579.86	4627.92	233.21					10440.99
June	4852.95	3956.81	246.23					9055.99
July	4820.27	4023.85	235.35					9079.47
August 2016	5939.50	4440.48	292.03					10672.01
September 2016	6414.22	4209.73	309.52					10933.47
Total	73989.31	55015.08	3498.72					132503.11

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



Appendix H: Sujan and Sujan Estate Field Map



Appendix I: List of Smallholder Sampled

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No.	Area/ District	State	Smallholder Block Number	Name of Registered Smallholder (as per Land Title)	License / Permits			Land Title				Risk Score (Applicable for Independent Smallholder)			Smallholder Audit Assessment by CB / Date					
					License No./ Permit No.	Expiry Date	Total Farm Size Registered / Ha	Type of Land Title	Land Status (Disputed/ Non Disputed)	Land Use Purpose stated on title (if applicable)	Total Hectares stated on title / Ha	Low Risk*	Medium Risk**	High Risk**	IA V	ASA 1	ASA 2	ASA 3	ASA 4	Re- Certification
1	Lot1/block17	Sarawak	RM	Majang Ak Ragan			8.10	NC R	Non-disputed		8.10									
2	Lot1/block17	Sarawak	RM	Bakat Ak Jampong			2.96	NC R	Non-disputed		2.96									
3	Lot1/block17	Sarawak	RM	Jelian Ak Kalai / Oneal Ak Jelian			16.91	NC R	Non-disputed		16.91									
4	Lot1/block17	Sarawak	RM	Richit Ak Mancho			6.76	NC R	Non-disputed		6.76									
5	Lot1/block17	Sarawak	RM	Balawan Ak Ngangau / Abang Ak Belawan			5.77	NC R	Non-disputed		5.77									
6	Lot1/block17	Sarawak	RM	Alin Ak Bansang			10.13	NC R	Non-disputed		10.13									
7	Lot1/block17	Sarawak	RM	Naun Ak Jampang			4.61	NC R	Non-disputed		4.61									
8	Lot1/block17	Sarawak	RM	Kudang Ak Jampe			3.68	NC R	Non-disputed		3.68									
9	Lot1/block17	Sarawak	RM	Mancho Ak Isa			13.63	NC R	Non-disputed		13.63									
10	Lot1/block17	Sarawak	RM	Libau Ak Mapang			5.13	NC R	Non-disputed		5.13									
11	Lot1/block17	Sarawak	RM	Ramba ak Amal			19.77	NC R	Non-disputed		19.77									
12	Lot1/block17	Sarawak	RM	Jatan ak Kalai / Lee ak Jatan			13.50	NC R	Non-disputed		13.50									
13	Lot1/block17	Sarawak	RM	Jilom ak Ran / Franklyn Gelau ak Tuchai			6.41	NC R	Non-disputed		6.41									

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14	Lot1/block17	Sara wak	RM	Lebon anak Bugin		5.18	NC R	Non-disputed	5.18									
15	Lot1/block17	Sara wak	RM	Aja anak Guyam		3.70	NC R	Non-disputed	3.70									
16	Lot1/block17	Sara wak	RM	Angking anak Jampang		6.76	NC R	Non-disputed	6.76									
17	Lot1/block17	Sara wak	RM	Linggong anak Ragan		5.50	NC R	Non-disputed	5.50									
18	Lot1/block17	Sara wak	RM	Ghani Ak Asun		3.45	NC R	Non-disputed	3.45									
19	Lot1/block17	Sara wak	RM	Lamai Ak Chawong		30.41	NC R	Non-disputed	30.41									
20	Lot1/block17	Sara wak	RM	Tinggie Ak Jungan		6.84	NC R	Non-disputed	6.84									
21	Lot1/block17	Sara wak	RM	Jalin Ak Dindang		3.79	NC R	Non-disputed	3.79									
22	Lot1/block17	Sara wak	RI	Etin Ak Pasang		1.80	NC R	Non-disputed	1.80									
23	Lot1/block17	Sara wak	RI	Renang Ak Wow		0.76	NC R	Non-disputed	0.76									
24	Lot1/block17	Sara wak	RI	Asin Anak Jimbun		2.07	NC R	Non-disputed	2.07									
25	Lot1/block17	Sara wak	RI	Buda Ak Etin		2.50	NC R	Non-disputed	2.50									
26	Lot1/block17	Sara wak	RI	Chali Ak Kadop		3.30	NC R	Non-disputed	3.30									
27	Lot1/block17	Sara wak	RI	Ko Ak Babai		2.07	NC R	Non-disputed	2.07									
28	Lot1/block17	Sara wak	RI	Uka Ak Kelangkang		4.93	NC R	Non-disputed	4.93									
29	Lot1/block17	Sara wak	RL	Lichong Ak Along		3.50	NC R	Non-disputed	3.50									
30	Lot1/block17	Sara wak	RL	Gumba Ak Lawon		4.17	NC R	Non-disputed	4.17									
31	Lot1/block17	Sara wak	RL	Manap Ak Dua		1.72	NC R	Non-disputed	1.72									
32	Lot1/block17	Sara wak	RL	Munan Ak Ngalambong		4.77	NC R	Non-disputed	4.77									

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33	Lot1/blo ck17	Sara wak	RL	Sancap Ak Medan		4.40	NC R	Non- disputed	4.40									
34	Lot1/blo ck17	Sara wak	RB	Ballrully Ak Kenai		23.51	NC R	Non- disputed	23.51				X					
35	Lot1/blo ck17	Sara wak	RB	Numpang Ak Berasap		10.14	NC R	Non- disputed	10.14									
36	Lot1/blo ck17	Sara wak	RB	Ayu Ak Hanjan		1.35	NC R	Non- disputed	1.35				X					
37	Lot1/blo ck17	Sara wak	RB	Sangkual Ak Melin		2.07	NC R	Non- disputed	2.07									
38	Lot1/blo ck17	Sara wak	RB	Nancy Ak Uli		13.45	NC R	Non- disputed	13.45				X					
39	Lot1/blo ck17	Sara wak	RB	Uding Ak Atan		3.38	NC R	Non- disputed	3.38									
40	Lot1/blo ck17	Sara wak	RB	Badang Ak Suma		4.14	NC R	Non- disputed	4.14									
41	Lot1/blo ck17	Sara wak	RB	Amy Ak Kenai/ Bayui Ak Inau		10.14	NC R	Non- disputed	10.14									
42	Lot1/blo ck17	Sara wak	RA	Nyata Anak Semut		0.69	NC R	Non- disputed	0.69									
43	Lot1/blo ck17	Sara wak	RB	Rining Ak Uncho		14.60	NC R	Non- disputed	14.60									
44	Lot1/blo ck17	Sara wak	RI	Jol Ak Bawong/Bawong Ak Uma		2.55	NC R	Non- disputed	2.55									
45	Lot1/blo ck17	Sara wak	RL	Jenat Ak Andam/ Jessy Ak Ayul		2.76	NC R	Non- disputed	2.76									
46	Lot1/blo ck17	Sara wak	RN	Nuga Ak. Repon		9.00	NC R	Non- disputed	9.00									
47	Lot1/blo ck17	Sara wak	RN	Ambak Ak. Usah		5.41	NC R	Non- disputed	5.41				X					
48	Lot1/blo ck17	Sara wak	RN	Bermas Ak. Ringgit		4.50	NC R	Non- disputed	4.50				X					
49	Lot1/blo ck17	Sara wak	RN	Late Laway Igo/Biti Ak. Seman		4.00	NC R	Non- disputed	4.00									
50	Lot1/blo ck17	Sara wak	RN	Embie Ak. Beran		3.38	NC R	Non- disputed	3.38									
51	Lot1/blo ck17	Sara wak	RA	Anchai Anak Sabok		6.76	NC R	Non- disputed	6.76									

52	Lot1/block17	Sarawak	RA	Uki Anak Nguang			12.5	NC R	Non-disputed	12.5								
53	Lot1/block17	Sarawak	RA	Layang Anak Garai			0.6	NC R	Non-disputed	0.6								
54	Lot1/block17	Sarawak	RA	Atang Anak Encharang			3.73	NC R	Non-disputed	3.73								

Low risk: $(0.8\sqrt{54}) \times (1) 6$

:6 smallholders were sampled.

Appendix J: List of Abbreviations Used

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CIP	Continual Improvement Plan
CPO	Crude Palm Oil
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
JTK	Jabatan Tenaga Kerja
KER	Kernel Extraction Rate
MPOA	Malaysian Palm Oil Association
MPOB	Malaysian Palm Oil Board
MPOM	Melewar Palm Oil Mill
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
OER	Oil Extraction Rate
OSH	Occupational Safety & Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RED	Renewable Energy Directive
RSPO	P&C Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SHO	Safety and Health Officer
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
TBP	Time Bound Plan
WTP	Water Treatment Plant