

**RSPO PRINCIPLE AND CRITERIA –
RECERTIFICATION ASSESSMENT (RC2)
Public Summary Report**

Kulim (Malaysia) Berhad
Client company address: Kulim (Malaysia) Berhad K.B 705 80990 Johor Bahru Johor, Malaysia
Certification Unit: Tereh Palm Oil Mill and supply base Location of Certification Unit: KB 538 86009 Kluang, Johor Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0080-09-000-00	Membership Approval Date	15/06/2009
Parent Company Name	Johor Corporation		
Address	KB 705 80990 Johor Bahru, Johor, Malaysia		
Subsidiary (Certification Unit Name)	Tereh Palm Oil Mill		
Address	KB 538 86009 Kluang, Johor, Malaysia		
Contact Name	Mrs Salasah Elias		
Website	www.kulim.com.my	E-mail	salasah@kulim.com.my
Telephone	07 8611611	Facsimile	07 8631084

2. Certification Information			
Certificate Number	RSPO 613086	Date of First Certification	23/01/2009
		Certificate Start Date	22/01/2019
		Certificate Expiry Date	22/01/2024
Scope of Certification	Palm Oil and Palm Kernel Production from Tereh Palm Oil Mill and Supply Base (Tereh Utara Estate, Tereh Selatan Estate, Selai Estate, Enggang Estate, Mutiara Estate, Sungai Sembrong Estate, Sungai Tawing, Wawasan Estate, Felda Paloh Estate & Rengam Estate)		
Applicable Standards	RSPO P&C 2013 (MY-NI 2014) ; RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module D)		

3. Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE119-60192023	ISCC	ASG Cert	12/03/2020
A 76501	MS 1500:2009	JAKIM	15/06/2019
QMS 00706	ISO 9001:2015	SIRIM QAS International Sdn Bhd	14/10/2020

4. Location(s) of Mill & Supply Bases			
Name (Mill / Supply Base)	Location [Map Reference #]	GPS Coordinates	
		Latitude	Longitude
Tereh Palm Oil Mill	Kluang, Johor, Malaysia	2° 13'3.06" N	103° 21' 5.00" E
Tereh Utara Estate	Kluang, Johor, Malaysia	2° 15' 5.20" N	103° 20' 36.05" E
Tereh Selatan Estate	Kluang, Johor, Malaysia	2° 11' 38.37" N	103° 21' 8.37" E
Selai Estate	Kluang, Johor, Malaysia	2° 6' 14.41" N	103° 23' 14.81" E
Enggang Estate	Kluang, Johor, Malaysia	2° 16' 12.10" N	103° 25' 36.58" E
Mutiara Estate	Kluang, Johor, Malaysia	2° 17' 16.61" N	103° 28' 52.13" E
Sg Sembrong Estate	Kluang, Johor, Malaysia	2° 18' 54.84" N	103° 27' 49.49" E
Sg Tawing Estate	Kluang, Johor, Malaysia	2°17' 46.75" N	103° 21' 11.58" E
Wawasan Estate	Kluang, Johor, Malaysia	2° 14' 15.11" N	103° 22' 45.11" E
Felda Paloh Estate	Kluang, Johor, Malaysia	2° 14' 51.07" N	103° 22' 7.50" E
Rengam Estate	Kluang, Johor, Malaysia	1° 53' 21.97" N	103° 24' 49.02" E

5. Description of Supply Base					
Estate	Total Planted (Mature + Immature) (ha)	HCV (ha)	Infrastructure & Other (ha)	Total Area (ha)	% of Planted
Tereh Utara Estate	2,858.56	73.42	155.39	3,087.37	92.59
Tereh Selatan Estate	2,529.78	7.36	170.08	2,707.22	93.45
Selai Estate	1,621.06	32.94	146.17	1,800.17	90.05
Enggang Estate	1,655.81	15.35	63.74	1,734.90	95.44
Mutiara Estate	2,317.80	24.85	368.86	2,711.51	85.48
Sg Sembrong Estate	1,181.98	7.89	52.89	1,242.76	95.11
Sg Tawing Estate	2,083.02	28.38	114.37	2,225.77	93.59
Wawasan Estate	361.91	0	0.39	362.3	99.89
Felda Paloh Estate	1,117.28	0	0	*1,117.28	100.00
Rengam Estate	2,341.69	14.11	62.44	2,418.24	96.83
Total	18,068.89	204.30	1,134.33	19,407.52	93.10

*104.49 will be replant with coconut

6. Plantings & Cycle							
Estate	Age (Years)					Mature	Immature
	0 - 3	4 - 10	11 – 20	21 – 25	26 – 30		
Tereh Utara Estate	-	-	1,584.94	1,273.62	-	2,858.56	-
Tereh Selatan Estate	264.6	-	1,646.32	618.86	-	2,265.18	264.6
Selai Estate	-	637.88	983.18	-	-	1,621.06	-
Enggang Estate	-	806.31	849.5	-	-	1,655.81	-
Mutiara Estate	962.45	206.75	570.1	49.72	528.78	1,355.35	962.45
Sg Sembrong Estate	-	-	330.92	822.98	28.08	1,181.98	-
Sg Tawing Estate	-	625.09	1,130.52	296.46	30.95	2,083.02	-
Wawasan Estate	-	60.76	301.15	-	-	361.91	-
Felda Paloh Estate	-	-	-	874.07	243.21	1,117.28	-
Rengam Estate	-	539.01	738.04	842.68	221.96	2,341.69	-
Total (ha)	1,227.05	2,875.80	8,134.67	4,778.39	1,052.98	16,841.84	1,227.05

7. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated (Nov 2017-Oct 2018)	Actual (Nov 2017-Oct 2018)	Forecast (Jan 2019-Dec 2019)
Tereh Utara Estate	69,991.00	65,022.33	91,735.80
Tereh Selatan Estate	57,396.00	49,224.22	75,628.80
Selai Estate	30,954.00	28,437.32	46,941.70
Enggang Estate	31,810.00	28,911.46	44,630.30
Mutiara Estate	33,148.00	31,870.23	39,874.90
Sg Sembrong Estate	28,323.00	26,799.75	38,841.40
Sg Tawing Estate	42,248.00	37,006.33	57,437.90
Wawasan Estate	6,307.00	4,131.69	6,751.00
Felda Paloh Estate	15,730.00	10,619.08	17,622.00
Rengam Estate	43,177.00	17,192.18	54,158.00
Total	359,084.00	299,214.59	473,621.80

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8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *			
Estate	Tonnage / year		
	Estimated	Actual	Forecast
	N/A	Nil	N/A
Total			

9. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated	Actual	Forecast
	N/A	Nil	N/A
Total			

10. Certified Tonnage			
	Estimated (Nov 2017-Oct 2018)	Actual (Nov 2017-Oct 2018)	Forecast (Jan 2019-Dec 2019)
	FFB	FFB	FFB
Mill Capacity: 60 MT/hr	359,084.00 mt	299,214.59 mt	473,621.80 mt
SCC Model:	CPO (OER: 20.98 %)	CPO (OER: 20.70%)	CPO (OER: 19.95%)
IP/MB	75,349.00 mt	61,926.00 mt	94,487.59 mt
	PK (KER: 5.47%)	PK (KER: 5.59%)	PK (KER: 5.22%)
	19,653.00 mt	16,739.99 mt	24,723.07 mt

11. Actual Sold Volume (CPO)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
CPO (MT)	55,394.00	1,454.00	0	40.21	56,888.21

12. Actual Sold Volume (PK)					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
PK (MT)	4,735.00	0	0	7,962.63	12,697.63

13. Actual Group certification Claims		
	Credit	Physical Volume (MT)
IS-CSPO		
IS-CSPKO		
IS-CSPKE		

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
 (ASI Accreditation Number: ASI-ACC-067)
 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 80,000 certified locations and clients in over 180 countries. BSI Standards is the UK’s National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (ASI-ACC-067) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia and an office at Jakarta and Australia which involve in RSPO Certification Program.

2.1 Assessment Methodology, Programme, Site Visits

The on-site recertification assessment was conducted from 24-28/09/2018. Prior to the on-site assessment, the global stakeholder notification has been conducted from 21/8/2018 as per BSI website link: https://www.bsigroup.com/globalassets/localfiles/en-my/rspo/Public%20Notification/2018/sept-2018/kulim_tereh-and-supply-base_english.pdf

The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities.

The Major NC close out on-site assessment was conducted on 24/12/2018. The audit programmes are included in Section 2.3.

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 MYN-NI 2014 and RSPO Supply Chain Certification Standard 2017 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

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The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base.

- The minimum sample size is four estates. Sample size for certification unit with more than four (4) estates were determined based on formula $N = (0.8\sqrt{y}) \times (z)$ where y is the number of estates and where z is the multiplier defined by risk assessment
- As for the smallholders, the sample were determined following the RSPO Management System Requirements and Guidance for Group Certification of FFB Production (2016). The sampling of smallholders were based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix I.

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

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

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

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

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

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

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

Assessment Program					
Name (Mill / Supply Base)	Year 1 (Recertification_2)	Year 2 (ASA 1)	Year 3 (ASA 2)	Year 4 (ASA 3)	Year 5 (ASA 4)
Tereh Palm Oil Mill	✓	✓	✓	✓	✓
Tereh Utara Estate			✓		
Tereh Selatan Estate		✓			
Selai Estate	✓				✓
Enggang Estate	✓			✓	
Mutiara Estate			✓		

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Sg Sembrong Estate		✓			✓
Sg Tawing Estate	✓			✓	
Wawasan Estate		✓			✓
Felda Paloh Estate				✓	
Rengam Estate			✓		

Tentative Date of Next Visit: September 24, 2019 - September 28, 2019

Total No. of Mandays: 13 mandays including one 1 manday SC audit for mill

2.2 BSI Assessment Team:

Team Member Name	Role <i>(Team Leader or Team member)</i>	Qualifications <i>(Short description of the team members)</i>
Hafriazhar Mohd. Mokhtar	Team leader	Hafriazhar Mohd. Mokhtar is a Chemical Engineer by qualification. He has more than five years of direct work experience in the upstream processes of palm oil within the plantation industry. He is a qualified Lead Auditor for CDM, ISO 14001, ISO 50001 and ISO 9001 and has accumulated more than 500 audit days throughout his current career as the auditor for multiple disciplines covering Malaysia, Indonesia and Thailand. He has been trained in the RSPO P&C and SCCS standards and recently completed his RSPO P&C Lead Assessor training and has been involved in RSPO audits within Malaysia, Gabon, Nigeria, Papua New Guinea and Solomon Islands. During assessment, he covered the mill and estate best practices, legal issues, social issues, workers consultation, stakeholder consultation, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages.
Mahzan Munap	Team member	He holds a MBA from Ohio University and B Sc. in Petroleum Engineering from University of Missouri, USA. Collected over 370 days of auditing experience in OHSAS 18001 and MS 1722 OHSMS (72 days for palm oil miling and 8 days for oil palm plantation). CIMAH competent person with Malaysia Department of Occupational Safety and Health (DOSH) since 1997. An Occupational Safety and Health Trainer at INSTEP PETRONAS. Successfully completed RSPO Lead Assessor Course in 2008 and IRCA accredited Lead Assessor training for ISO 9001 and RABQSA/IRCA EMS Lead Assessor Course for ISO 14001 in 2008.
Amir Bahri	Team member	He obtained qualification in B.Sc. (Hons) Chemistry USM 1985 & Diploma in Palm Oil Milling Tech/Management MPOB 1996. He has been in the plantations industry for 30 years, among

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		<p>others managing rubber factories, palm oil mills and estates. During the tenure of employment he has been trained as an auditor in ISO 9001, ISO 14001, OHSAS 18001 & also RSPO. He has accumulated 38 man-days in the auditing profession after ending career in the plantation industry. During the assessment he covered mills and estates best practices, workers consultation and occupational safety & health. He is fluent in both verbal/written in Bahasa Malaysia and English.</p>
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Accompanying Persons: *(This table is applicable for technical expert/ translator/Observer/ Qualifying reviewer and/or accreditation personnel)*

No.	Name	Role
1	Muhamad Naquiuddin Maszeli	Observer

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2.3 Assessment Plan

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

Date	Time	Subjects	HMM	MM	AB
Sunday 23/9/2018	PM	Audit Team travelling to Kluang (Anika Hotel)	✓	-	-
Monday 24/9/2018	0830 – 1630	RSPO Supply Chain for CPO mill, weighbridge and storage area	✓	-	-
		Audit Team travelling to Kluang (Anika Hotel)	-	✓	✓
		Meeting with stakeholders (local authority) – DOSH, DOE, Forestry, Wildlife, Land Office, Labour Office	-	✓	✓
Tuesday 25/9/2018	0830 – 0900	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	Tereh Palm Oil Mill: Inspection of 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 – 1600	Tereh 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.	✓	✓	✓
	1600 – 1630	Interim Closing Briefing	✓	✓	✓
Wednesday 26/9/2018	0830 – 1200	Selai 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.	✓	✓	✓
	1000 – 1100	Meeting with stakeholders (local community rep. neighbors, smallholders, workers/Union rep, vendor etc.)	-	-	✓

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Date	Time	Subjects	HMM	MM	AB
	1200 – 1300	Lunch			
	1300 – 1600	Selai 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).	✓	✓	✓
	1600 – 1630	Interim Closing Briefing	✓	✓	✓
Thursday 27/9/2018	0830 – 1200	Enggang Estate: Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant & etc.), agrochemical mixing area, schedule waste management, worker housing, clinic, landfill & etc. Verify previous nonconformities.	✓	✓	✓
	1000 – 1100	Meeting with stakeholders (local community rep. neighbors, smallholders, workers/Union rep, vendor etc.)	-	-	✓
	1200 – 1300	Lunch			
	1300 – 1600	Enggang Estate: Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc). Verify previous nonconformities.	✓	✓	✓
	1600 – 1630	Interim Closing Briefing	✓	✓	✓
Friday 28/9/2018	0830 – 1200	Sg. Tawing 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. Verify previous nonconformities.	✓	✓	✓

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Date	Time	Subjects	HMM	MM	AB
	1000 – 1100	Meeting with stakeholders (local community rep. neighbors, smallholders, workers/Union rep, vendor etc.)	-	-	✓
	1200 – 1300	Lunch			
	1300 – 1600	Sg. Tawing 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). Verify previous nonconformities.	✓	✓	✓
	1600 – 1630	Audit team discussion & findings preparations	✓	✓	✓
	1630 – 1700	Closing Meeting (Tereh Club) <ul style="list-style-type: none"> • Presentation of report by BSI Lead Auditor – briefing & discussion of findings • Acceptance & acknowledgement by Tereh Palm Oil Mill & Estates 	✓	✓	✓
Saturday 29/9/2018	AM	Audit Team travel back to KL	✓	✓	✓

Section 3: Assessment Findings

3.1 Normative requirement applied for this assessment:

- Kulim (M) Berhad Time Bound Plan
- RSPO P&C 2013 Generic
- RSPO Group Certification Standard 2016
- RSPO Supply Chain Certification Standard 2017
- RSPO P&C GA-NIWG 2017
- RSPO P&C INA-NIWG 2016
- RSPO P&C MY-NIWG 2014
- RSPO P&C PNG-NIWG 2017

3.2 Time Bound Plan progress for multiple management units

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	Yes	Yes
Have all the estates and mills certified within five years after obtaining RSPO membership?	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. 	<p>Kulim (Malaysia) Berhad has in 2015 continued to operate in a dynamic and volatile environment, characterised by abundant of supplies and lower price of CPO globally.</p> <p>Being one of the lowest price for the commodity, this much affected our plantation margins. The industry was also impacted by growing strength of US Dollar adding the downward pressure of the price</p> <p>Our divestment from New Britain (NBPOL) was completed on 26 February 2016, operationally at the year ended 31 December 2016, we have plantation operations in Peninsular Malaysia and Central Kalimantan Indonesia for a total of 50 999 ha in Malaysia and 40 646 ha of land in Indonesia. The planting of new palm is ongoing albeit at a slower pace, we have some 307 ha been planted.</p> <p>Age profile ranging from 0 – 23 years of age. The group remains committed to improving the age profile, during which a total of 1155 ha been replanted. Average age profile has improved to 11.72 years.</p>	Yes

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	The group has acquired Pasir Panjang Palm Oil Mill through Mahamurni Plantation Sdn Bhd in March 2015 and successfully RSPO Certified for 2017	
Have there been any changes since the last audit? Are they justified?	Another Biogas plant located in Pasir Panjang Palm Oil Mill was commissioned in September 2015 with another plant in Sindora Palm Oil Mill is expected to be completed in June 2016 with the aim to export electricity to Tenaga Nasional Berhad (TNB) grid. Selective Capital Reduction and Repayment Exercise (SCR) for KMB for 99.59% of shares was presented to Kulim BOD on 3 May 2015, The exercise was approved by Bursa Malaysia 1 August 2016 with Kulim being officially removed from BM on 4 August 2016.	Yes
If there have been changes, what circumstances have occurred?	KULIM is now corporatized under Johor Corporation but at the same time both are still a members of RSPO.	Yes
Have there been any stakeholder comments?	So far there no comments received.	Yes
Have there been any newly acquired subsidiaries?	After successfully acquired PT RAJ and PT TPR was completed on 23 June 2016 in South Sumatera.	Yes
If yes, have the newly acquisitions certified within a three-year timeframe?	The rehabilitation process has been carried out according to the program schedule.	
Have there been any isolated lapses in implementation of the plan?	There is no isolated lapse in Time Bound Plan except for smallholder proposed certification program that halted due to unstable supply to our mill.	Yes
Un-Certified Units or Holdings		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Company conducted internal audit and produced positive assurance statement. For Indonesia operation, AMDAL report had been completed and report already submitted to RSPO for Public Notification. RSPO has approved the NPP.	Yes
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> • Primary forest. • Any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. 	So far no new planting that replaced primary forest.	Yes
Any new plantings since January 1 st 2010 shall comply with the RSPO New Plantings Procedure.	No new planting activities within uncertified unit.	Yes
Any Land conflicts are being resolved through a mutually	No land conflict	Yes

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agreed process, such as RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6.		
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3.	No labour dispute	Yes
Any Legal non- compliance is being addressed through measures consistent with the requirements of RSPO P&C criteria 2.1	No legal non compliance	Yes
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	RSPO internal audit assessment for all certified units been conducted and the report had been submitted to all unit for improvement plan.	

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

Progress of scheme smallholders or outgrowers towards compliance with relevant standards		
Requirement	Remarks	Compliance
Has 100% of scheme smallholders and/or scheme outgrowers comply with the standard within three years of the mill's initial certification?	Not applicable	N/A

3.4 Details of findings

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

During the Recertification Assessment there were one (1) Major and (2) Minor Nonconformities raised. The Tereh Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1683546-201809-M1	Clause & Category (Major / Minor)	Indicator 6.5.1 Major
Date Issued	28/09/2018	Due Date	28/12/2018
Closed (Yes / No)	Yes	Date of nonconformity Closure	24/12/2018
Statement of Nonconformity:	The conditions of pay was not fully met.		
Requirement Reference:	Documentation of pay and conditions shall be available.		
Objective Evidence:	Tereh Supply Base (Ladang Enggang): Sighted payslip for August 2018 for Employee ID # AE7756441 whom being paid for 3 days for August 2018 with Sick Leave Pay due to accident. The work agreement specified that the worker entitled with 60 days Paid Hospitalization Leave. Referring to indicator 2.1.3 findings, the accident met by the worker was wrongly considered as non-occupational hence caused the worker not being paid with Hospitalization Leave but awaiting the insurance claim made by the office. This was found against the agreed entitlement specified in the worker agreement.		
Corrections:	i) The worker' salary for month of August was reinstated and he was paid the salary difference of RM 1038.42 on 4.10.2018. ii) Payment voucher and acknowledgement.		
Root Cause Analysis:	Accident happen while MB (mechanical buffalo) driver wants to park the MB at parking bay after working hours (6:15pm). His accident was inadvertently categorized as off job accident due to after working hour but by the scope of his work as MB Driver, he was actually still on job and in working hours until he park the MB at Parking Bay. Due to that misunderstanding the followings happened : 1. The accident was not reported to JKKP (DOSH). 2. He was on medical leave with 42 days but denied being paid as per entitlement. 3. He was short paid for month of August 2018 thus does not comply with minimum pay requirement.		
Corrective Actions:	Retraining on the SICK PAY ENTITLEMENT AND MINIMUM SALARY REQUIREMENTS for all NUPW category of workers and CHECKROLL & IPLANT PAYMENT SYSTEM to be conducted to all Managers, AM and respective staff to ensure the understanding of all relevant parties that involves in implementation of		

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	the system. This should be organized as annual refresher and workshop for all OUs.
Assessment Conclusion:	<p><u>Major NC close out verification</u></p> <p>Verified payment voucher for the said workers, AE7756441 and another recent case on November 2018, workers ID 617355. System coding in payroll system has been changed to SH @ sick hospital for maximum of 60 days entitlement. Latest payment for November 2018 verified with (30 day medical certificate, attendance list for November 2018, November 2018 pay slip). The payment is based on previous month daily average rate. Training on SICK PAY ENTITLEMENT AND MINIMUM SALARY REQUIREMENTS and CHECKROLL & IPLANT PAYMENT SYSTEM was carried out on 30/9/18. From the interview with NUPW representative and administrative staff, it was confirmed they have attended the training and able to explain the process of IPLANT payment system. Corrective action taken has been effectively implemented, thus the major NC is closed on 24/12/18. Continuous implementation will be further verified in the next assessment.</p>

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1683546-201809-N1	Clause & Category (Major / Minor)	Indicator 2.1.3 Minor
Date Issued	28/09/2018	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	The clauses of the below acts were not adequately addressed		
Requirement Reference:	A mechanism for ensuring compliance shall be implemented.		
Objective Evidence:	<p>Lapses of the following Acts / Regulations / Rules were sighted in the legal register.</p> <p>1) Electricity Supply Act 1990 – Tereh POM The Tereh POM Electrical Chargeman does not possessed a valid Certificate of Competency appropriate to the required category of work to comply with Regulations 23(1) of Electrical Supply Act 1990. An A0 chargeman was engaged instead of A4.</p> <p>2) Fire Services Act 1988 – Tereh POM The Tereh POM does not possessed a Fire Certificate as required by Section 28. (1) of the above Act.</p> <p>3) Malaysian Palm Oil Board Act – Tereh POM MPOB Licencee had exceeded the approved FFB processed quantity at 288,000MTPA against the MPOB (Licensing) Regulations 2005. It was sighted that the actual processed volume was 363,000MTPA or approximately 26% above approved licence limit.</p> <p>4) Occupational Safety and Heath Act 1994 – Ladang Enggang Section 32 of the Act – Re Accident that happened at Ladang Enggang dated 16.7.2018 involving Mechanical Badang and its driver (Employee ID # AE7756441). The responsibility</p>		

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	to notify nearest DOSH office of NADOOPOD rests with employer and this requirement had not been reported to the nearest DOSH office.
Corrections:	<p>1) Mill management will hire an A4 Chargeman in order to comply the Regulation.</p> <p>2) Mill management is in progress to apply the Fire Certificate. The mill management already requested additional fund from the top management on 26 September 2018.</p> <p>3) Mill management has already apply to increase processing capacity from MPOB on 27 September 2018 and MPOB is in process of reviewing the application. JKKP 6 report had been submitted to JKKP Kluang/Johor on 30.9.2018 via email. Printout of email as attached ** Acknowledgement of receipt confirmed by JKKP via tele-conversation ** Retraining on the following issues being conducted to all staff on 30 September 2018: - On Job and Off Job accident, reporting and documenting of respective case. - JKKP Case Reporting focus on JKKP 6 case reporting.</p>
Root Cause Analysis:	<p>1) The present A0 Chargeman needs to re-sit for the exam to validate his certificate of competency because his name is not in Suruhanjaya Tenaga (ST) System even though he already submitted his certificate to ST some time ago.</p> <p>2) The mill concurs with the audit finding</p> <p>1) The present A0 Chargeman needs to re-sit for the exam to validate his certificate of competency because his name is not in</p> <p>1)Suruhanjaya Tenaga (ST) System even though he already submitted his certificate to ST some time ago.</p> <p>2) The mill concurs with the audit finding</p> <p>3) The Mill has exceeded MPOB processing limit at 288,000 MTPA. The mill received bumper crop in 2017 at 333,647.52MT which is 15.85% more than MPOB processing limit.</p> <p>Accident happen while MB (mechanical buffalo) driver wants to park the MB at parking bay after working hours (6:15pm).</p> <p>His accident was inadvertently categorized as off job accident due to after working hour but by the scope of his work as MB Driver, he was actually on job and in working hours until he park the MB at Parking Bay.</p> <p>Due to that misunderstanding the followings happened :</p> <p>1. The accident was not reported to JKKP (DOSH).</p> <p>2. He was on medical leave with 42 days but denied being paid as per entitlement.</p> <p>3. He was short paid for month of August 2018.</p>
Corrective Actions:	<p>1) Compliance report will be updated on bi-monthly basis in order to comply with all related Regulation.</p> <p>2) Compliance report will be updated on bi-monthly basis in order to comply with all related Regulation.</p> <p>3) MPOB Act will be included in compliance report and will be updated and checked twice yearly - Compliance Unit to plan a training on understanding of relevant act that applicable to all Operational Units to ensure standard understanding of relevant law, acts & regulations in between OU Managers. Retraining on MONTHLY ACCIDENT REPORT and JKKP REPORTING SYSTEM to be conducted to all Managers, AMs, KSTS and respective staff to ensure the understanding of all relevant parties that involves in implementation of the system.</p>
Assessment Conclusion:	The corrective action plan is accepted. Implementation of corrective action taken will be further verified in the next assessment.

Summary of Total Number of Nonconformity			
Nonconformity			
NCR Ref #	1683546-201809-N2	Clause & Category (Major / Minor)	Indicator 4.3.2 Minor
Date Issued	28/09/2018	Due Date	Next annual surveillance assessment
Closed (Yes / No)	No	Date of nonconformity Closure	"Open"
Statement of Nonconformity:	The clauses of the below requirements were not adequately addressed		
Requirement Reference:	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).		
Objective Evidence:	Tereh Supply Base (Ladang Sg. Tawing): Management strategy for activities among others including weeding and harvesting on slopes/hilly area to be refined.		
Corrections:	Estate has reviewed the HIRRAC and EIA on working at slope/hilly area, evidence as attached.		
Root Cause Analysis:	The Management strategy on activities on Slopes/hilly area was not provided, at the same time Agricultural Manual did provide guide on Terrace construction and lining		
Corrective Actions:	Plantation Division shall come up with the activity guidelines		
Assessment Conclusion:	The corrective action plan is accepted. Implementation of corrective action taken will be further verified in the next assessment.		

Opportunity for Improvements	
OFI #	Description
OFI 1	Nil

Positive Findings	
PF #	Description
PF 1	<p>External stakeholders' consultation was held on 24th September 2018 at Tereh Palm Oil Mill. A special dedicated room for consultation away from others to ensure privacy between BSI Auditor and the stakeholder was established and used. Twelve (12) stakeholders representing 8 government agencies, 1 from National Union of Plantation Workers and 3 from Suppliers were present in person and consulted. Two (2) other government bodies that could not attend due to unforeseen circumstances were instead consulted via telephone. Overall, all stakeholders expressed satisfaction with no undue concerns from the social, safety, environmental, economy (business) and legal perspectives.</p> <p>However, it should be noted that the JAKOA (Department of Orang Asli Development) Representative from Kluang Office had mentioned that one indigenous (Jakun ethnicity) land owner had gained 15 acres of planted oil palm trees from Tereh Selatan Estate, Kulim Plantation. Through their Tok Batin (Chieftain) he had verbally informed the Department that the area was handed over to his family by Kulim Plantation due to over planting. Subsequent check with Kulim Sustainability Department revealed otherwise. Instead it was handedover due to perimeter resurvey using GPS as opposed to conventional method that showed their new boundary limits.</p> <p>In view of the above Kulim Plantation had expressed intention to visit the JAKOA office, Kluang, to meet their officers and deliver in writing their letter to straighten the record that the surrender and</p>

	transfer of land title ownership done voluntarily was a result of latest perimeter resurvey and not overplanting.
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3.4.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity			
NCR Ref #	1549049-201709-N1	Clause & Category (Major / Minor)	Indicator 4.1.2 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	28/09/2018
Statement of Nonconformity:	Mechanism to check consistent implementation of procedure was not effectively implemented at Ladang Tereh Utara.		
Requirement Reference:	1) A mechanism to check consistent implementation of procedures shall be in place. 2) Agricultural Manual, Section A17: Protection of Natural Water Courses		
Objective Evidence:	During site visit at Ladang Tereh Utara, sighted the riparian area at Field P97 with Sungai Tamok was not maintained as per Agricultural Manual.		
Corrective Actions:	<u>Immediate Action:</u> Estate will conduct the awareness on procedure Protection of Natural Water Courses to workers include mandore. <u>Corrective Action:</u> 1. Sustainability Dept. will conduct refresher training on HCV/Buffer zone management. 2. Estate shall monitor closely and inspect every activities that involve the buffer zone area.		
Assessment Conclusion:	This was checked during the site visit at Enggang, Selai & Sg Tawing Estates and observed that no buffer zone areas were sprayed. Training was held for the awareness of the of HCV/Buffer zone dated 23/9/18 at Tereh Club House attended by 46 employees. Evaluation was made to assess the understanding level of the workers. Subjects briefed during the training as follows; <ul style="list-style-type: none"> a) Buffer zone and the management of buffer zone b) Water management plan c) Monitoring of water quality (nitrate < 7 mg/L. phosphate < 2 mg/l d) Biodiversity /HCV - classification e) HCV Enhancement plan f) Monitoring of HCV / approaching steps of elephant intrusion In addition, the estates conduct similar training internally for awareness to the employees. Reference training records 4.7.3 The implementation of corrective action was found effective. Thus, the minor non-conformance was closed.		

Non-Conformity			
NCR Ref #	1549049-201709-N2	Clause & Category (Major / Minor)	Indicator 4.4.1 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	28/09/2018
Statement of Nonconformity:	Water Management plan has not been reviewed effectively.		
Requirement Reference:	An implemented water management plan shall be in place.		
Objective Evidence:	For Tereh Utara Estate, Mutiara Estate, Rengam Estate There is no further management plan established on the results of river water analysis. The results of the analysis on Phosphate and Nitrate Nitrogen are available. However the results of the analysis are not analyzed and/or reviewed to conclude if a management plan is required to ensure the water quality are met.		
Corrective Actions:	<p><u>Immediate Action:</u> Sustainability Dept. will give a refresher briefing on the Water Management Plan to all Operating Units.</p> <p><u>Corrective Action:</u></p> <ol style="list-style-type: none"> 1. Sustainability Dept. will review the Standard Operating Procedure on Water Sampling. 2. Sustainability Dept. will advise the UTCL to include the limit for the parameter tested in their procedures. 3. Estate will analyze the result to ensure the effective of the Water Management Plan. 		
Assessment Conclusion:	<p>Analysis was made and commentaries provided therein. Sighted report of Enggang and Sg Tawing estates. Anaylsis Sg Tawing 25/9/18 and also for the other 2 estates was sighted</p> <p>The implementation of corrective action was found effective. Thus, the minor non-conformance was closed.</p>		

Non-Conformity			
NCR Ref #	1549049-201709-N3	Clause & Category (Major / Minor)	Indicator 5.1.2 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	28/09/2018
Statement of Nonconformity:	Waste management plan has not been reviewed effectively.		
Requirement Reference:	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.		
Objective Evidence:	For Tereh Mill, Tereh Utara Estate, Mutiara Estate, Rengam Estate As according to the environmental management plan, the control for disposal of house waste onto land is segregation of type of waste. There is not record available to monitor the segregation of type of waste. As according to the additional control point of weekly record of domestic rubbish collection and record of waste recycle		

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	<p>collection, it is not clear if the control is to record the amount of waste generated or to record the activity was carried out. With the above 2 evidences, it is not able to show that the management plan is effectively implemented.</p>
Corrective Actions:	<p>Immediate Action: Estate will review the Waste Management Plan to suits their own current practice. Corrective Action: Sustainability Dept. will conduct briefing on the Waste Management Plan to Operating Units.</p>
Assessment Conclusion:	<p>Briefing conducted on 03/9/18 at Tereh club house. Attended by 46 people from various estates. Subject titled HCV/Buffer zone & Waste Management. Therein has included the following;</p> <ul style="list-style-type: none"> a) Scope b) Waste disposal c) Waste disposal management plan/necessity of the waste plan d) How to enhance the waste management plan e) List of SW/Non SW f) Method of handling SW/Non SW g) Management of chemicals containers h) Monitoring/Continual improvement <p>In addition, the estates conduct similar training internally for awareness to the employees. Reference training records 4.7.3</p> <p>The implementation of corrective action was found effective. Thus, the minor non-conformance was closed.</p>

Non-Conformity			
NCR Ref #	1549049-201709-N4	Clause & Category (Major / Minor)	Indicator 6.5.3 Minor
Closed (Yes / No)	Yes	Date of nonconformity Closure	28/09/2018
Statement of Nonconformity:	The worker's house is not comply with Worker's Housing & Amenities Act 1990		
Requirement Reference:	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.		
Objective Evidence:	Kulim (M) Berhad has provided free housing and medical assistance to all the workers. Water and electricity was provided without any charges from workers. Government school was found in the compound of Tereh complex. Linesite inspection was conducted on weekly basis by Hospital Assistant and twice a month together with VMO. Apart from that, the water is treated for the domestic use. As per SPAN instruction, the water samples should be taken and sent for analysis and the result has no detection of Total Coliform and E-Coli. In LR, the estate is using water source from the government, therefore no treated water. During the site visit at Ladang Mutiara, it was observed that there is an alteration done to some worker's houses. The extended houses has changed the original building structure and this is not allowed as per Worker's Housing & Amenities Act 1990. Management has already send the warning letter dated on June 2016 to the employee. However, no action or follow up been done until todote.		
Corrective Actions:	Immediate Action:		

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	<p>Kulim to re-issue and to refresh back the terms and condition of occupancy for all valid BaktiLadang participants reminding them what is allowable within the agreement and what is not.</p> <p>Corrective Action: Kulim has to conduct a population and housing status survey on all BaktiLadang houses, thereon to provide analysis and conduct a meeting with all relevant departments such us Estates Operations, Property, Human Resources as to look into possible review of BaktiLadang’ term and condition of license Menduduki Rumah.</p>
Assessment Conclusion:	<p>Verified the letter entitled "<i>Perumahan Pekerja Untuk Pekerja (Kategori BaktiLadang & Lain-lain Kategori) di Ladang & Kilang di Bawah Pengurusan Kulim (M) Berhad – Peringatan Terhadap Larangan Melakukan Sebarang Pengubahsuaian ke Atas Reumahan Anggota Pekerja</i>"; Letter ref. # PROPERTY/WorkersQuarter/100/09-18/1; Date: 17/9/2018; issued by Kulim (M) Berhad Property Management Department to all Operating Units Managers.</p> <p>Population records of all BaktiLadang houses available in relevant operating units. The on-site visit confirmed no any extension or renovation of workers quarters from date of reminder onwards.</p> <p>The implementation of corrective action was found effective. Thus, the minor non-conformance was closed on 28/09/2018.</p>

Opportunity for Improvement	
OFI#	Description
OFI 1	Nil

3.4.2 Summary of the Nonconformities and Status

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1549049-201709-N1	Minor	4.1.2	02/11/2017	Closed out on 28/09/2018
1549049-201709-N2	Minor	4.4.1	02/11/2017	Closed out on 28/09/2018
1549049-201709-N3	Minor	5.1.2	02/11/2017	Closed out on 28/09/2018
1549049-201709-N4	Minor	6.5.3	02/11/2017	Closed out on 28/09/2018
1683546-201809-M1	Major	6.5.1	28/09/2018	Closed out on 24/12/2018
1683546-201809-N1	Minor	2.1.3	28/09/2018	"Open"
1683546-201809-N2	Minor	4.3.2	28/09/2018	"Open"

3.5. Stakeholders Consultation

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

Meetings were conducted with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and later was verified with the management team. Any comment which is not complying to the RSPO P&C requirements have been incorporated as an assessment finding.

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

List of Stakeholders Contacted	
<p>Internal Stakeholders</p> <p>Managers and Assistant Managers Staff and Clerks Field Mandores Foreign Workers WOW (Gender Committee) Secretary Field Workers Foreign Workers Representatives Estate Hospital Assistant Clinic Attendant</p>	<p>Union/Contractors/Local Communities</p> <p>Union (NUPW) Representative Mill Canteen Operator Estate Canteen Operator Mill Vendors (Leesonmech; Unibest) Estate Vendors (FFB Transporter; Biokekal S/B) School Van Operator Grocery Shop Motorcycle Workshop</p>
<p>Government Departments</p> <p>Balai Polis (PDRM) Paloh DOSH Johor DOE Johor (Kluang Branch) Jabatan Kemajuan Orang Asli (JAKOA) Kluang SK Ladang Tereh Pejabat Tenaga Kerja (PTK) Kluang Pejabat Tanah Daerah (PTD) Kluang Pejabat Perhilitan Kluang Pejabat Pertanian Kluang Pejabat Perhutanan Kluang Tabika Kemas Ladang Tereh Mill</p>	<p>NGO</p> <p>NUPW Kluang Branch</p>



IS #	Description
1	<p>Feedbacks: Balai Polis Paloh: No report of crime case received from Kulim (Tereh Certification Unit). Received reports on absconded foreign workers at least 5 workers in 2018.</p> <p>Management Responses: Absconded foreign workers case always reported to police.</p>

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	<p>Audit Team Findings: Evidence shown management have good consultation with the local police. No further issue.</p>
2	<p>Feedbacks: SK Ladang Tereh: Good relationship with company’s management. Appreciate contributions on school programs and activities. Seek futher cooperation on some school children’s disciplinary issue such as smoking among primary school student.</p> <p>Management Responses: No report received so far on smoking cases among primary school student. Will consult all parents among company’s employees who have children at the primary school to alert on such case.</p> <p>Audit Team Findings: Evidence shown management have consulted relevant stakeholders among parents whom have children at primary school to assist on alerting them the issues.</p>
3	<p>Feedbacks: JTK Kluang: No report or complaint received from workers worked for Kulim. Good compliance by company on relevant JTK permitting requirements.</p> <p>Management Responses: Positive comments noted.</p> <p>Audit Team Findings: No further issue.</p>
4	<p>Feedbacks: NUPW Kluang: No report or complaint received from workers worked for Kulim. Good practice of respecting the freedom of association among workers.</p> <p>Management Responses: Positive comments noted.</p> <p>Audit Team Findings: No further issue.</p>
5	<p>Feedbacks: JAKOA Kluang: There was a land disputed issues between company and aborigins settlement which has been resolved long ago. No any issue since then. Appreciate company’s contributions towards aboriginals welfare (Kg. Orang Asli Pengkalan Tereh).</p> <p>Management Responses: Positive comments noted.</p> <p>Audit Team Findings: No further issue.</p>
6	<p>Feedbacks: PTD Kluang: Recognized resolution of dispute mentioned by JAKOA. Company also no issue in quit rent payment requirements.</p> <p>Management Responses: Positive comments noted.</p> <p>Audit Team Findings: No further issue.</p>
7	<p>Feedbacks: Pertanian Kluang: No application received on Class I Chemicals since the past few years. No other issue.</p> <p>Management Responses: All Class IA & IB pesiticides including Paraquat were no longer in use since 2015. Only Class III pesticides been use for estate operations.</p> <p>Audit Team Findings: Evidence found estates not use any Class I chemicals including Paraquat for quite some time. No further issue.</p>
8	<p>Feedbacks:</p>

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	<p>Perhilitan Kluang: There was a report on elephant encroachment in Ladang Enggang & Ladang Selai on April 2018. Investigation found a family of 3 elephants encroaching estate housing area. Estate advised to use cannon shot to scare elephants away in case of encroachment case. Elephant drain and electrical fencing also need to be maintain.</p> <p>Management Responses: The recent case of elephant encroachment was reported since it involved workers housing area. Cannon already install and elephant drain together with electrical fencing were maintained accordingly. Patrolling always done by AP from time to time. No such case since April 2018.</p> <p>Audit Team Findings: Evidence shown the incidents were reported to Perhilitan and recorded in the RTE/Biodiversity record book. No serious conflict occurred during case except for some damages on residence plants. Management discussed the matter and included in their Biodiversity action plan with action to improve the elephant drains and electrical fences at sensitive areas.</p>
9	<p>Feedbacks: Mill and Estate Vendors: Have long business relationship with company for more than 20 years. No issue in pricing and payment.</p> <p>Management Responses: Positive comments noted.</p> <p>Audit Team Findings: No further issue.</p>
10	<p>Feedbacks: DOSH Johor: No complaints and/or reports on Tereh Mill and Estates. No issues in compliance of OSHA and FMA requirements found so far.</p> <p>Management Responses: Positive comments noted.</p> <p>Audit Team Findings: No further issue.</p>
11	<p>Feedbacks: DOE Johor (Kluang Branch): No complaints and/or reports on Tereh Mill and Estates related to open burning and POME discharge. No issues in compliance of EQA requirements found so far.</p> <p>Management Responses: Positive comments noted.</p> <p>Audit Team Findings: No further issue.</p>

Formal Signing-off of Assessment Conclusion and Recommendation	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Tereh Palm Oil Mill has complied with the RSPO P&C MY-NI 2014 & RSPO Supply Chain Certification Standard (June 2017) and audit criteria identified within the audit report. It is deemed that the management system continues to achieve its intended outcomes. Therefore, it is recommended that the certification of Tereh Palm Oil Mill is continued.</p>	
Report prepared by	Acceptance of Assessment Conclusion
Name: Hafriazhar Mohd Mokhtar	Name: Salasah Elias
Company Name: BSI Services Malaysia Sdn Bhd	Company Name: Kulim (Malaysia) Berhad
Title: Lead Auditor	Title: Deputy General Manager
Signature: 	Signature: <p><i>(I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents of this report and accept the liability in execution of the procedure in the report.)</i></p> 
Date: 25/2/2019	Date: 6/3/2019

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 -	Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders are shared for effective participation and decision making. Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making. In company website (http://www.kulim.com.my/), publicly available documents such as OSH plan, HCV documents, negotiation procedure, complaint records, sustainability handbook and report, EIA, Management Plans & Continuous Improvement Plans. Other sensitive information such as land title and etc will be provided upon request	Complied

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Criterion / Indicator		Assessment Findings		Compliance																				
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	<p>All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed. In both the mill and estates, there is an enquiry register record. Sighted samples being the recent transaction as following:</p> <table border="1"> <thead> <tr> <th></th> <th></th> <th>Date</th> <th>Issues</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Tereh Mill</td> <td>1/8/18</td> <td>Workers requested for m/cycle parking space in the mill</td> </tr> <tr> <td>2</td> <td></td> <td>30/7/18</td> <td>Contribution of A4 paper from Tereh primary school.</td> </tr> <tr> <td>3</td> <td>Selai Estate</td> <td>1/8/18</td> <td>Intrusion of buffaloes into the pineapples farms culling the crop crown causing substantial loss.</td> </tr> <tr> <td>4</td> <td></td> <td>17/9/18</td> <td>-do- the management announce to all employees during muster and AP round to be more vigilant.</td> </tr> </tbody> </table>				Date	Issues	1	Tereh Mill	1/8/18	Workers requested for m/cycle parking space in the mill	2		30/7/18	Contribution of A4 paper from Tereh primary school.	3	Selai Estate	1/8/18	Intrusion of buffaloes into the pineapples farms culling the crop crown causing substantial loss.	4		17/9/18	-do- the management announce to all employees during muster and AP round to be more vigilant.	Complied
		Date	Issues																					
1	Tereh Mill	1/8/18	Workers requested for m/cycle parking space in the mill																					
2		30/7/18	Contribution of A4 paper from Tereh primary school.																					
3	Selai Estate	1/8/18	Intrusion of buffaloes into the pineapples farms culling the crop crown causing substantial loss.																					
4		17/9/18	-do- the management announce to all employees during muster and AP round to be more vigilant.																					
<p>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.</p>																								

<p>1.2.1</p>	<p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance –</p>	<p>There is a SPO (Sustainability Palm Oil) Transparency Program under Kulim Malaysia Berhad. The procedure is to ensure that documents if to be release and made publicly available are readily available. The Corporate Dept will ensure that the following documents are available if requested and they do not impinge on confidentiality and will not cause detrimental sustainability or social outcomes. Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> a) Land title (held as hard copy by the property department) b) Health and safety plan c) Plans and impact assessment- environmental & social d) Pollution prevention plans e) Details of complaints and grievances f) Negotiation procedures g) Continuous improvement plan h) Biodiversity plans i) Policy documents (sustainability handbook) <p>In addition to the website, the policies were also displayed at various locations at the operating units including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p> <p>Records such as enquiry register, and record of government visit documented the visit or request from the stakeholders.</p> <ul style="list-style-type: none"> a) 14/3/17 DOE visit. A copy of the mill licence was taken. b) 8/7/18 DOSH boiler inspection and hydrostatic test. c) Ladang Selai – 17/9/18 & 1/8/18. complaint from Renown Value Sdn Bhd on the intrusion of buffaloes into the pineapple farm. The management announce the issue in the muster on 18/9/18 and ordered the security APs to perform vigilantly. <p>- Polisi Insan; Signed by Executive Director; Date: 1/5/2018</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Polisi Pengurusan Pengetahuan; Signed by Executive Director; Date: 1/5/2018 - Polisi Konflik Kepentingan; Signed by Executive Director; Date: 1/5/2018 - Polisi Kemampanan; Signed by Executive Director; Date: 1/5/2018 - Polisi Etika; Signed by Executive Director; Date: 1/5/2018 - Polisi Bisnes; Signed by Executive Director; Date: 1/5/2018 - Polisi Alam Sekitar; Signed by Executive Director; Date: 1/5/2018 - Polisi Tiada Hadiah dan Keraian; Signed by Executive Director; Date: 1/5/2018 - Polisi Pencegahan dan Pembasmian Gangguan Seksual di Tempat Kerja; Signed by Executive Director; Date: 1/5/2018 - Polisi Berkaitan Keselamatan dan Kesihatan Pekerjaan; Signed by Executive Director; Date: 1/5/2018 - Polisi Kilanan; Signed by Executive Director; Date: 1/5/2018 - Right of Employees; Signed by Executive Director; Date: 8/1/2017 	
Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.			
1.3.1	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	Established as <i>Polisi Etika</i> (Ethical Policy) and <i>Polisi Konflik Kepentingan</i> (Conflict of Interest Policy); both Signed by company's Executive Director; Dated: 1/5/2018. Policy has been communicated to all workers by the management at each operating units within Tereh complex. Sighted latest was done on 21/9/2018.	Complied
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.			

<p>2.1.1</p>	<p>Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p>Tereh Palm Oil Mill certification unit has demonstrated evidence of compliance with relevant legal requirements. The list of legal requirement has been identified and registered in Kulim Group Compliance Framework. The last reviewed conducted for Tereh Oil Mill Certification Unit was on 13/09/2018. The mill and estates visited has kept the set of legal requirements as hard copy and soft copy.</p> <p>The legal requirements with respect to license, permit and competent person sample verified at the visited operating units are as follows:</p> <p><u>Tereh POM:</u></p> <ol style="list-style-type: none"> 1. MPOB License for 288,000mt FFB (500048604000 validity from 01/06/2018 – 31/05/2019). 2. Min. Domestic Trade Cooperatives & Consumerism - Diesel storage license for 11,000 liters (BPGK JH (KLU) 0730 SK Petronas validity from 11/06/2018 – 10/06/2019). 3. DOE License Prescribed Premises (004685 validity from 01/07/2018 – 30/06/2019) 4. Electricity Supply Act 1990 – Licence for Private Installation, (License No. 2016/02505 valid from 13/11/2017 – 12/11/2018) 5. BAKAJ River water extraction license (08/A/KLG/040 validity until 31/12/2018). 5. SPAN Water Services Industry (Licencing) Reg 2007 Class Licence No: SPAN/EKS/(PT)/800-4(1)/3/14 Valid 13.1.2017 – 12.3.2020 6. Labour Department – Permit Working in Excess of Permitted Overtime (License No. FPS/29/007/2009, valid from 01/07/2009 – No renewal of license required) 7. Weighbridge Weights and Measures Regulations 1981 – License No. WBA (60mt) – B1156220 valid from 20/02/2018 – 19/02/2019 and WBB (80mt) – B11568865 from 20/03/2018 – 19/03/2019 	<p>Complied</p>
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		<p>8. POME is being applied to land, BOD limits 5000mg/l upto 31.1.2018. Tereh Complex has plan for BOD improvement with the construction of Biogas Integrated Plant meeting allowable discharge limit 100 ppm in January 2019.</p> <p>9. Certificate of Fitness - Permits</p> <table border="1"> <thead> <tr> <th>Equipment</th> <th>License No.</th> <th>Issue Date</th> <th>Expiry date</th> </tr> </thead> <tbody> <tr> <td>Vertical Sterilizer</td> <td>JH PMT 23917</td> <td>07.07.2018</td> <td>01.08.2019</td> </tr> <tr> <td>Vertical Sterilizer</td> <td>JH PMT 23918</td> <td>07.07.2018</td> <td>01.08.2019</td> </tr> <tr> <td>Vertical Sterilizer</td> <td>JH PMT 24353</td> <td>07.07.2018</td> <td>01.08.2019</td> </tr> <tr> <td>Vertical Sterilizer</td> <td>JH PMT 24354</td> <td>07.07.2018</td> <td>01.08.2019</td> </tr> <tr> <td>Air Receiver</td> <td>JH PMT 20424</td> <td>07.07.2018</td> <td>01.08.2019</td> </tr> <tr> <td>Air Receiver</td> <td>JH PMT 20423</td> <td>23.07.2018</td> <td>07.10.2019</td> </tr> <tr> <td>Air Compressor</td> <td>JH PMT 114303</td> <td>07.07.2018</td> <td>01.08.2019</td> </tr> <tr> <td>Back Pressure Receiver</td> <td>JH PMT 26859</td> <td>07.07.2018</td> <td>01.08.2019</td> </tr> <tr> <td>Vacuum Deaerator</td> <td>JH PMT</td> <td>07.07.2018</td> <td>01.08.2019</td> </tr> <tr> <td>Vickers Boiler No.5</td> <td>JH PMD 404</td> <td>23.07.2018</td> <td>07.10.2019</td> </tr> <tr> <td>Sand Filter</td> <td>JH PMT</td> <td colspan="2">CoF Exemption C1</td> </tr> <tr> <td>Softener Vessel</td> <td>JH PMT</td> <td colspan="2">CoF Exemption C3</td> </tr> <tr> <td>Vertical Steam Separator</td> <td>JH PMT</td> <td colspan="2">CoF Exemption C5</td> </tr> </tbody> </table> <p>- Letter of respond: Permit Potongan Daripada Gaji Pekerja (Seksyen 24, Akta Kerja 1955); Jabatan tidak lagi mengeluarkan permit perburuhan bagi potongan gaji dibawah Seksyen 24 Akta Kerja 1955 dan digantikan dengan pelaksanaan secara Self-Regulation (Peraturan-peraturan Secara Kendiri); Ref. # (19) dlm. PTKJB / 10101 / 56569 (PMT); Dated: 8/8/2012</p>	Equipment	License No.	Issue Date	Expiry date	Vertical Sterilizer	JH PMT 23917	07.07.2018	01.08.2019	Vertical Sterilizer	JH PMT 23918	07.07.2018	01.08.2019	Vertical Sterilizer	JH PMT 24353	07.07.2018	01.08.2019	Vertical Sterilizer	JH PMT 24354	07.07.2018	01.08.2019	Air Receiver	JH PMT 20424	07.07.2018	01.08.2019	Air Receiver	JH PMT 20423	23.07.2018	07.10.2019	Air Compressor	JH PMT 114303	07.07.2018	01.08.2019	Back Pressure Receiver	JH PMT 26859	07.07.2018	01.08.2019	Vacuum Deaerator	JH PMT	07.07.2018	01.08.2019	Vickers Boiler No.5	JH PMD 404	23.07.2018	07.10.2019	Sand Filter	JH PMT	CoF Exemption C1		Softener Vessel	JH PMT	CoF Exemption C3		Vertical Steam Separator	JH PMT	CoF Exemption C5		
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		<p>- Permit Bekerja Melebihi Sekatan Kerja Lebih Masa (Seksyen 60A (4) (a) Akta Kerja 1955); Serial # PP5/29/007/2009 dated: 1/7/2009</p> <p>10. Sample of licenses, permit and competent person.</p> <p><u>Ladang Selai</u></p> <ol style="list-style-type: none"> 1) MPOB License: No. 504229402000 (validity period from 01/08/2018 to 31/07/2019) 2) Diesel permit: J 035773, Ref. No. BPGK JH (KLU)1994 SK. Diesel 13,000 litre & Petrol 400 litre 3) Air compressor: PMT JH/17 22134 (valid from 25/08/2017 to 15/11/2018) 4) CePSWaM : Noormaliza Binti Mohd Taib, No:183413 valid from 21.2.2018 – 20.2.2019 <p><u>Ladang Enggang</u></p> <ol style="list-style-type: none"> 1) MPOB License No: 504229402000 (validity period from 01/08/2018 to 31/07/2019) 2) Diesel permit No: J 835942 Ref. No. BPGK JH (KLU) 1195 SK (Diesel 12,000 litre & Petrol 600 litre) 3) Air compressor No: PMT-JH/17 21933 (valid from 25/08/2017 to 15/11/2018) 4) CePSWaM : Noormaliza Binti Mohd Taib, No:183413 valid from 21.2.2018 – 20.2.2019 <p><u>Ladang Sq. Tawing</u></p> <ol style="list-style-type: none"> 1) MPOB License: 532878002000 (validity period from 01/10/2018 to 30/09/2019) 2) Diesel permit: J 036353, Ref. No. BPGK JH (KLU)1195 SK. Diesel 27,000 litre & Petrol 800 litre 3) Air Compressor: PMT JH /17/22133 (valid from 25/08/17 to 15/11/2018) 	
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Criterion / Indicator		Assessment Findings	Compliance
		4) CePSWaM : Nuraini Bte Abdul Hamid, No:183414 valid from 21.2.2018 – 20.2.2019	
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	<p>Kulim Group has completed the overall Group Compliance Framework assessment between 01/07/2018-31/08/2018. The Tereh POM Certification Unit continue to use the Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements last reviewed on 31/08/2018. Tereh Complex includes include Tereh Mill, Tereh Utara Estate, Tereh Selatan Estate, Selai Estate, Enggang Estate and Sg. Tawing Estate. Sample of the assessment conclusion was verified.</p> <p>The SPO Legal Documentation includes procedure for legal tracking and compliances. The tracking of the changes of legal requirements are conducted by the HR Dept., Risk and Compliance Dept. and Sustainable Palm Oil Team</p> <p>At the Operating Unit each respective appointed RC Executive is responsible to coordinate gathering of all legal monitoring and status of compliances and submit them to Head of Audit, Risk Management and Compliance every month.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
2.1.3	A mechanism for ensuring compliance shall be implemented. - Minor compliance -	<p>Although legal compliances are checked by each operating unit, however, lapses implementing the following Acts / Regulations were sighted:</p> <p>1) Electricity Supply Act 1990 – Tereh POM The Tereh POM Electrical Chargeman does not possess a valid Certificate of Competency appropriate to the required category of work to comply with Regulations 23(1) of Electrical Supply Act 1990. An A0 chargeman was engaged instead of A4.</p> <p>2) Fire Services Act 1988 – Tereh POM The Tereh POM does not possess a Fire Certificate as required by Section 28. (1) of the above Act.</p> <p>3) Malaysian Palm Oil Board Act – Tereh POM MPOB Licencee had exceeded the approved FFB process quantity at 288,000MTPA against the MPOB (Licensing) Regulations 2005. It was sighted that the actual processed volume was 363,000MTPA or approximately 26% above approved licence limit.</p> <p>4) Occupational Safety and Health Act 1994 – Ladang Enggang Section 32 of the Act – Re Accident that happened at Ladang Enggang dated 16.7.2018 involving Mechanical Badang and its driver. The responsibility to notify nearest DOSH office of NADOOPOD rests with employer and this requirement had not been reported to the nearest DOSH office.</p>	Minor nonconformance
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	<p>Kulim (Malaysia) Berhad has centralised system for tracking any changes in the law. The changes, if any, are tracked and identified through head office, sustainability team and website information. The changes are then communicated from the Head Office to Sustainability Team and the Operating Units for implementation.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 -	<ul style="list-style-type: none"> - Mill: Tereh mill located within Tereh Utara Estate with Title # HS (D) 6766; District: Kluang; Mukim: Niyor; Lot # PTD 3326; Area: 1608.0588 ha. Owned by Kulim Plantations (Malaysia) Sdn. Bhd. - Selai: Title # HS (D) 8848; District: Kluang; Mukim: Paloh; Lot # PTD 3081; Area: 3,178.83 ha (Shared title with Enggang Estate – Area statement updated 28/8/2017 total area: 1800.17 ha). Owned by Selai Sdn. Bhd. Quit Rent Payment Ref.: S22301; Debit Note # CD2018020; Dated: 9/1/2018 - Enggang: Quit Rent Payment Ref.: S22302; Debit Note # CD2018021; Dated: 9/1/2018 for 2 Titles: <ol style="list-style-type: none"> 1) Title # HS (D) 8847; District: Kluang; Mukim: Kahang; Lot # PTD 2057; Area: 880.29 ac (356.24 ha). Owned by Selai Sdn. Bhd. 2) Title # HS (D) 8848; District: Kluang; Mukim: Paloh; Lot # PTD 3081; Area: 3,178.83 ha (Shared title with Selai Estate). Owned by Selai Sdn. Bhd. 3) Sg. Tawing: Title # HS (D) 6060; District: Kluang; Mukim: Paloh; Lot # PTD 2137; Area: 2,225.7675ha; Area statement updated 7/6/2018 total area: 2,225.77ha. Owned by Sindora Bhd. Quit Rent Payment Ref.: S22600; Debit Note # CD2018046; Dated: 4/3/2018 	Complied

Criterion / Indicator		Assessment Findings	Compliance
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	Based on Letter on Placement of Estate’s Boundary Markers In Line With The SPO Certification; Dated: 26/11/2007 by EPA Management Senior Manager Estates Operations Department – Malaysia with Attachment 1 (Amended) Estate’s Boundary Marker. Based on historical records, there has been an encroachment at P83/04 – P83/06 field river buffer area as per Visit Report on Proposed Boundary Bund Construction and New Clearing Area at Ladang Selai P83/04 – P83/06; Dated: 15/2/2012. Boundaries were marked clearly using wooden peg at Ladang Selai (boundary with East - Ladang Enggang, North - Pertubuhan Peladang Negeri Johor (PPNJ), West - Ladang Sg. Tawing, South - Ladang Felda Paloh (FGW)); Ladang Enggang (boundary with Ladang Selai, Ladang Mutiara, Ladang KUB-KEB Kahang, Smallholders, Ladang Chong Kong Nam, Yean Fook Choi, Yean Fook Hin) and; Ladang Sg. Tawing (boundary with Ladang Tereh Utara, Labis Forest, Smallholders)	Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There are no dispute recorded and observed. Interview conducted with surrounding stakeholders confirmed that there is no land dispute had occurred.	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 are no dispute recorded and observed. Interview conducted with surrounding stakeholders confirmed that there is no land dispute had occurred.	Complied

Criterion / Indicator		Assessment Findings	Compliance
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There are no dispute recorded and observed. Interview conducted with surrounding stakeholders confirmed that there is no land dispute had occurred.	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 are no dispute recorded and observed. Interview conducted with surrounding stakeholders confirmed that there is no land dispute had occurred.	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 -	<p>The mill has been operating since 1979 while Tereh Utara Estate started planting 1973. The land is a state land which was granted on 15/09/1982. The mill is seated on Tereh Utara Land title.</p> <p>The maps for Selai, Enggnag and Sungai Tawing estates were reviewed and site observation had confirmed that the surrounding land are planted with oil palm. The surrounding lands are also developed by Kulim Plantations.</p> <p>There is no customary land identified as the lands were State land. The lands were developed since 1970s. However, the scale of the available maps show sufficient information of the estates operations.</p>	Complied

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

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 -	<p>Annual business plan in the form of annual budget and the projection for 5 years (2019 – 2023) were prepared as guidance for future planning.</p> <p>Verified that the business plan contains FFB yield, CPO, OER and KER, costs of production, and CAPEX.</p> <p>Sample of CAPEX sighted are as follows.</p> <p>Tereh POM Improvement to build Biogas Integrated Plant by adding one unit Anaerobic pond and one unit polishing tank as well as trapping gas facility for Biogas engine use.</p> <p>Ladang Enggang Replacement of aging Agricultural Tractor, Mechanical Buffalo, office and residential furniture and fittings are budgeted.</p> <p>Ladang Sg. Tawing The budget includes construction of staff bungalows, residential furniture and fittings, purchase of generator, air compressor, 2 units of tractors, Mechanical Buffalo and a van.</p>	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 -	<p>All the estates maintained record of replanting program until the year 2031. For purpose of auditing record the horizon is limited to 5 years. Figures in ha otherwise stated.</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Selai</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Enggang</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Sg Tawing</td> <td>0</td> <td>230.55</td> <td>0</td> <td>96.86</td> <td>0</td> </tr> </tbody> </table>	Estate	2019	2020	2021	2022	2023	Selai	0	0	0	0	0	Enggang	0	0	0	0	0	Sg Tawing	0	230.55	0	96.86	0	Complied
Estate	2019	2020	2021	2022	2023																						
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Enggang	0	0	0	0	0																						
Sg Tawing	0	230.55	0	96.86	0																						

Criterion / Indicator	Assessment Findings	Compliance
Principle 4: Use of appropriate best practices by growers and millers		
Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.		

<p>4.1.1</p>	<p>Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -</p>	<p>The Mill operations are guided with the following documents</p> <ul style="list-style-type: none"> a) Quality Manual (LTM/QM) dated 1/9/14 b) Standards Operating Procedure (LTM/SOP) dated 10/12/12 covering the following stations/operations among others; <ul style="list-style-type: none"> - loading ramp /sterilization station - threshing / press station - clarification station - kernel station/ depericarper station - effluent and water treatment plant, - boiler house / power house c) Work Instructions derived from SOPs and displayed the work stations/notice boards. Among others as sighted; <ul style="list-style-type: none"> - WI: Boiler Station / WI: Power House, - WI: Laboratory Manual /Waste Management, - WI: Handling chemicals - WI: Usage of hearing protection device, - WI: Emergency Response Procedure, - WI: Maintenance and servicing of oil trap, WI: Confined Space Management, - WI:Workshop/Working at Height/Oxy-Acetylene Set/Welding, etc. <p>Similarly, the estates adopted the guidelines provided in the following documents</p> <ul style="list-style-type: none"> a) Kulim (M) Berhad Agricultural Manual (released in 1988 revised in 1992 & 2002) covering activities relating to; <ul style="list-style-type: none"> - Replanting / roads drains - Bridges culverts and fences - construction of estate building - manuring including POME and Bio compost where applicable - harvesting, pruning /ablation 	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance	
	<ul style="list-style-type: none"> - soil conservation - justification of chemical use - weed management, - integrated pest management and plant diseases. <p>b) Total of 19 SOPs and 18 WI's covering all aspects of oil palm management including composting site operation. Among others SOP of;</p> <ul style="list-style-type: none"> - Harvesting /Spraying/Manuring - Workshop/Welding/Mechanical Buffalo - Chemical handlings etc. 		
<p>4.1.2</p>	<p>A mechanism to check consistent implementation of procedures shall be in place.</p> <p>- Minor compliance -</p>	<p>The following mechanism is available and adopted as standard practices and procedures in the mill and estates operations.</p> <p><i>Tereh Palm Oil Mill</i></p> <ul style="list-style-type: none"> a) Mill inspectorate Visit program 2x /year b) Internal audit by Sustainability Unit 2x /year c) Task Force visits d) Monthly and weekly ad hoc meeting e) Daily /monthly production & financial report f) Daily and monthly lab analysis report. g) Daily supervision by the mill Supervisors/Executives <p><i>Selai/Enggang/Sg Tawing Estates</i></p> <ul style="list-style-type: none"> a) Plantation Inspectorate Visit program 2x /year b) Internal audit by Sustainability Unit 2x /year c) Task Force visits d) Monthly and weekly ad hoc meeting e) Daily /monthly production & financial report f) Daily supervision by the field staff/Executives. 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	Both the estates and the mill maintained all the above records including the administrative documents in either soft or hard copies in the office. Records are kept for a minimum of 10 years.	Complied
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	Tereh Palm Oil Mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.	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 -	Kulim (M) Berhad Agriculture Manual has established practices in relation to the management of soil fertility to ensures optimal and sustained yield. This includes among others the following; <ul style="list-style-type: none"> a) Soil survey and map including topography details b) Leaf sampling and nutrient analysis c) Fertilizer recommendation by the Agronomist d) Fertilizer application program/implementation e) Monthly/annual yield statistics analysis The recommendations for improvements are given through the Plantation Inspectorate and Agronomist reports. Records were sighted and verified.	Complied

4.2.2	Records of fertiliser inputs shall be maintained. - Minor compliance -	<p>All the audited estates maintained the fertiliser program and application records. Details as shown below; figures in kg otherwise stated and represent dosage /palm.</p> <table border="1" data-bbox="1028 491 1823 660"> <thead> <tr> <th>Field no</th> <th colspan="5">Selai Estate - Fertiliser type</th> </tr> <tr> <td></td> <td>IS44+B</td> <td>AS</td> <td>MOP</td> <td>HGFB</td> <td>MIX 1</td> </tr> </thead> <tbody> <tr> <td>P06</td> <td>2.75</td> <td>2.25</td> <td>0</td> <td>0.10</td> <td>2.5</td> </tr> <tr> <td>P07</td> <td>2.75</td> <td>2.25</td> <td>1.75</td> <td>0.10</td> <td>2.5</td> </tr> <tr> <td>P12</td> <td>2.5</td> <td>2.8</td> <td>0</td> <td>0</td> <td>2.8</td> </tr> </tbody> </table> <table border="1" data-bbox="1028 724 1823 893"> <thead> <tr> <th>Field no</th> <th colspan="5">Enggang Estate - Fertiliser type</th> </tr> <tr> <td></td> <td>Mix 2+B</td> <td>AS</td> <td>ERP</td> <td>HGFB</td> <td>MIX 1</td> </tr> </thead> <tbody> <tr> <td>P06</td> <td>1.50</td> <td>1.00</td> <td>1.50</td> <td>0</td> <td>2.75</td> </tr> <tr> <td>P08</td> <td>3.00</td> <td>0</td> <td>1.00</td> <td>0</td> <td>2.75</td> </tr> <tr> <td>P09</td> <td>3.00</td> <td>0</td> <td>1.00</td> <td>0</td> <td>3.00</td> </tr> </tbody> </table> <table border="1" data-bbox="1028 957 1823 1126"> <thead> <tr> <th>Field no</th> <th colspan="5">Sg Tawing Estate - Fertiliser type</th> </tr> <tr> <td></td> <td>KIE</td> <td>AS</td> <td>MOP</td> <td>HGFB</td> <td>MIX 1</td> </tr> </thead> <tbody> <tr> <td>P00</td> <td>1.00</td> <td>2.00</td> <td>1.50</td> <td>0</td> <td>2.50</td> </tr> <tr> <td>P02</td> <td>1.00</td> <td>2.00</td> <td>1.50</td> <td>0</td> <td>2.50</td> </tr> <tr> <td>P11</td> <td>1.00</td> <td>2.00</td> <td>1.50</td> <td>0</td> <td>0</td> </tr> </tbody> </table>	Field no	Selai Estate - Fertiliser type						IS44+B	AS	MOP	HGFB	MIX 1	P06	2.75	2.25	0	0.10	2.5	P07	2.75	2.25	1.75	0.10	2.5	P12	2.5	2.8	0	0	2.8	Field no	Enggang Estate - Fertiliser type						Mix 2+B	AS	ERP	HGFB	MIX 1	P06	1.50	1.00	1.50	0	2.75	P08	3.00	0	1.00	0	2.75	P09	3.00	0	1.00	0	3.00	Field no	Sg Tawing Estate - Fertiliser type						KIE	AS	MOP	HGFB	MIX 1	P00	1.00	2.00	1.50	0	2.50	P02	1.00	2.00	1.50	0	2.50	P11	1.00	2.00	1.50	0	0	Complied
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Criterion / Indicator		Assessment Findings	Compliance
4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	The internal Agronomist from Agronomy Advisory and Services Department visited estates to perform foliar sampling prior to the fertilizer recommendation for the forthcoming year. <ul style="list-style-type: none"> a) Leaf and soil nutrient analysis are a common methodology used in the diagnosis of fertilizer requirements in oil palms. b) Foliar analysis reports were then issued to the estates for the program establishment and application. This includes the order of fertilizer and workforce/machine planning. c) Soil sampling was carried out accordingly and renewable on a 5-year cycle. 	Complied

Criterion / Indicator		Assessment Findings	Compliance																																
4.2.4	A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	<p>The following practices are applied in the estates in relation to the nutrient recycling strategy;</p> <ul style="list-style-type: none"> a) EFB application in designated fields at dosage of 30-50 mt/ha applied in inter rows subject to Agronomist recommendations b) Cut frond are stacked in between the palms rows left to decompose. c) Bio compost application in selected fields at rate of 7mt/ha d) POME Utilization using tractor tanker and furrow system at 17mt/ha or 125kg/palm at the host estate of Tereh Mill. <p>Specific application as extracted and shown below;</p> <table border="1"> <thead> <tr> <th>Field no</th> <th>Ha</th> <th>Compost mt</th> <th>EFB mt</th> </tr> </thead> <tbody> <tr> <td>Selai P10</td> <td>240.78</td> <td>1685.46</td> <td></td> </tr> <tr> <td>Selai P11</td> <td>43.00</td> <td>0</td> <td>1290</td> </tr> <tr> <td>Enggang P12</td> <td>129.23</td> <td>0</td> <td>6462</td> </tr> <tr> <td>Enggang P06</td> <td>166.70</td> <td>1166.9</td> <td>0</td> </tr> <tr> <td>Enggang P10</td> <td>200.32</td> <td>1402.24</td> <td>0</td> </tr> <tr> <td>Sg Tawing P02</td> <td>307.22</td> <td>2150.54</td> <td>0</td> </tr> <tr> <td>Sg Tawing P03</td> <td>250.06</td> <td>1750.42</td> <td>0</td> </tr> </tbody> </table>	Field no	Ha	Compost mt	EFB mt	Selai P10	240.78	1685.46		Selai P11	43.00	0	1290	Enggang P12	129.23	0	6462	Enggang P06	166.70	1166.9	0	Enggang P10	200.32	1402.24	0	Sg Tawing P02	307.22	2150.54	0	Sg Tawing P03	250.06	1750.42	0	Complied
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<p>Criterion 4.3: Practices minimise and control erosion and degradation of soils.</p>																																			
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	<p>All the three estates (Selai Estate, Enggang Estate and Sg. Tawing Estate) visited hold copies of soil map dated 29 August 2017. A reanalysis to update soil series is being planned.</p>	Complied																																

Criterion / Indicator		Assessment Findings	Compliance
4.3.2	A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Sighted slope map (Slope Classification Map) at the visited estates. The Agriculture Manual dated 1.7.2013, A07-02 Planting on Terrace is referred to for planting on slopes. Planting terraces had been constructed where slope is >10°. Vertiver and Guatemala Grass were planted to prevent severe soil erosion.	Minor nonconformance
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	All three estates visited have implemented annual road maintenance programme. Example of programme checked at Estate shows the map indicating location of road grading and maintenance.	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 -	No peat soil was noted presence.	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 -	Not applicable	Complied
4.3.6	A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	Not applicable.	Complied
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.			

<p>4.4.1</p>	<p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>The mill water management plan has been established with the recent review made on 01/8/2018. Among others the plan therein has emphasized;</p> <ul style="list-style-type: none"> a) rain water harvesting for cleaning purposes, b) water from the reservoir for the mill operations c) water from pond and treated for human consumption d) continual training for workers on water efficiency consumption, e) desilting of water reservoir to retain the reservoir optimal capacity. f) The action plan in event of draught/water pollution and <p>The estates similarly possessed the following water management plan. Among others containing the following initiatives.</p> <table border="1" data-bbox="1028 847 1805 1382"> <thead> <tr> <th></th> <th>Source</th> <th>Activity</th> <th>Threat</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td><u>1</u></td> <td>Reservoir/pond/ SAJ/Rain</td> <td>Chemical mixing</td> <td>Pollution Draught Wastage</td> <td>Enforcement of buffer zone as non-spraying activities.</td> </tr> <tr> <td></td> <td></td> <td>General Upkeep</td> <td>Pollution Draught Wastage</td> <td>Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW.</td> </tr> <tr> <td></td> <td></td> <td>Line site</td> <td>Pollution Draught</td> <td>Every house is supplied with containers.</td> </tr> </tbody> </table>		Source	Activity	Threat	Action Plan	<u>1</u>	Reservoir/pond/ SAJ/Rain	Chemical mixing	Pollution Draught Wastage	Enforcement of buffer zone as non-spraying activities.			General Upkeep	Pollution Draught Wastage	Follow WI & SOP to avoid water pollution. Follow SW SOP to avoid pollution caused from SW.			Line site	Pollution Draught	Every house is supplied with containers.	<p>Complied</p>
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				Wastage	To schedule water supply to avoid wastage. Awareness on water usage efficiency. Outsource from neighboring estates.
			Drain upkeep	Interrupti on water flow at drainage system.	Periodic desilting Building of sand bags at specific points to contain water (weirs)
				Water pollution	Prohibit workers from activities at water source Drinking water analysis. Monitor condition of septic tank Adhere SW management procedure to avoid pollution caused by SW.

<p>4.4.2</p>	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -</p>	<p>Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones has been verified at Selai, Enggang and Sg Tawing Estates. Riparian buffer zones have been identified and demarcated. No chemicals and fertilizer application observed been used in their maintenance. In some areas Guatemala grass were planted along the river banks. Guidelines of the width of the rivers and natural courses to be protected has been illustrated in the SOP. The buffer zones established are as following:</p> <table border="1" data-bbox="1108 651 1451 965"> <thead> <tr> <th>River width</th> <th>Buffer zone</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>Water samples from the intake point are taken for phosphate and nitrate analysis. Extracted record of Sg Tawing Estate with details below;</p> <table border="1" data-bbox="1030 1129 1823 1356"> <thead> <tr> <th colspan="2"></th> <th colspan="2">Point 1</th> <th rowspan="2">Remarks</th> </tr> <tr> <th colspan="2"></th> <th>inlet</th> <th>outlet</th> </tr> </thead> <tbody> <tr> <td>July</td> <td>P</td> <td>2.28</td> <td>1.54</td> <td>To monitor manuring activities near buffer zone</td> </tr> <tr> <td></td> <td>N</td> <td>0.24</td> <td>0.04</td> <td></td> </tr> </tbody> </table>	River width	Buffer zone	>40 meters	50 meters	20 - 40 meters	40 meters	10 - 20 meters	20 meters	5 - 10 meters	10 meters	< 5 meters	5 meters			Point 1		Remarks			inlet	outlet	July	P	2.28	1.54	To monitor manuring activities near buffer zone		N	0.24	0.04		<p>Complied</p>
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Criterion / Indicator		Assessment Findings					Compliance
		Aug	P	2.24	1.62	To monitor manuring activities near buffer zone	
			N	0.24	0.04		
		The limit for phosphate and nitrate is 0.2 and 7 ppm respectively.					
4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -	The treated POME is discharged to Tereh Utara Estate for land application. Sighted application activities at field no P00 of 63.3 ha. The DOE license stated that the BOD level discharged from Anaerobic Pond C shall be below 5,000ppm revised to 100 ppm for 2019. The analysis of the effluent parameters since 2018 as shown below;					Complied
			BOD	AN	TS	pH	OG
		STD	5000	NA	NA	NA	NA
		Jan	372	368	9296	7.8	9
		Feb	765	272	1038	8.1	10
					4		
		Mac	376	189	8224	8.0	23

Criterion / Indicator		Assessment Findings	Compliance																																								
4.4.4	Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -	<p>The mill processing water are obtained from the water catchment adjacent to the mill complex. The water usage monitoring is made monthly with the latest recording for to date 2018 is detailed below;</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Water Consumed/m3 Processing & Domestic</th> <th>FFB processed/ mt</th> <th>Water/ FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>44903</td> <td>25738</td> <td>1.74</td> </tr> <tr> <td>Feb</td> <td>44743</td> <td>27816</td> <td>1.61</td> </tr> <tr> <td>Mac</td> <td>42150</td> <td>25227</td> <td>1.67</td> </tr> <tr> <td>Apr</td> <td>42100</td> <td>24988</td> <td>1.68</td> </tr> <tr> <td>May</td> <td>43820</td> <td>23103</td> <td>1.90</td> </tr> <tr> <td>Jun</td> <td>36583</td> <td>19070</td> <td>1.92</td> </tr> <tr> <td>Jul</td> <td>35126</td> <td>19794</td> <td>1.77</td> </tr> <tr> <td>Aug</td> <td>39486</td> <td>24802</td> <td>1.59</td> </tr> <tr> <td>TOTAL</td> <td>328911</td> <td>190543</td> <td>1.73</td> </tr> </tbody> </table> <p>There were variations of performance against the target of 1.2. Probable factors are linked to rainy days, significant boiler water rinsing/discharging for maintenance etc.</p>	Month	Water Consumed/m3 Processing & Domestic	FFB processed/ mt	Water/ FFB	Jan	44903	25738	1.74	Feb	44743	27816	1.61	Mac	42150	25227	1.67	Apr	42100	24988	1.68	May	43820	23103	1.90	Jun	36583	19070	1.92	Jul	35126	19794	1.77	Aug	39486	24802	1.59	TOTAL	328911	190543	1.73	Complied
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<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>																																											

Criterion / Indicator		Assessment Findings	Compliance
4.5.1	Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	<p>IPM Plan includes the planting of beneficial plants and control of damage by rodents and leaf eating pest.</p> <p>Beneficial plants such as Turnera subulata and Cassia cobanensis are grown in the estates and their records of planting in new areas and maintenance of existing areas of beneficial plants and location maps are available. Rat damage and leaf-eating pest census was regularly carried out to obtain information about threshold level and action to be taken thereafter. The records of census and rat baiting were available for verification.</p> <p>Barn owl census conducted showed that it is inhabited. Additional owl boxes had been added, ratio ranging from 1:24 ha to 1:35 ha from one estate to another. Inspection at one random barn owl box showed that it is inhabited with bones and bird droppings sighted on the ground at the foot of the barn owl box pole.</p> <p>In addition to the above, some estates breed cattle. Cattle grazing reduces the application of agrochemicals for spraying.</p>	Complied
4.5.2	Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	<p>Training for those involved with IPM implementation was conducted accordingly. It included the use of beneficial plant and barn owl. The trainings were conducted by Asst. Manager for sprayers, mandores and field supervisors. Training records for staff and workers on IPM implementation were available and verified to be satisfactory during on-site assessment.</p>	Complied
<p>Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment</p>			

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Criterion / Indicator		Assessment Findings	Compliance
4.6.1	Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	Justification of pesticides applied is available in the agriculture manual. Refer to agriculture manual updated 1/7/2013, H01: Justification of Chemical Use. The use of pesticide is specific to the target pest, weed and disease. Most of the pesticides recommended have been screened and checked for their efficacy. Justification takes consideration to minimize effect on non-target species.	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 -										Complied	
		Agrochemicals To date Aug 2018	Selai Estate			Enggang Estate			Sg. Tawang Estate			
			Area, ha	a.i/ha	LD ₅₀	Area, ha	a.i/ha	LD ₅₀	Area, ha	a.i/ha		LD ₅₀
		Metsulfuron methyl 20% - Ally	1621.06	0.01036	0.00	1655.81	0.01	0.00	2073.69	0.03		0.01
		Glyphosate 41%	1621.06	0.67783	0.00	1655.81	0.57	0.11	2073.69	0.43		0.09
		Triclopyr 32.1%	1621.06	0.29465	0.00	1655.81	0.19	0.28	2073.69	0.1918		0.28
		Flocoumafen (Storm) 0.005%	1621.06	1.2E-05	0.00	1655.81	0.00	0.00	2073.69	7E-06		0.00
Amine 60%	1621.06	0	0.00	1655.81	0.09	0.00	-	--	-			

Criterion / Indicator		Assessment Findings										Compliance
		Monocrotophos 55%	1621.06	0.0117	0.00	.	.	.	2073.69	0.01	0.00	
		All estates visied reported that rat damage after completion of campaign is <5%										
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 agriculture manual H01: Justification of Chemical Use. The triple rinse washings of agrochemical containers were recovered (part of pesticides minimization plan) and mix with new batch of pre-mixing for use in the field. There is no prophylactic use of pesticides.										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 -	Pesticides Class IA or 1B were not used and none of these agrochemicals were sighted in the estates chemical stores. Kulim (M) Bhd has stopped use of paraquat since February 2015. Alternatives such as Glyphosate were used instead. The implementation in the field is consistent with the SOP.										Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.5	<p>Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7).</p> <p>- Major compliance -</p>	<p>All those involved in pesticides handling such as storekeeper, PIC Pre-mixing agrochemicals and sprayers have completed the required Safe Chemical Handling training. It was conducted on 19.1.2018 and 26.6.2018 by the Assistant Managers at Selai and Enggang estates sighted.</p> <p>Suitable personal protective equipment's and application equipment are 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.</p>	Complied
4.6.6	<p>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).</p> <p>- Major compliance -</p>	<p>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 chemical store visit it was noted that all the remaining pesticides are kept in the store and securely locked. The empty 20-litre Agrochemical containers were recycled for premix agrochemical. Used, worn-out 20-litre containers and other sizes pesticides container were disposed as required per Criterion 5.3.2</p>	Complied
4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.</p> <p>- Minor compliance -</p>	<p>The quantity of agrochemicals required for various field conditions are documented and justified in Agriculture Manual, Section I: Weeds Management. The implementation in the field is consistent with the Agriculture Manual.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying was practised.	Complied
4.6.9	Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8). - Minor compliance -	There was no purchase of FFB from smallholders, thus no pesticide handling training required for them. SDS was displayed in local Bahasa Malaysia language and in English language at the agrochemical store for each chemical stored. The SDS including appropriate PPE to be worn was used during training in addition to the Work Instruction on safe handling for easy understanding by the agrochemical handlers, that is, storekeeper, chemical mixer and sprayers. Employees demonstrate their understanding, knowledge and skills on pesticide handling as sighted applied in the field.	Complied
4.6.10	Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -	The management disposed the empty containers as per scheduled waste regulations. i.e. containers related empty pesticides container, empty herbicide container etc. Trainings were provided to provide knowledge and SOP to the employees on the handling of waste materials. Details as 4.7.3	Complied

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4.6.11	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -</p>	<p>The annual medical surveillance for 2018 at Tereh Palm Oil Mill CU was recently completed and now await the results of the check-up. Below table shows the results undertaken by the respective Operating Units for 2017.</p> <table border="1" data-bbox="1032 523 1823 1145"> <thead> <tr> <th>Operating Unit</th> <th>Date conducted in 2017</th> <th>Done by DOSH OHD and Registration no.</th> <th>Report No.</th> <th>Date conducted in 2018</th> </tr> </thead> <tbody> <tr> <td>Tereh POM</td> <td>16 April</td> <td>Name: Dr. Muzaffar Salim HQ/11/DOC/00/235</td> <td>KSTS/00 34OSH/0717</td> <td>30 Sept</td> </tr> <tr> <td>Selai Estate</td> <td>9 April</td> <td>Name: Dr. Muzaffar Salim HQ/11/DOC/00/235</td> <td>KSTS/00 29OSH/0717</td> <td>19 Aug</td> </tr> <tr> <td>Enggang Estate</td> <td>9 April</td> <td>Name: Dr. Muzaffar Salim HQ/11/DOC/00/235</td> <td>KSTS/00 32OSH/0717</td> <td>23 Sept</td> </tr> <tr> <td>Sg. Tawing Estate</td> <td>7 May</td> <td>Dr. Muhamad Fauzi B Abd Wahab HQ/13/00/322</td> <td>KSTS/00 26OSH/0617</td> <td>16 Aug</td> </tr> </tbody> </table> <table border="1" data-bbox="1032 1177 1823 1375"> <thead> <tr> <th colspan="4">Tereh POM Medical Surveillance Results for 2017</th> </tr> <tr> <th></th> <th>Biological Monitoring : n-hexane</th> <th>Lung Function / Spirometry</th> <th>Blood & Urine</th> </tr> </thead> <tbody> <tr> <td>No. of workers examined</td> <td>03</td> <td>05</td> <td>07</td> </tr> </tbody> </table>	Operating Unit	Date conducted in 2017	Done by DOSH OHD and Registration no.	Report No.	Date conducted in 2018	Tereh POM	16 April	Name: Dr. Muzaffar Salim HQ/11/DOC/00/235	KSTS/00 34OSH/0717	30 Sept	Selai Estate	9 April	Name: Dr. Muzaffar Salim HQ/11/DOC/00/235	KSTS/00 29OSH/0717	19 Aug	Enggang Estate	9 April	Name: Dr. Muzaffar Salim HQ/11/DOC/00/235	KSTS/00 32OSH/0717	23 Sept	Sg. Tawing Estate	7 May	Dr. Muhamad Fauzi B Abd Wahab HQ/13/00/322	KSTS/00 26OSH/0617	16 Aug	Tereh POM Medical Surveillance Results for 2017					Biological Monitoring : n-hexane	Lung Function / Spirometry	Blood & Urine	No. of workers examined	03	05	07	Complied
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No. of workers examined	03	05	07																																					

		No. of workers with normal results	03	02	01
		No. of workers with abnormal results (Occupational caused)	00	00	00
		No. of workers with abnormal results (Non-Occupational caused)	00	03	06
		No. of workers with Removal Protection (MRP)	00	00	00
		No. of workers UNFIT to Work	00	00	00
Selai Estate Medical Surveillance Results for 2017					
			Biological Monitoring Serum Cholineste rase	Lung Function / Spirometry	Blood & Urine
		No. of workers examined	14	43	43
		No. of workers with normal results	14	00	00
		No. of workers with abnormal results (Occupational caused)	00	00	1

		No. of workers with abnormal results (Non-Occupational caused)	00	43	42
		No. of workers with Removal Protection (MRP)	00	00	1
		No. of workers UNFIT to Work	00	43	42
Enggang Estate Medical Surveillance Results for 2017					
			Biological Monitoring Serum Cholinesterase	Lung Function / Spirometry	Blood & Urine
		No. of workers examined	23	39	39
		No. of workers with normal results	23	13	05
		No. of workers with abnormal results (Occupational caused)	00	00	00
		No. of workers with abnormal results (Non-Occupational caused)	00	26	34
		No. of workers with Removal Protection (MRP)	00	00	00
		No. of workers UNFIT to Work	00	00	00

Sg. Tawing Estate Medical Surveillance Results for 2017			
	Biological Monitoring Serum Cholinesterase	Lung Function / Spirometry	Blood & Urine
No. of workers examined (20 Sprayer, 19 Manurer and 5 Storekeeper)	20	44	44
No. of workers with normal results	All normal	0	2
No. of workers with abnormal results (Occupational caused)	0	0	0
No. of workers with abnormal results (Non-Occupational caused)	0	44 (likely due to poor technique/effort)	42
No. of workers with Removal Protection (MRP)	0	0	0
No. of workers UNFIT to Work	0	0	0

Criterion / Indicator		Assessment Findings	Compliance
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	Sighting of Sprayers record showed no female workers were employed. All sprayers were male and this was confirmed during field visit.	Complied
Criterion 4.7: An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:			
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 compliance -	The established Occupational Safety & Health (OSH) Policy was sighted displayed at all Operating Unit offices visited. The policy was signed by the Executive Director of Kulim (Malaysia) Berhad on 1 May 2008. It is available in Bahasa Malaysia and English language. The health and safety plan documented and implemented, among others, include: <ul style="list-style-type: none"> • establishing OSH Committee and the functioning of the Committee; • establishing of OSH objectives and monitoring of Safety Performance Scoreboard; • all operations being risk assessed and control as per established SOP; • establishing OSH Legal and Other Requirement Register and evaluation of its compliance; • Chemical Health and Risk Assessment; • Annual Audiometric test; • Workplace accident notification, investigation and reporting; • Posting of Protective Personal Equipment (PPE), Electrical Danger Signages and simplified SOP at work stations. 	Complied

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Criterion / Indicator		Assessment Findings	Compliance
4.7.2	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>- Major compliance -</p>	<p>Hazard Identification, Risk Assessment and Risk Control (HIRARC) procedure had been established by Kulim to assess all activities. At each Operating Unit visited, a HIRARC Register had been established. They were sighted kept up-to-date, reviewed annually by site team led by Assistant Manager and approved by the respective Operating Unit Manager.</p> <p>HIRARC register was last reviewed on 1.8.18 at Tereh POM, 24.6.18 at Selai Estate, 7.9.18 at Enggang Estate and 9.8.18 at Sg. Tawing Estate. Also they were updated following any occurrence of accidents at their respective sites.</p> <p>Actions based on hierarchy of control were noted documented in the register. Where an activity requires an SOP they were documented and implemented. Where it involved chemical, the required Safety Data Sheet was secured and found available. All precautions attached to it were communicated to those involved during Chemical Handling training.</p> <p>Renewal of CHRA is on-going at all sites visited and awaiting report from Assessor from QMSPRO Sdn Bhd scheduled to be presented to them on 14th October 2018.</p>	Complied

<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. - Minor compliance -</p>	<p>Trainings were provided during musters and also in session held in the estate community hall/mill compound. The following trainings made for the employees were recorded as follows. Subjects extracted were mainly related to ESH, SOPs, and pesticide handlings.</p> <p>a) Tereh Mill</p> <table border="1" data-bbox="1025 587 1823 1393"> <thead> <tr> <th>No</th> <th>Date</th> <th>Subject</th> <th>Attendees</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>20/9/18</td> <td>Scheduled waste</td> <td>Entire</td> </tr> <tr> <td>2</td> <td>3/9/18</td> <td>Fire drill/evacuation</td> <td>Entire</td> </tr> <tr> <td>3</td> <td>23/9/18</td> <td>PPE Adherence</td> <td>Entire</td> </tr> <tr> <td>4</td> <td>19/9/18</td> <td>Scheduled waste handlings</td> <td>5</td> </tr> <tr> <td>5</td> <td>3/9/18</td> <td>HCV/Buffer zone/Riparian</td> <td>5</td> </tr> <tr> <td>6</td> <td>7/9/18</td> <td>5 S refresher program</td> <td>Entire</td> </tr> <tr> <td>7</td> <td>12/9/18</td> <td>ERT/ERP Fire</td> <td>Entire</td> </tr> <tr> <td>8</td> <td>12/9/18</td> <td>PPE /OSH Awareness</td> <td>Entire</td> </tr> <tr> <td>9</td> <td>18/9/18</td> <td>Mill accounting procedures</td> <td>2</td> </tr> <tr> <td>10</td> <td>27/9/18</td> <td>Insurance & claim</td> <td>2</td> </tr> <tr> <td>11</td> <td>2/8/18</td> <td>CPR/ First Aid</td> <td>3</td> </tr> <tr> <td>12</td> <td>6-8/8/18</td> <td>LCCT tools and techniques</td> <td>3</td> </tr> <tr> <td>13</td> <td>15/8/18</td> <td>CARE program</td> <td>3</td> </tr> <tr> <td>14</td> <td>22/7/18</td> <td>RSPO/MSPO Awareness</td> <td>Entire</td> </tr> <tr> <td>15</td> <td>22/7/18</td> <td>ERT/ERP Awareness</td> <td>Entire</td> </tr> <tr> <td>16</td> <td>23/7/18</td> <td>Station process refresher</td> <td>8</td> </tr> </tbody> </table>	No	Date	Subject	Attendees	1	20/9/18	Scheduled waste	Entire	2	3/9/18	Fire drill/evacuation	Entire	3	23/9/18	PPE Adherence	Entire	4	19/9/18	Scheduled waste handlings	5	5	3/9/18	HCV/Buffer zone/Riparian	5	6	7/9/18	5 S refresher program	Entire	7	12/9/18	ERT/ERP Fire	Entire	8	12/9/18	PPE /OSH Awareness	Entire	9	18/9/18	Mill accounting procedures	2	10	27/9/18	Insurance & claim	2	11	2/8/18	CPR/ First Aid	3	12	6-8/8/18	LCCT tools and techniques	3	13	15/8/18	CARE program	3	14	22/7/18	RSPO/MSPO Awareness	Entire	15	22/7/18	ERT/ERP Awareness	Entire	16	23/7/18	Station process refresher	8	<p>Complied</p>
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		17	25/7/18	LOTO application	6	
		18	31/7/18	MSPO documentation	6	
		19	22/5/18	RSPO refresher program	27	
		20	9/6/18	FFB grading	4	
		21	2/5/18	Chemical handlings	4	
		22	14/5/18	Chemical handlings	3	
b) Estates						
		No	Subject	Selai	Enggang	Sg Tawing
		1	Manuring & PPE adherence	15/3/18	25/2/18	12/3/18
		2	Harvesting and Collection	16/3, 21/6/18	19/5/18	13/1, 9/4, 26/7/18
		3	Spraying Calibration	5/9/18	22/6/18	4/1, 12/3, 23/7/18
		4	Spill containment	-	10/5/18	10/4/18
		5	Fertiliser/chemical Handling.	19/1/18		14/2/18
		6	Scheduled waste	22/3/18	5/3/18	4/5/18
		7	Water treatment/sampling	14/2/18	24/7/18	19/2/18
		8	Ramp & grading			4/4/18
		9	Fertiliser sampling/handling	8/3/18	2/2/18	21/2, 19/7,14/9
		10	Chemical handling	26/6/18	24/6/18	7/1/18
		11	Emergency	20/4/18	28/6/18	4/5/18

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Criterion / Indicator		Assessment Findings				Compliance
			Respond Plan			
		12	Fire drill training		28/6/18	4/5/18
		13	First aid	22/3/18	3/4/18	4/5/18
		14	Tractor/lorry/MB safe driving	5/5/18	12/5/18	11/8/18
		15	Pollution Cleaning Device PCD	22/6/18	5/3/18	4/5/18
		16	Triple Rinsing	10/1/18	10/5/18	4/5/18
		17	Fogging	21/2/18	13/4/18	28/2/18
		18	Rat Baiting/PPE adherence	8/3/18	17/6/18	6/2/18
		19	HCV/Buffer Zone	3/9/18	22/6/18	3/9/18
		20	MSPO/RSPO Awareness to contractors	28/8/18	4/8/18	10/8/18
		21	MSPO/RSPO briefing to stakeholders	9/8/18	9/8/18	10/8/18
		22	GHG calculations	20/6/18	20/6/18	20/6/18
		23	Bag worm treatment	22/2/18	23/4/18	23/4/18
		24	IPM	23/4/18	23/4/18	23/4/18
		25	Zero burning	22/7/18	-	-

<p>4.7.4</p>	<p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -</p>	<p>Both the Estates / Mill Managers were appointed as the Chairman of the ESH committee. The letter of appointment for the Managers is signed by the Chairman ESH based at Head Office. The Manager subsequently assigned duties of ESH coordinator to the Assistants for the down line implementation of ESH practices in the estates. Similar appointment was made for all the estates and the mill. All identified Executives were officially given a letter for such an appointment. Both estates and the mill management conduct regular two-way communication with their employees through the quarterly ESH meeting. The dates of meeting held by both estates are recorded below.</p> <table border="1" data-bbox="1025 730 1805 912"> <thead> <tr> <th></th> <th>Tereh Mill</th> <th>Selai</th> <th>Enggang</th> <th>Sg Tawing</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>10/9/18</td> <td>19/9/18</td> <td>28/8/18</td> <td>16/7/18</td> </tr> <tr> <td>2</td> <td>26/3/18</td> <td>24/5/18</td> <td>7/6/18</td> <td>8/3/18</td> </tr> <tr> <td>3</td> <td>20/12/17</td> <td>5/3/18</td> <td>12/3/18</td> <td>2/1/18</td> </tr> <tr> <td>4</td> <td>25/9/17</td> <td>19/12/17</td> <td>17/12/17</td> <td>16/10.17</td> </tr> </tbody> </table> <p>The minutes of meeting dated 10/9/18, 24/5/18 and 7/6/18 and 8/3/18 for Tereh Mill, Selai Estate, Enggang and Sg Tawing Estate respectively were sighted and verified. Workers during the meeting participated in the discussion mainly on housing and safety. This agenda list to be refined for a retrieved discussion relating safety, environmental and health. The agenda as discussed during the meeting among others includes the following;</p> <ul style="list-style-type: none"> a) Introduction b) Matters arising c) Presentation from Head Section d) Feedback from Chairman e) Accident Statistics f) Other matters. 		Tereh Mill	Selai	Enggang	Sg Tawing	1	10/9/18	19/9/18	28/8/18	16/7/18	2	26/3/18	24/5/18	7/6/18	8/3/18	3	20/12/17	5/3/18	12/3/18	2/1/18	4	25/9/17	19/12/17	17/12/17	16/10.17	<p>Complied</p>
	Tereh Mill	Selai	Enggang	Sg Tawing																								
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Criterion / Indicator	Assessment Findings	Compliance
<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>Accident and emergency procedures have been established and communicated to employees, contractors and visitors. Interviews with employees showed that they know who to contact during emergency. Emergency contact number were seen available at notice board of offices visited and also made known to employees at the POM and those working in the field.</p> <p>Records of First Aid training was sighted. Trained First Aiders at mill were Electrical Chageman, Supervisors and workstation Leads and at the estates were Mandores.</p> <p>Records of all accidents were kept and discussed during the 3-monthly Safety & Health Committee meeting. All accidents are reported to DOSH as per NADOOPOD Regulation 2004.</p> <p>A minor NCR (see criterion 2.1.3) was raised due to Enggang Estate wrong interpretation of workplace resulting in DOSH not being notified of the accident.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings				Compliance																									
4.7.6	All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -	<p>Medical care is provided to all the employees. Review worker's records found that all workers are covered by the accident insurances.</p> <p>Malaysian workers are covered by SOCSO or Perkeso (Pertubuhan Keselamatan Sosial). Refer to form 8A, "Jadual Caruman" for August 2018. In addition to this, Kulim employees are covered by Berjaya Sompoo insurance.</p> <p>Foreign workers are covered by Foreign Workers Compensation Scheme Certificate of Insurance through Underwriter, MSIG INSURANCE (MALAYSIA) SDN BHD. Sampled the following:</p> <table border="1"> <thead> <tr> <th>POM/Estate</th> <th>No. of Employees (New)</th> <th>Coverage period</th> <th></th> <th>Policy No</th> </tr> </thead> <tbody> <tr> <td>Tereh POM</td> <td>2</td> <td>23.4.2018 - 22.4.2019</td> <td>-</td> <td>JB-09980036-FWC</td> </tr> <tr> <td>Selai</td> <td>1</td> <td>16.7.2018 - 15.7.2019</td> <td>-</td> <td>JB-10026459-FWC</td> </tr> <tr> <td>Enggang</td> <td>5</td> <td>13.11.2017 - 12.11.2018</td> <td>-</td> <td>JB-09878924-FWC</td> </tr> <tr> <td>Sg. Tawing</td> <td>4</td> <td>6.2.2018 - 5.2.2019</td> <td>-</td> <td>JB-09928845-FWC</td> </tr> </tbody> </table>				POM/Estate	No. of Employees (New)	Coverage period		Policy No	Tereh POM	2	23.4.2018 - 22.4.2019	-	JB-09980036-FWC	Selai	1	16.7.2018 - 15.7.2019	-	JB-10026459-FWC	Enggang	5	13.11.2017 - 12.11.2018	-	JB-09878924-FWC	Sg. Tawing	4	6.2.2018 - 5.2.2019	-	JB-09928845-FWC	Complied
POM/Estate	No. of Employees (New)	Coverage period		Policy No																											
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Enggang	5	13.11.2017 - 12.11.2018	-	JB-09878924-FWC																											
Sg. Tawing	4	6.2.2018 - 5.2.2019	-	JB-09928845-FWC																											

Criterion / Indicator		Assessment Findings					Compliance
4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -	Records of incident and accident are available, using internal reporting. All records on Lost Time Accident (LTA) metrics are updated and maintained.					Complied
		Year	Tereh POM	Selai Estate	Enggang Estate	Sg. Tawing Estate	
		2017 – Total No. of incidences	5	5	7	3	
		LTIFR	11.63	1.80	3.41	1.47	
		2018 – Total No. of incidences	0	7	3	3	
		LTIFR	0	4.21	1.96	1.97	
Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.							

<p>4.8.1</p>	<p>A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -</p>	<p>Formal training programmes for 2018 that covered aspects of the RSPO Principles and Criteria, with regular assessments of training needs were available for all the audited sites. Training Plan was for each operating unit were established. A training need identification matrix has been established with target dates for the training identified. The training program among others includes the following subjects:</p> <table border="1" data-bbox="1025 603 1823 1378"> <thead> <tr> <th></th> <th>Subjects</th> <th>J-M</th> <th>A-J</th> <th>J-S</th> <th>OD</th> </tr> </thead> <tbody> <tr><td>1</td><td>Manuring & PPE adherence</td><td>/</td><td></td><td></td><td>/</td></tr> <tr><td>2</td><td>Harvesting and Collection</td><td>/</td><td>/</td><td>/</td><td></td></tr> <tr><td>3</td><td>Spraying Calibration</td><td></td><td>/</td><td></td><td>/</td></tr> <tr><td>4</td><td>Spill containment</td><td></td><td>/</td><td></td><td>/</td></tr> <tr><td>5</td><td>Fertiliser & Chemical Handling.</td><td>/</td><td></td><td></td><td></td></tr> <tr><td>6</td><td>Scheduled waste</td><td></td><td>/</td><td></td><td></td></tr> <tr><td>7</td><td>Water treatment / water sampling</td><td></td><td></td><td>/</td><td>/</td></tr> <tr><td>8</td><td>Ramp & grading</td><td></td><td>/</td><td></td><td></td></tr> <tr><td>9</td><td>Fertiliser sampling & handling</td><td>/</td><td>/</td><td>/</td><td></td></tr> <tr><td>10</td><td>Chemical handling</td><td>/</td><td></td><td></td><td>/</td></tr> <tr><td>11</td><td>Emergency Respond Plan</td><td></td><td>/</td><td></td><td>/</td></tr> <tr><td>12</td><td>Fire drill training</td><td></td><td>/</td><td></td><td>/</td></tr> <tr><td>13</td><td>First aid</td><td></td><td>/</td><td></td><td>/</td></tr> <tr><td>14</td><td>Tractor /lorry / MB safe driving</td><td></td><td></td><td>/</td><td></td></tr> <tr><td>15</td><td>Pollution Cleaning Device PCD</td><td></td><td>/</td><td></td><td></td></tr> <tr><td>16</td><td>Triple Rinsing</td><td></td><td>/</td><td></td><td></td></tr> <tr><td>17</td><td>Fogging</td><td>/</td><td></td><td></td><td>/</td></tr> <tr><td>18</td><td>Rat Baiting & PPE adherence</td><td>/</td><td></td><td></td><td>/</td></tr> <tr><td>19</td><td>HCV/Buffer Zone Waste Management</td><td></td><td></td><td>/</td><td></td></tr> <tr><td>20</td><td>MSPO/RSPO Awareness</td><td></td><td></td><td>/</td><td></td></tr> <tr><td>21</td><td>GHG calculations</td><td></td><td>/</td><td></td><td></td></tr> </tbody> </table>		Subjects	J-M	A-J	J-S	OD	1	Manuring & PPE adherence	/			/	2	Harvesting and Collection	/	/	/		3	Spraying Calibration		/		/	4	Spill containment		/		/	5	Fertiliser & Chemical Handling.	/				6	Scheduled waste		/			7	Water treatment / water sampling			/	/	8	Ramp & grading		/			9	Fertiliser sampling & handling	/	/	/		10	Chemical handling	/			/	11	Emergency Respond Plan		/		/	12	Fire drill training		/		/	13	First aid		/		/	14	Tractor /lorry / MB safe driving			/		15	Pollution Cleaning Device PCD		/			16	Triple Rinsing		/			17	Fogging	/			/	18	Rat Baiting & PPE adherence	/			/	19	HCV/Buffer Zone Waste Management			/		20	MSPO/RSPO Awareness			/		21	GHG calculations		/			<p>Complied</p>
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Criterion / Indicator		Assessment Findings		Compliance
		21	GHG calculations	
		21	Noise mapping	
4.8.2	Records of training for each employee shall be maintained. - Minor compliance -	Both estates and the mill continued to train its executives, staff and workers. Records of training were kept in the training file. The records included information on the title of the training, name and signature of the attendees, name of the trainer, time and venue. Details of training are shown in 4.7.3 above. Records including date, subject and no of attendees for each unit are shown therein.		Complied
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.				

<p>5.1.1</p>	<p>An environmental impact assessment (EIA) shall be documented. - Major compliance -</p>	<p>Kulim (Malaysia) Berhad have conducted the annual Environmental Risk Assessment.</p> <ul style="list-style-type: none"> a) The last review was dated July 2018. The Environmental Risk Assessment was conducted by Kulim SPO team and operating units (e.g. mill & estate). b) The Environmental Risk Assessment is annually reviewed and accepted to conclude that proper environmental management has been considered prior any activities. c) As per the EQA 1974, there is no EIA required as there is no expansion of mill activities or expansion of new land planting. <p>The EAI as detailed in the estates register covers all estates activities/operations. Among others the significant environmental aspects related to the estate operation including the activities from;</p> <ul style="list-style-type: none"> a) Community b) Harvesting / Manuring c) Machine/vehicle maintenance d) Pest and Disease e) Replanting f) Road maintenance g) Use of chemicals / use of hydrocarbons h) Dispensary / generating power i) Scheduled waste j) Construction (<i>mosque in Selai Estate</i>) k) Storage / office / water treatment plant. <p>Similarly, the environmental aspects for the mill are tabulated in the EAI master list Risk Assessment (RA) Register updated on July 2018. Among others the EAI's are divided into the all stations in the mill processing as listed below. The newest added activities being the MDS and ETP (additional dust cyclone being installed).</p>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<ul style="list-style-type: none"> a) the boiler stack emission, black smoke b) palm oil mill effluent (POME) discharge and water contamination, c) Activities related to managing of scheduled wastes and general waste. d) Activities of all operations beginning from the mill entrance ending to the effluent, EFB operations. e) Activities relating to construction i.e. building repair and new construction <p>Documents are maintained, sighted and verified.</p>	

Criterion / Indicator	Assessment Findings	Compliance
<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>Both the estates and the mill maintained its documented environmental impact assessment.</p> <ul style="list-style-type: none"> a) The information of environmental impact assessment contained in the Environmental Aspect Identification (EAI) and Environmental Impact Evaluation Risk Assessment Register (RA) register. b) The documents included the identification and evaluation of environmental aspects covering mill and plantation operation, including replanting. No replanting was observed, except immature fields P18 in Selai Estate. c) The nearest period for replanting is in 2020 involving 230.55 ha at Sg Tawing Estate. Relevant environmental aspects and impacts (particularly potential soil erosion from land clearing) were identified and mitigated (planting LCC to prevent erosion). d) Tereh Mill developed documents relating to <ul style="list-style-type: none"> - Pollution & Emission Management Plan dated 01/4/2018. was sighted i.e. permissible black smoke emission and to ensure final effluent discharge within the stipulated limit has been developed. e) All the Estates/Mill Executives has been assigned to ensure the action plan are effectively implemented within the stipulate time frame. They were assisted by the respective supervisors/staff. 	<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 mitigation measures to manage the significant environmental impact were defined in the following documents a) Mill – Pollution & Emission Plan dated 01/4/18 b) Estate – Pollution & Emission Plan endorsed on 01/8/18</p> <p>Details as provided therein among others as given below; a) Ladang Tereh Mill</p> <table border="1" data-bbox="1025 587 1805 994"> <thead> <tr> <th></th> <th>Emission</th> <th>Source</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Mill stack – boiler</td> <td>As required</td> </tr> <tr> <td></td> <td></td> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td>2</td> <td>Noise</td> <td>Diesel engines</td> <td>Operational hours</td> </tr> <tr> <td>3</td> <td>Dust particles</td> <td>Shredded EFB</td> <td>Operational hours</td> </tr> <tr> <td></td> <td></td> <td>Boiler ashes</td> <td>Operational hours</td> </tr> <tr> <td>4</td> <td>Air pollutant</td> <td>Boiler combustion</td> <td>As required</td> </tr> <tr> <td></td> <td></td> <td>Diesel engine</td> <td>As required</td> </tr> <tr> <td></td> <td></td> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td>5</td> <td>POME</td> <td>Mill process</td> <td>Daily</td> </tr> <tr> <td>6</td> <td>Waste Water</td> <td>PCD</td> <td>As required</td> </tr> <tr> <td></td> <td></td> <td>Septic tank spillage</td> <td>Weekly inspection</td> </tr> </tbody> </table> <table border="1" data-bbox="1025 1026 1805 1385"> <thead> <tr> <th></th> <th>Emission</th> <th>Action Plan</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Follow manual procedure to ensure compliance meets permissible limits</td> <td>Execs/Boilerman</td> </tr> <tr> <td></td> <td></td> <td>Vehicle inspection</td> <td>Exec/supervisors</td> </tr> <tr> <td>2</td> <td>Noise</td> <td>Noise mapping data</td> <td>Exec/supervisors</td> </tr> <tr> <td>3</td> <td>Dust particles</td> <td>Routine maintenance</td> <td>Exec/supervisors</td> </tr> <tr> <td></td> <td></td> <td>Storage far from water source</td> <td>Exec/supervisors</td> </tr> </tbody> </table>		Emission	Source	Frequency	1	Dark smoke	Mill stack – boiler	As required			Running vehicles	Daily	2	Noise	Diesel engines	Operational hours	3	Dust particles	Shredded EFB	Operational hours			Boiler ashes	Operational hours	4	Air pollutant	Boiler combustion	As required			Diesel engine	As required			Running vehicles	Daily	5	POME	Mill process	Daily	6	Waste Water	PCD	As required			Septic tank spillage	Weekly inspection		Emission	Action Plan	PIC	1	Dark smoke	Follow manual procedure to ensure compliance meets permissible limits	Execs/Boilerman			Vehicle inspection	Exec/supervisors	2	Noise	Noise mapping data	Exec/supervisors	3	Dust particles	Routine maintenance	Exec/supervisors			Storage far from water source	Exec/supervisors	<p>Complied</p>
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		4	Air pollutant	Conduct stack monitoring	Exec/supervisors	
				Routine maintenance	Exec/supervisors	
				Inspection & maintenance of vehicle.	Exec/supervisors	
		5	POME	Supervise management of effluent application.	Exec/supervisors	
		6	Waste Water	Regular PCD inspection. Follow SW guidelines.	Execs/Staff/foreman	
				Conduct weekly line site inspection. Appropriate action in event of spillages.	Execs/Staff/EHA	
		b) Selai/Enggang/Sg Tawing Estates				
			Emission	Source	Frequency	
		1	Dark smoke	Running vehicles	Daily	
		2	Noise	Diesel engine	Operational hours	
		Running vehicles	Daily			
3	Air pollution	Diesel engine	Operational hours			
		Running vehicles	Operational hours			
4	Waste water	PCD	Scheduled inspection			
		Septic tank spillage	Weekly inspection			
	Emission	Action Plan	PIC			

RSPO Public Summary Report
Revision 7 (Aug /2018)

Criterion / Indicator		Assessment Findings				Compliance
		1	Dark smoke	Inspection of vehicle condition	Exec/staff	
		2	Noise	Scheduled maintenance	Exec/staff	
				Inspection of vehicle inspection	Exec/staff	
		3	Air pollution	Routine maintenance as schedule	Exec/staff	
				Inspection of vehicle condition	Exec/staff	
		4	Waste water	Inspection of PCD for functional	Exec/staff/fore man	
				Adherence to SW guidelines		
				Weekly line site inspection		
				Appropriate action on spillage		
		<p>Records of periodical reporting of each of the above items were evident to support that the plans have been monitored. The plans were reviewed annually.</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>						

RSPO Public Summary Report
Revision 7 (Aug /2018)

Criterion / Indicator		Assessment Findings	Compliance
5.2.1	Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -	The last assessment conducted was in January 2008. The assessment was conducted by A.J.F.M Dekker. The assessment was a Rapid Biodiversity Assessment. The report has identified the list of natural habitats that is possible present in the operating units. The report details the findings of a rapid appraisal of the biodiversity in the estates and addresses the RSPO P&C relevant to biodiversity conservation and HCV. Therein being provided details relating to the following; <ul style="list-style-type: none"> a) General biodiversity issues b) Watercourses and drainage c) Habitats natural and man-made d) Wildlife e) Ponds and reservoirs f) Wetlands /watercourses g) Legal aspects h) Immediate and long term effect. 	Complied

Criterion / Indicator	Assessment Findings	Compliance
<p>5.2.2</p> <p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>There is no RTE found the entire Tereh Complex as recorded, with exception of wild elephants in Sg Tawing (<i>Bukit Cucuk and Labis Forest</i>) during the present 2018 and the palm trees damages left by the intrusion. As a standard practice where there is no other sighted RTE, animal sighting is continued at all the estates especially at the boundary areas. Current assessment revealed the presence of the following bird's species within the Tereh complex.</p> <ul style="list-style-type: none"> a) <i>Purple swam phen</i> b) <i>Little egret</i> <p>The assessment as according to the Rapid Biodiversity Assessment by A.J.F.M Dekker dated 2008, identified;</p> <ul style="list-style-type: none"> a) that there is potential Asian Elephant. b) That the Silvered Leaf Monkeys are still able to be sighted within the estates. This is currently rare as land outside of the boundary are already been developed by smallholder oil palm. <p>Records of RTE sighting was checked and verified taking Selai Estate as sample.</p> <ul style="list-style-type: none"> a) 09/7/18 AND 06/8/18 at locations of P12/1, P06/1 & P09/1. b) Summary of record of animal sightings April 2018 spotting wild boars, monkeys and squirrels among others. <p>The management conducted a regular patrol of HCV areas, access and boundary of estates. Signage, such as "No Hunting", "No Fishing", "Buffer Zone" were available. No use of chemicals observed been applied in the buffer zone as prohibited.</p> 	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
5.2.3	There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species. - Minor compliance -	The Biodiversity Improvement Plan dated 01/08/2018 had identified the plan. Among others; a) to continue educating the workers regarding RTE. Workers interviewed confirmed that they are aware of no hunting is permitted in and within the estate. b) Regular educating the employees via morning muster briefing about the need to protect the RTE species. c) Appropriate disciplinary measures will be taken if found violated. d) Information pertaining RTE and relevant CU policies were displayed at the display boards. Reference training records in 4.7.3	Complied
5.2.4	Where a management plan has been created there shall be ongoing monitoring: • 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. - Minor compliance -	The plan is described and incorporated in the Biodiversity Improvement Plan dated 01/8/2018. a) Animal sighting records. There are no RTE identified in the sighting records. b) Buffer zone signage act as continuous awareness to workers. c) Training being provided to employees. reference 4.7.3	Complied
5.2.5	Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights. - Minor compliance -	There is no HCV set-asides for local communities identified in all the estates.	Complied
Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			

<p>5.3.1</p>	<p>All waste products and sources of pollution shall be identified and documented. - Major compliance -</p>	<p>All waste and pollution are identified and documented in the Waste & Pollution Management Plan 2018 made on the Regional level. a) Details of waste generated from the estates/mill activities among others as shown below;</p> <table border="1" data-bbox="1028 523 1805 922"> <thead> <tr> <th></th> <th>Type of waste</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Domestic waste rubbish</td> <td>Line sites, office complex</td> </tr> <tr> <td>2</td> <td>Industrial waste-fertiliser bags</td> <td>Empty bags store</td> </tr> <tr> <td>3</td> <td>Scrap metal</td> <td>workshop</td> </tr> <tr> <td>4</td> <td>SW 404 Clinical waste</td> <td>clinic</td> </tr> <tr> <td>5</td> <td>SW rags, plastics, filters</td> <td>workshop</td> </tr> <tr> <td>6</td> <td>Spent lubricant & hydraulic oil</td> <td>workshop</td> </tr> <tr> <td>7</td> <td>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</td> <td>Scheduled waste store</td> </tr> <tr> <td>8</td> <td>Sewage waste</td> <td>Workers /staff toilets & office</td> </tr> </tbody> </table> <p>b) The pollution identified from Tereh Mill activities</p> <table border="1" data-bbox="1028 1023 1805 1388"> <thead> <tr> <th></th> <th>Emission</th> <th>Source</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Mill stack – boiler</td> </tr> <tr> <td></td> <td></td> <td>Running vehicles</td> </tr> <tr> <td>2</td> <td>Noise</td> <td>Diesel engines</td> </tr> <tr> <td>3</td> <td>Dust particles</td> <td>Shredded EFB</td> </tr> <tr> <td></td> <td></td> <td>Boiler ashes</td> </tr> <tr> <td>4</td> <td>Air pollutant</td> <td>Boiler combustion</td> </tr> <tr> <td></td> <td></td> <td>Diesel engine</td> </tr> <tr> <td></td> <td></td> <td>Running vehicles</td> </tr> <tr> <td>5</td> <td>POME</td> <td>Mill process</td> </tr> <tr> <td>6</td> <td>Waste Water</td> <td>PCD</td> </tr> </tbody> </table>		Type of waste	Location	1	Domestic waste rubbish	Line sites, office complex	2	Industrial waste-fertiliser bags	Empty bags store	3	Scrap metal	workshop	4	SW 404 Clinical waste	clinic	5	SW rags, plastics, filters	workshop	6	Spent lubricant & hydraulic oil	workshop	7	Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store	8	Sewage waste	Workers /staff toilets & office		Emission	Source	1	Dark smoke	Mill stack – boiler			Running vehicles	2	Noise	Diesel engines	3	Dust particles	Shredded EFB			Boiler ashes	4	Air pollutant	Boiler combustion			Diesel engine			Running vehicles	5	POME	Mill process	6	Waste Water	PCD	<p>Complied</p>
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Criterion / Indicator		Assessment Findings		Compliance
			Septic tank spillage	
		c) The pollution from the estates activities as illustrated below;		
		1	Dark smoke Running vehicles	
		2	Noise Diesel engine	
			Running vehicles	
		3	Air pollution Diesel engine	
			Running vehicles	
		4	Waste water PCD	
			Septic tank spillage	
		5	Leakage of Activities during chemical mixing and pesticides transportation	
		6	Lubricant spillage Maintenance work at the workshop for estates vehicles	
		7	POME Spillages during application / pipe leakages	

Criterion / Indicator		Assessment Findings	Compliance																				
5.3.2	All chemicals and their containers shall be disposed of responsibly. - Major compliance -	<p>Kulim (Malaysia) Berhad adopted the guidelines provided by the Agriculture Department on the empty chemicals containers management. All empty chemical containers in both estates and mill were triple rinsed, and disposed through approved licensed contractor G-Planter Sdn Bhd. This DOE licensed contractor caters the collection of scheduled wastes for both mill and estates within Tereh Complex. Sighted record of disposal made as follows by the operating units taken as sample.</p> <p>a) Selai Estate.</p> <table border="1"> <thead> <tr> <th></th> <th>Date</th> <th>Item</th> <th>Quantity/pcs</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>6/9/18</td> <td>20 L plastic pesticides containers</td> <td>150</td> </tr> <tr> <td></td> <td></td> <td>4 L plastic pesticides containers</td> <td>120</td> </tr> <tr> <td></td> <td></td> <td>1 L plastic pesticides containers</td> <td>100</td> </tr> <tr> <td></td> <td></td> <td>Ally bottles</td> <td>100</td> </tr> </tbody> </table>		Date	Item	Quantity/pcs	1	6/9/18	20 L plastic pesticides containers	150			4 L plastic pesticides containers	120			1 L plastic pesticides containers	100			Ally bottles	100	Complied
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5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	<p>There are procedures and guidelines in the disposal of wastes and pollutants guided by SQD Head Office level to minimise pollution on the routine operation.</p> <p>a) Estates/Mill</p> <table border="1"> <thead> <tr> <th>Type of waste</th> <th>Description</th> <th>Location</th> </tr> </thead> <tbody> <tr> <td>1 Domestic waste</td> <td>Rubbish</td> <td>Line sites, office, workshop, store,</td> </tr> <tr> <td rowspan="3">2 Industrial waste</td> <td>Fertiliser bags</td> <td>Empty bags store</td> </tr> <tr> <td>Scrap metal</td> <td>workshop</td> </tr> <tr> <td>POME</td> <td>ETP</td> </tr> <tr> <td>3 Sewage waste</td> <td>sewage</td> <td>Workers &housing toilets & office</td> </tr> <tr> <td rowspan="4">4 Scheduled Waste</td> <td>SW 404 Clinical waste</td> <td>clinic</td> </tr> <tr> <td>SW rags, plastics, filters</td> <td>workshop</td> </tr> <tr> <td>Spent lubricant & hydraulic oil</td> <td>workshop</td> </tr> <tr> <td>Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,</td> <td>Scheduled waste store</td> </tr> </tbody> </table>	Type of waste	Description	Location	1 Domestic waste	Rubbish	Line sites, office, workshop, store,	2 Industrial waste	Fertiliser bags	Empty bags store	Scrap metal	workshop	POME	ETP	3 Sewage waste	sewage	Workers &housing toilets & office	4 Scheduled Waste	SW 404 Clinical waste	clinic	SW rags, plastics, filters	workshop	Spent lubricant & hydraulic oil	workshop	Disposed containers, bags, equipment contaminated with chemicals, pesticides, SW,	Scheduled waste store	Complied
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<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>The utilisation of fossil fuel in 2018 is being monitored with records shown below;</p> <p>a) Ladang Selai</p> <table border="1" data-bbox="1028 459 1803 828"> <thead> <tr> <th></th> <th>FFB production</th> <th>Diesel L</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>2576</td><td>10470</td><td>4.06</td></tr> <tr><td>Feb</td><td>1829</td><td>11474</td><td>6.27</td></tr> <tr><td>Mac</td><td>1847</td><td>10996</td><td>5.94</td></tr> <tr><td>Apr</td><td>1830</td><td>11228</td><td>6.13</td></tr> <tr><td>May</td><td>1824</td><td>11762</td><td>6.45</td></tr> <tr><td>June</td><td>1837</td><td>10670</td><td>5.81</td></tr> <tr><td>July</td><td>2208</td><td>11670</td><td>5.28</td></tr> <tr><td>Aug</td><td>2891</td><td>11270</td><td>3.90</td></tr> </tbody> </table> <p>b) Ladang Enggang</p> <table border="1" data-bbox="1028 892 1803 1260"> <thead> <tr> <th></th> <th>FFB production</th> <th>Diesel L</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>2429</td><td>8973</td><td>3.69</td></tr> <tr><td>Feb</td><td>1958</td><td>8579</td><td>4.38</td></tr> <tr><td>Mac</td><td>2129</td><td>9883</td><td>4.64</td></tr> <tr><td>Apr</td><td>1874</td><td>9107</td><td>4.86</td></tr> <tr><td>May</td><td>2178</td><td>9278</td><td>4.26</td></tr> <tr><td>June</td><td>1822</td><td>8976</td><td>4.93</td></tr> <tr><td>July</td><td>2115</td><td>8926</td><td>4.22</td></tr> <tr><td>Aug</td><td>2979</td><td>8829</td><td>2.96</td></tr> </tbody> </table> <p>c) Ladang Sg Tawing</p> <table border="1" data-bbox="1028 1324 1803 1393"> <thead> <tr> <th></th> <th>FFB production</th> <th>Diesel L</th> <th>Diesel/FFB</th> </tr> </thead> <tbody> </tbody> </table>		FFB production	Diesel L	Diesel/FFB	Jan	2576	10470	4.06	Feb	1829	11474	6.27	Mac	1847	10996	5.94	Apr	1830	11228	6.13	May	1824	11762	6.45	June	1837	10670	5.81	July	2208	11670	5.28	Aug	2891	11270	3.90		FFB production	Diesel L	Diesel/FFB	Jan	2429	8973	3.69	Feb	1958	8579	4.38	Mac	2129	9883	4.64	Apr	1874	9107	4.86	May	2178	9278	4.26	June	1822	8976	4.93	July	2115	8926	4.22	Aug	2979	8829	2.96		FFB production	Diesel L	Diesel/FFB	<p>Complied</p>
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Criterion / Indicator		Assessment Findings					Compliance
		Month	FFB processed	Fibre/mt	Shell/mt	EFB mt	
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		Mac 18	25227	3607	1874	5845	
		April 18	24988	3618	1879	5794	
		May 18	23103	3301	1714	5048	
		Jun18	19070	2666	1407	3825	
		July 18	19794	2745	1441	4443	
		Aug 18	24802	3521	1815	5382	
		Mean	190543	27202	14156	42123	
		When the renewable energy consumption is maximised the utilisation of non-renewable is reduced.					
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 -	None observed. Kulim has committed to Zero Burning Initiative. The initiative is part of the commitment of the Environmental Policy dated 01/01/2008.					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 -	Field visits at the three estates (Selai, Enggang and Sg. Tawing) showed no replanting program for the year under review. Young immature palms were sighted and no traces of open burning were seen at these estates.					Complied

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

<p>5.6.1</p>	<p>An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -</p>	<p>The assessment of all polluting activities is defined in the following documents; a) Mill – Pollution & Emission Plan dated 01/4/18 b) Estate – Pollution & Emission Plan endorsed on 01/8/18</p> <p>Details as provided therein among others as given below; a) Tereh Mill</p> <table border="1" data-bbox="1028 620 1713 1155"> <thead> <tr> <th></th> <th>Emission</th> <th>Source</th> <th>Frequency</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Mill stack – boiler</td> <td>As required</td> </tr> <tr> <td></td> <td></td> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td>2</td> <td>Noise</td> <td>Diesel engines</td> <td>Operational hours</td> </tr> <tr> <td>3</td> <td>Dust particles</td> <td>Shredded EFB</td> <td>Operational hours</td> </tr> <tr> <td></td> <td></td> <td>Boiler ashes</td> <td>Operational hours</td> </tr> <tr> <td>4</td> <td>Air pollutant</td> <td>Boiler combustion</td> <td>As required</td> </tr> <tr> <td></td> <td></td> <td>Diesel engine</td> <td>As required</td> </tr> <tr> <td></td> <td></td> <td>Running vehicles</td> <td>Daily</td> </tr> <tr> <td>5</td> <td>POME</td> <td>Mill process</td> <td>Daily</td> </tr> <tr> <td>6</td> <td>Waste Water</td> <td>PCD</td> <td>As required</td> </tr> <tr> <td></td> <td></td> <td>Septic tank spillage</td> <td>Weekly inspection</td> </tr> </tbody> </table> <table border="1" data-bbox="1028 1187 1713 1348"> <thead> <tr> <th></th> <th>Emission</th> <th>Action Plan</th> <th>PIC</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Dark smoke</td> <td>Follow manual procedure to ensure compliance meets permissible limits</td> <td>Execs/Boiler man</td> </tr> </tbody> </table>		Emission	Source	Frequency	1	Dark smoke	Mill stack – boiler	As required			Running vehicles	Daily	2	Noise	Diesel engines	Operational hours	3	Dust particles	Shredded EFB	Operational hours			Boiler ashes	Operational hours	4	Air pollutant	Boiler combustion	As required			Diesel engine	As required			Running vehicles	Daily	5	POME	Mill process	Daily	6	Waste Water	PCD	As required			Septic tank spillage	Weekly inspection		Emission	Action Plan	PIC	1	Dark smoke	Follow manual procedure to ensure compliance meets permissible limits	Execs/Boiler man	<p>Complied</p>
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			Vehicle inspection	Exec/supervisors
2	Noise		Noise mapping data	Exec/supervisors
3	Dust particles		Routine maintenance	Exec/supervisors
			Storage far from water source	Exec/supervisors
4	Air pollutant		Conduct stack monitoring	Exec/supervisors
			Routine maintenance	Exec/supervisors
			Inspection & maintenance of vehicle.	Exec/supervisors
5	POME		Supervise management of effluent application.	Exec/supervisors
6	Waste Water		Regular PCD inspection. Follow SW guidelines.	Execs/Staff/foreman
			Conduct weekly line site inspection. Appropriate action on spillages.	Execs/Staff/EHA
b) Selai/Enggang/Sg Tawing Estates				
	Emission	Source	Frequency	
1	Dark smoke	Running vehicles	Daily	

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Criterion / Indicator		Assessment Findings				Compliance
		2	Noise	Diesel engine	Operational hours	
				Running vehicles	Daily	
		3	Air pollution	Diesel engine	Operational hours	
				Running vehicles	Operational hours	
		4	Waste water	PCD	Scheduled inspection	
				Septic tank spillage	Weekly inspection	
			Emission	Action Plan	PIC	
		1	Dark smoke	Inspection of vehicle condition	Exec/staff	
		2	Noise	Scheduled maintenance	Exec/staff	
				Inspection of vehicle inspection	Exec/staff	
		3	Air pollution	Routine maintenance as schedule	Exec/staff	
				Inspection of vehicle condition	Exec/staff	
		4	Waste water	Inspection of PCD for functional	Exec/staff/fore man	
				Adherence to SW guidelines		
		Weekly line site inspection				
		Appropriate action on spillage				

Criterion / Indicator		Assessment Findings	Compliance
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	The GHG emissions due to the operations is identified and recorded in the palm GHG version 3.01. The emission reduction plan for mill and estate for all complex is published in the Carbon Footprint report. The plan includes reduction of fertilizer usage by embarking organic fertilizer and installation of biogas plan. During the field assessment at mill, it was confirmed that composting plant is in implementation to produce organic fertilizer.	Complied

<p>5.6.3</p>	<p>A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -</p>	<p>The summary of the Net GHG emitted for Tereh Mill and supply base are as the following:</p> <table border="1" data-bbox="1032 459 1447 598"> <thead> <tr> <th>Emission per product</th> <th>tCO₂e/tProduct</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>1.05</td> </tr> <tr> <td>PKO</td> <td>0</td> </tr> </tbody> </table> <table border="1" data-bbox="1485 459 1805 598"> <thead> <tr> <th>Extraction</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>OER</td> <td>20.4</td> </tr> <tr> <td>KER</td> <td>5.67</td> </tr> </tbody> </table> <table border="1" data-bbox="1032 635 1447 930"> <thead> <tr> <th>Production</th> <th>t/yr</th> </tr> </thead> <tbody> <tr> <td>FFB Process</td> <td>333,648</td> </tr> <tr> <td>CPO Produced</td> <td>68,072</td> </tr> <tr> <td>PK Produced</td> <td>18,916</td> </tr> </tbody> </table> <table border="1" data-bbox="1485 635 1805 1102"> <thead> <tr> <th>Land Use</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>OP Planted Area</td> <td>18251.06</td> </tr> <tr> <td>OP Planted on peat</td> <td>0</td> </tr> <tr> <td>Conservation (forested)</td> <td>203.49</td> </tr> <tr> <td>Conservation (non-forested)</td> <td>0</td> </tr> <tr> <td>Total</td> <td></td> </tr> </tbody> </table> <p>Summary of Mill Emission and Credit</p> <table border="1" data-bbox="1032 1198 1805 1393"> <thead> <tr> <th></th> <th>tCO₂e</th> <th>tCO₂e/tFFB</th> </tr> </thead> <tbody> <tr> <td>Emission</td> <td></td> <td></td> </tr> <tr> <td>POME</td> <td>55698.31</td> <td>0.17</td> </tr> <tr> <td>Fuel Consumption</td> <td>667.28</td> <td>0</td> </tr> </tbody> </table>	Emission per product	tCO ₂ e/tProduct	CPO	1.05	PKO	0	Extraction	%	OER	20.4	KER	5.67	Production	t/yr	FFB Process	333,648	CPO Produced	68,072	PK Produced	18,916	Land Use	Ha	OP Planted Area	18251.06	OP Planted on peat	0	Conservation (forested)	203.49	Conservation (non-forested)	0	Total			tCO ₂ e	tCO ₂ e/tFFB	Emission			POME	55698.31	0.17	Fuel Consumption	667.28	0	<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance
		Grid Electricity Utilisation	0	0		
		Credit				
		Export of Grid Electricity	-331.91	0		
		Sales of PKS	-4045.84	-0.01		
		Sales of EFB	0	0		
		Total	21987.84	0.16		

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

Criterion 6.1:

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

<p>6.1.1</p>	<p>A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -</p>	<p>Mill: Established as <i>Daftar Impak Sosial</i> (Social Impact Register) Kulim (Malaysia) Berhad 2018; Dated: 15/9/2018 based on the Procedure of SPO Social Impact Assessment Documentation; dated 3/9/2007. Impact identified and analyzed through matrix of Risk (Frequency x Consequences) and Significant (Likelihood x Risk) and listed as Social Impact Register for KMB and JCorp (SR001 – SR075). Latest external stakeholder meeting was done on 9/8/2018 at Tereh Club. Meeting attended by external stakeholder including local authority & community, vendors. Internal stakeholder meeting conducted on 10/9/2018 with workers’ representative and canteen operator.</p> <p>Selai: Latest Social Impact Register Kulim (Malaysia) Berhad 2018; Dated: 15/9/2018; Serial # SIA01 – SIA07 and <i>Cadangan Penambahbaikan Sosial Bagi Ladang Selai 2018</i> (Social Improvement Plan); Dated: 15/8/2018; Serial # LS01 – LS05.</p> <p>Enggang: Latest Social Impact Register Kulim (Malaysia) Berhad 2018; Dated: 15/9/2018; Serial # SIA01 – SIA07 and Social Improvement Plan; Dated: 15/8/2018; Serial # LE01 – LE05. Latest external stakeholder meeting was done on 9/8/2018 at Tereh Club. Meeting attended by external stakeholder including local authority & community, vendors. Internal stakeholder meeting conducted on 28/8/2018 with workers’ Union, Women and Foreign representatives, vendors and grocery shop & canteen operator.</p> <p>Sg. Tawing: Latest Social Impact Register Kulim (Malaysia) Berhad 2018; Dated: 15/9/2018; Serial # SIA01 – SIA07 and Social Improvement Plan;</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		Dated: 15/8/2018; Serial # LST01 – LST05. Internal stakeholder meeting conducted on 19/9/2018.	
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	Evidence that the assessment has been done with the participation of affected parties sighted available as per records of stakeholder meetings and others such as Enggang Estate Social Audit Records 2018.	Complied
6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -	Action plan established with respective person in-charge to avoid/mitigate negative impacts and promotion of positive impacts as Kulim Social Improvement Plan consists of Health and Sanitation, Handling of Chemical, Housing and Amenities, Entitle, Community as well as sampled: - Enggang Estate Social Improvement Plan 2018; Dated: 15/8/2018; Positive aspects; LE01 – LE06 - Enggang Estate Social Improvement Plan 2017; Dated: 1/10/2017; Negative impacts; SIR01 – SIA10	Complied
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	The plan was reviewed on yearly basis and the last reviewed was conducted on 15/9/2018 for all estates. It includes all the related issues for both internal and external stakeholder’s issues.	Complied
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No scheme smallholder involved in the Tereh POM certification unit.	Not applicable
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			

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Criterion / Indicator		Assessment Findings	Compliance
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Kulim (M) Berhad has implemented the SPO Consultation and Transparency Plans dated 4/9/2007 and a Communication and Consultation Management Guidelines (Communication Procedure V2.0) generated by SPO team on Nov 09. The aim of this plan is to ensure an open and transparent communication methods with local communities and other stakeholders. The guideline is specific to communicate and consult with respect to social and environment aspects and impacts, performance and OSH issues.	Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	As per letter ref. # SQD/SOC/024/16; dated: 23/10/2016; Appointment as Social Person In-Charge to All RC Executive by Regional Head Plantation Operation. In Tereh Mill, Senior Assistant Mill Engineer (Muhammad Nasir) was appointed 01.01.2018 as person in charge for social issues as per appointment letter Ref. # LTM/01/2018; Dated: 1/1/2018, in Selai Estate; Assistant Manager (Mohd. Farid); Letter dated: 1/2/2018; in Enggang Estate; Assistant Manager (Muhamad Nurshafiq); Letter dated: 9/1/2018; in Sg. Tawing Estate; Assistant Manager (Mohd. Mazree); Letter dated: 1/7/2018.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
6.2.3	<p>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>- Minor compliance -</p>	<p>Complied</p>
<p>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.</p>		
6.3.1	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>- Major compliance -</p>	<p>Complied</p>
6.3.2	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance –</p>	<p>Complied</p>
<p>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.</p>		

Criterion / Indicator		Assessment Findings	Compliance
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	Procedure in place was SPO Negotiations Concerning Compensation Program; Dated: 4/9/2007. The procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly also referring to Workmen’s Compensation Act 1952.	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups’ proof of legal versus communal ownership of land. - Minor compliance -	Kulim (M) Berhad has established SOP to identify legal and customary rights as well as people entitled to compensation as per procedure in place i.e. SPO Negotiations Concerning Compensation Program; Dated: 4/9/2007. The procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly.	Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	No any dispute issues that required any compensation occurred since the last audit.	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.			

Criterion / Indicator		Assessment Findings	Compliance
6.5.1	Documentation of pay and conditions shall be available. - Major compliance -	<p>Enggang Estate:</p> <p>Sighted payslip for August 2018 for Employee ID # AE7756441 (Haque Mohammad Jahur) whom being paid for 3 days for August 2018 with Sick Leave Pay due to accident. The work agreement specified that the worker entitled with 60 days Paid Hospitalization Leave.</p> <p>Referring to indicator 2.1.3 findings, the accident met by the worker was wrongly not considered as non-occupational hence caused the worker not being paid with Hospitalization Leave but awaiting the insurance claim made by the office. This was found against the agreed entitlement specified in the worker agreement.</p> <p>Hence, a major noncompliance has been raised.</p>	Major nonconformance

<p>6.5.2</p>	<p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official. - Major compliance -</p>	<p>Based on SPO Pay and Conditions Program; Kulim Pay and Conditions Plan; Dated: 4/9/2007 Mill: - Employee # 612007; Work station: Laboratory; Date joined: 15/9/2003; Nationality: Malaysia - Employee # 612246; Work station: Press; Date joined: 15/11/2015; Nationality: Indonesia - Employee # 612100; Work station: EFB Press; Date joined: 1/9/2016; Nationality: Malaysia - Employee # 612275; Work station: Ramp; Nationality: Indonesia Selai Estate: - Employee # 616001; Work station: General; Date joined: 23/8/1987; Nationality: Malaysia - Employee # 616503; Work station: General; Date joined: 1/6/2018; Nationality: Malaysia - Employee # 616652; Work station: General; Date joined: 1/7/2016; Nationality: Bangladesh - Employee # 616593; Date joined: 1/10/2015; Work station: Bunch Counter; Nationality: Indonesia - Employee # 616573; Date joined: 1/4/2015; Work station: Harvester; Nationality: Indonesia Enggang Estate: Documentation of pay and conditions sighted available as per following samples: - Employee # 617709; Work station: General; Date joined: 2/9/2018; Nationality: Malaysia - Employee # 617605; Work station: General; Date joined: 21/2/2017; Nationality: Indonesia - Employee # 617691; Work station: General; Date joined: 10/8/2015; Nationality: Bangladesh Sg. Tawing Estate:</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> - Employee # 621095; Work station: General; Date joined: 1/9/2009; Nationality: Malaysia - Employee # 683037; Work station: General; Date joined: 19/9/2017; Nationality: Indonesia - Employee # 683075; Work station: General; Date joined: 26/7/2018; Nationality: Indonesia - Employee # 621829; Work station: General; Date joined: 11/11/2013; Nationality: Bangladesh <p>The basic salary was based on current MAPA/NUPW agreement; Operator allowance (if eligible): RM 1.70/day; Shift allowance (if eligible): RM 3.00/day</p>	
6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>- Minor compliance –</p>	<p>Kulim (M) Berhad has provided free housing and medical assistance to all the workers. Water and electricity was provided without any charges from workers. Government school was found in the compound of Tereh complex. Linesite inspection was conducted on weekly basis by Hospital Assistant and twice a month together with VMO. Apart from that, the water is treated for the domestic use for MTM, LTU & LM. As per SPAN instruction, the water samples should be taken and sent for analysis and the result has no detection of Total Coliform and E-Coli. In LR, the estate is using water source from the government, therefore no treated water.</p>	Complied
6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>- Minor compliance –</p>	<p>Site visit to the coffee shop operates in the estate who is selling cooked foods, processed snacks and beverages at canteen and sundries shop. All the foods and drinks sold are displayed with price. The nearest town is Kluang town is about 30 km. Clinic has been provided for free health service and the nearest Klinik Kesihatan dan Hospital Paloh are between 42 km from Tereh Mill complex.</p>	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 -	Kulim (M) Berhad has implemented Guidelines for General Workers where they respect the rights of the workers to join any association that recognized by the company. The guideline has distributed to each of the workers. Besides, the company has established Kulim Sustainability Handbook where under Core Labour Standards, the workers has been given rights to join or form trade union and to bargain collectively. SPO core labour values – Kulim Core Labour Value Plans	Complied
6.6.2	Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Meeting with Union representatives was conducted on periodical basis at all operating units. In general, the meetings outcome highlighted the action plan to monitor the issues raised during the meeting was developed. The action plan was updated accordingly if any issue has been resolved. Sampled minutes of meetings sighted as following: <ul style="list-style-type: none"> - Selai: Internal stakeholder meeting conducted on 28/8/2018 with workers' Union, Women and Foreign representatives, vendors and grocery shop & canteen operator. - Enggang: <i>Minit Mesyuarat Jawatankuasa Kesatuan Pekerja & Pengurusan Ladang Enggang 01/2018</i>; Dated: 13/8/2018 - Sg. Tawing: <i>Minit Mesyuarat Wakil dan Ahli Kesatuan Pekerja (Union) Bersama Pihak Pengurusan Ladang Sungai Tawing 1/2018</i>; Date: 14/2/2018 	Complied
Criterion 6.7: Children are not employed or exploited.			

Criterion / Indicator		Assessment Findings	Compliance
6.7.1	There shall be documentary evidence that minimum age requirements are met. - Major compliance -	Kulim (M) Berhad has implemented Guidelines for General Workers and Kulim Sustainability Handbook where they will not employed Child Labour according to Children and Young Persons (Employment) Act 1966. Records of employee particulars sighted at all operating units as per following sample: Mill: No, based on the list of workers for Tereh Mill; Review date: 20/9/2018. Estate: No, based on the list of workers (Local & Foreign) for Selai Estate as of 2018. Through document reviewed found that all the workers were above 18 years old. There were trainings entitled 'No Child Labour Policy' conducted at complex on 05/03/2017.	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 -	Kulim (M) Berhad has implemented Kulim Sustainability Handbook dated June 2007 and Guidelines for General Workers. People Policy dated 1/1/2008 has been developed and the management is committed to support non-discrimination in any form.	Complied
6.8.2	Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Migrant workers are recruited with 2 years contract for Indonesian and 3 years contract for Bangladeshi. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electricity supplies, medical care are given to all employees without discrimination. All employees are aware of the grievance procedures through the various Committees such as Gender Committee for women, foreign workers representation and union committee to highlight their concerns and grievances if any.	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 and age.	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.			
6.9.1	Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Policy to prevent sexual and all other forms of harassment and violence has been updated as Kulim (Malaysia) Berhad Sexual Harassment Policy; Signed by Executive Director; Dated: 1/5/2018. Policy has been communicated to all workers by the management at each operating units within Tereh complex. Sighted latest was done on 21/9/2018.	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	A policy to protect the reproductive rights of all, especially of women established as Rights of Employees; Signed by Executive Director; Dated: 8/1/2017. Policy has been communicated to all workers by the management at each operating units within Tereh complex. Sighted latest was done on 21/9/2018.	Complied
6.9.3	A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. - Minor compliance -	Specific grievance mechanism which respects anonymity and protects complainants as requested established Selai: Minit Mesyuarat Panel Aduan Wanita (WOW Persona) 03/2018; Ladang Selai 20/9/2018 Enggang: Carta Organisasi WOW 2018- Minit Mesyuarat WOW 1/2018; Date: 11/4/2018; 2 nd meeting on 17/8/2018; Minit Mesyuarat WOW No. 2/2018 Sg. Tawing: Women Complaints Panel.	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 -	Current and past FFB prices available in the mill as per MPOB guideline. However no any FFB purchased from smallholders as Tereh POM only processed FFB from company owned estate and two certified out-growers (Felda Paloh & Ladang Wawasan). Any external uncertified purchased will be based on Kulim's SPO fair and transparent Dealings Program; dated 04/09/2007.	Complied

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6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	No any FFB purchased from smallholders as Tereh POM only processed FFB from company owned estate and two certified out-growers as per External Certified FFB Provider Agreement as following: 1) Purchase of FFB from Ladang Felda Paloh; Date: 30/1/2018 2) Purchase of FFB from Rantau Harmoni Sdn. Bhd. (Ladang Wawasan); Date: 20/11/2017 3) Pricing mechanism was specified in agreements and briefed to vendors prior to signing.	Complied
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 -	Evidence available as per sighted documents of External Certified FFB Provider Agreement which were fair, legal and transparent.	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	All payments as per agreements were made in timely manner as per sample sighted as following: - Debit note – Internal; Invoice # CD2018155; Customer # DA02-11; Date: 31/8/2018 for payment of FFB Purchase August 2018 from Ladang Wawasan and Felda Paloh including RSPO Incentive.	Complied
Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.			

Criterion / Indicator		Assessment Findings	Compliance
6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	Contributions made based on consultation as per SPO Corporate Social responsibility programs – Kulim Corporate Social Responsibility – samples: - Enggang Estate: Donation to JTK Kluang; Date: 1/3/2018 - Selai Estate: Contribution for SK Ladang Tereh Maulidurasul 2018 programs; Date: 22/1/2019 - Selai Estate: Contribution for SK Ladang Tereh 2018 Athletic Championship 2018; Date: 4/4/2018 - Selai Estate: Contribution on Annual Meeting for SA Ladang Tereh; Date: 19/4/2018 - Enggang Estate: Donation to SA Ladang Tereh Majlis Anugerah Kecemerlangan SDEA/UPKK Tahun 2017; Date: 28/6/2018	Complied
6.11.2	Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	No scheme smallholder involved in the Tereh POM certification units.	Not applicable
Criterion 6.12: No forms of forced or trafficked labour are used.			
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Kulim (M) Berhad has implemented Kulim Sustainability Handbook dated June 2007. People Policy has been developed and the management is prohibited to engage or support the use of forced labour in all of their operations and administrations. All the local and foreign workers were hold a valid identification card and passports prior to work. Passport of the foreign workers were kept by the management where it stated in the employment contract Section 9 for safety purpose. The workers had acknowledged and agreed on the safe keeping of passport.	Complied

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Criterion / Indicator		Assessment Findings	Compliance
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance -	Tereh & Sedenak Mill Complex has the <i>Polisi Insan</i> which mentioning the non-discriminatory practices and decent living condition. The policy of 'No Contract Substitution' was established with the agreed timeline for corrective action plan for Employees approved by the Deputy General Manager.	Complied
6.12.3	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Established as Kulim (Malaysia) Berhad Core Labour Standard; Signed by Executive Director; Dated: 1/5/2018. Sampled Contractor's workers agreement: Company: JVelu Enterprise (FFB Transporter); Worker's ID # AT 975801; date joined: 1/10/2017; Nationality: Indonesia	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 -	Tereh & Sedenak Mill Complex has the <i>Polisi Insan</i> which mentioning the non-discriminatory practices and decent living condition. The policy of 'No Contract Substitution' was established with the agreed timeline for corrective action plan for Employees approved by the Deputy General Manager. Policy has been communicated to all workers by the management at each operating units within Tereh complex. Sighted latest was done on 21/9/2018.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	This estate is located at Peninsular therefore, the requirement is not applicable.	Not applicable
Principle 7: Responsible development of new plantings			
Tereh Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this recertification assessment. The immature areas are replanted area.			
Principle 8: Commitment to continual improvement in key areas of activity			

Criterion / Indicator	Assessment Findings	Compliance	
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.			
8.1.1	<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>Generally, the Tereh CU is committed to reduce the usage of pesticides by implementing IPM such as the increase in the planting of nectariferous beneficial plants such as <i>Cassia cobanensis</i>, <i>Turnera subulata</i> and installation of additional barn owl boxes.</p> <p>In addition to the above, some estates breed cattle. Cattle grazing reduces the application of agrochemicals for spraying. The plan for Green House Gas emissions includes reduction of fertilizer usage by embarking on organic fertilizer and installation of biogas plant.</p> <p>During assessment at mill, it was confirmed that composting plant is in implementation to produce organic fertilizer.</p>	<p>Complied</p>

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Appendix B: Approved Time Bound Plan

Project	Estate	Plan
Indonesia: SUMASEL	PT Tempirai Palm Resources (PT TPR)	To be included in TBP upon completion of acquisition (expected completion in 2025)
	PT Rambang Agro Jaya (PT RAJ)	
Malaysia Trader	Bukit Layang Estate	2019
Malaysia Trader	Eng Lee Heng	2019

List of Estate Manage by Kulim (Malaysia) Berhad			
Mill Base	Kulim / Jcorp Estate	Estate	Status
Tereh Mill	Kulim Estate	Tereh Utara	Certified RSPO
		Tereh Selatan	
		Selai	
		Enggang	
		Mutiara	
		Sg Sembrong	
		Sg Tawing	
		Rengam	
Sedenak Mill		Sedenak	
		Basir Ismail	
		Ulu Tiram	
Sindora Mill		Kuala Kabong	
		REM/Pasak	
		Sindora	
Palong Mill		Sungai Papan	
		Sepang Loi	
		UMAC	
		Labis Bahru	
		Mungka	
		Kemedak	
	Palong		
Pasir Panjang Mill	Kulim Estate	Pasir Panjang	Certified RSPO
		Siang	
	Jcorp Estate	Bukit Kelompok	

		Tunjuk Laut	
		Pasir Logok	
		Bukit Payung	

Appendix C: GHG Reporting Executive Summary

The GHG emissions that were produced in 2017 for Tereh Palm Oil Mill and supply base was calculated using the PalmGHG Calculator version 3.0.1. The assessment team had verified the data input in the PalmGHG Calculator against operations records. PalmGHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in 2017 for Tereh Palm Oil Mill and supply base are as following:

Emission per product	tCO ₂ e/tProduct
CPO	1.37
PKO	1.37

Extraction	%
OER	20.41
KER	5.54

Production	t/yr
FFB Process	305,239.32
CPO Produced	62,306.04
PKO Produced	305,239.32

Land Use	Ha
OP Planted Area	19,431.74
OP Planted on peat	0
Conservation (forested)	0
Conservation (non-forested)	207.62
Total	19,639.36

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	125045.03	0.45	586.13	0.63	7495.73	0.27	133126.89	1.35
CO ₂ Emission from fertilizer	4669.16	0.02	11.63	0.01	60.07	0.00	4740.86	0.03
NO ₂ Emmision	8355.38	0.03	19.43	0.02	0.00	0.00	8374.81	0.05
Fuel Consumption	3257.90	0.01	23.32	0.03	101.72	0.00	3382.94	0.04
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sink								
Crop Sequestration	-119020.58	-0.43	-550.92	-0.60	-3543.04	-0.13	-123114.54	-1.16
Conservation Sequestration	-352.12	0.00	0.00	0.00	0.00	0.00	-352.12	0.00
Total	21954.77	0.08	89.59	0.10	4114.48	0.15	26158.84	0.33

*Note: Includes both estates and smallholders

Summary of Mill Emission and Credit

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	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	82318.55	0.27
Fuel Consumption	712.56	0.00
Grid Electricity Utilisation	0.00	0.00
Credit		
Export of Grid Electricity	-314.71	0.00
Sales of PKS	-441.34	0.00
Sales of EFB	0.00	0.00
Total	82275.06	0.27

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO ₂ e
PK from own mill	23139.46
PK from other source	0.00
Fuel Consumptions	0.00
Total Crusher emissions	0.00

*This mill has no kernel crusher operation.

Palm Oil Mill Effluent (POME) Treatment:	
Divert to Compost (%)	41
Divert to anaerobic diversion (%)	59

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

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

5.1 Applicability of the general chain of custody requirements for the supply chain			
	Requirement	Evidence	Compliance
5.1.1	The General Chain of Custody requirements of the RSPO Supply Chain Standard shall apply to any organization throughout the supply chain that takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors. After the end product manufacturer, there is no further requirement for certification.	Kulim headquarter physically handle the RSPO Certified Sustainable oil palm products. All trading, contract and sales are managed by Kulim (Malaysia) Berhad’s Marketing & Insurance Management Department at HQ Ulu Tiram. The relevant personnel held the eTrace registration number for respective mill (Kulim (Malaysia) Berhad - Tereh Palm Oil Mill: RSPO_PO1000001263)	Yes
5.1.2	Traders and distributors require a licence obtained from RSPO Secretariat to sell RSPO certified product but do not themselves require certification. When selling RSPO certified products, a licensed trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	Tereh Palm Oil Mill is not a trader or distributor.	Yes
5.1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform.	Kulim (Malaysia) Berhad held RSPO membership number: 1-0080-09-000-00 since 27 December 2016. Company has registered in PalmTrace system as follows: Member name: KULIM (MALAYSIA) BERHAD - Tereh Palm Oil Mill Member ID: RSPO_PO1000001263 Member category : Oil Mil	Yes
5.1.4	Processing aids do not need to be included within an organization’s scope of certification.	Processing aids was not in used at Tereh Palm oil mill.	Yes
5.2 Supply chain model			
5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system.	Procedure namely Traceability; Doc. # SQD/SMS/1.2; Issue # 1; Rev. # 0; Dated: 1/7/2018 was established by the Sustainability & Quality	Yes

	Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Department of Kulim (Malaysia) Berhad. The procedure covered the traceability of FFB from field until dispatch of CPO from mill.	
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Tereh Palm Oil Mill certified with Identity Preserved (IP) module.	Yes
5.3. Documented Procedures			
5.3.1	The site shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements. 	Procedure namely Traceability; Doc. # SQD/SMS/1.2; Issue # 1; Rev. # 0; Dated: 1/7/2018 was established by the Sustainability & Quality Department of Kulim (Malaysia) Berhad. The procedure covered the traceability of FFB from field until dispatch of CPO from mill.	Yes
	<ul style="list-style-type: none"> • Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). 	Complete up to date records and reports were available in the mill weighbridge computer system (Domain). Training was conducted as per established procedure for Training And Competency; Doc. # SQD/SMS/3.14; Issue # 1; Rev. # 0; Dated: 1/7/2018. Sighted the Training Program 2018; Doc. # SQD/SMS/3.14-F1; Date: 1/7/2018. Latest training on traceability (ISCC/RSPO Stamping) conducted on 5/3/2018 at the mill for relevant traceability handling personnel.	Yes
	<ul style="list-style-type: none"> • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization’s procedures for the implementation of this standard. 	Identified person having overall responsibility for and authority over the implementation of Supply Chain / Traceability is the Mill Manager as per letter of Appointment as person responsible for traceability system; Ref. # SQD/ADMIN/021/2018; Dated: 30/6/2018 Responsibility and authority were elaborated in the traceability procedure. Specific organizational role related to traceability for relevant individual also available as per Company Organization Chart (Doc. # LTM/QM/3.0) and the Job Description (Doc. # LTM/QM/5.0-A3).	Yes

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5.3.2	<p>The site shall have a written procedure to conduct annual internal audit to determine whether the organization;</p> <p>i) conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.</p>	<p>Procedure namely Internal Audit; Doc. # SQD/SMS/5.0; Issue # 1; Rev. # 0; Dated: 1/7/2018. Internal audit was conducted on 5/8/2018 together with MSPO and ISCC.</p>	Yes
	<p>ii) effectively implements and maintains the standard requirements within its organization</p>	<p>The procedure was implemented and maintained by the management. The records (for example Internal audit report done on 5/8/2018) was available for verification. No NCR was raised during the internal audit.</p>	Yes
5.4. Purchasing and goods in			
5.4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and the following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/delivery date; • The date on which the documents were issued; • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply Chain certificate number of the seller; • A unique identification number 	<p>The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB.</p> <p>Records verified by internal and external audit.</p> <p>Tereh POM has system to verify at the weighbridge. Sighted sampled as following:</p> <p>1. Ladang Enggang Despatch Note: 109233 Date: 31/5/2018 Field: P09/2 Weighbridge ticket: 014097 Nett weight: 4.25 mt Lorry no.: WHP 3634</p> <p>2. Ladang Enggang Despatch Note: 109232 Date: 31/5/2018 Field: P09/2 Weighbridge ticket: 014093 Nett weight: 6.34 mt Lorry no.: WEJ 1944</p> <p>3. Ladang Sungai Sembrong</p>	Yes

		<p>Despatch Note: 18547 Date: 31/5/2018 Field: P00/4, P97/3 Weighbridge ticket: 014095 Nett weight: 16.66 mt Lorry no.: JEL 408</p> <p>4. Ladang Sungai Sembrong Despatch Note: 18548 Date: 31/5/2018 Field: P00/3, P97/3 Weighbridge ticket: 014119 Nett weight: 17.23 mt Lorry no.: JED 5440</p> <p>5. Ladang Sungai Tawing Despatch Note: 53835 Date: 31/5/2018 Field: P11, P00 Weighbridge ticket: 014131 Nett weight: 10.17 mt Lorry no.: JCY 8576</p> <p>6. Ladang Sungai Tawing Despatch Note: 53831 Date: 31/5/2018 Field: P12, P01, P02 Weighbridge ticket: 014086 Nett weight: 16.43 mt Lorry no.: JCY 8576</p> <p>7. Ladang Felda Paloh Despatch Note: 0978511 Date: 31/5/2018</p>	
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		<p>Field: P003 Weighbridge ticket: 014141 Nett weight: 7.94 mt Lorry no.: JBV 8586</p> <p>8. Ladang Felda Paloh Despatch Note: 0978510 Date: 31/5/2018 Field: P001 Weighbridge ticket: 014135 Nett weight: 6.27 mt Lorry no.: JRL 2068</p>	
	<ul style="list-style-type: none"> Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). 	<p>Information was complete and was presented on the sampled delivery notes, shipping documents and weighbridge tickets as above.</p>	<p>Yes</p>
	<ul style="list-style-type: none"> The site receiving RSPO certified oil palm products shall ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements/Announcements and Confirmations on the RSPO IT platform per shipment or group shipments. Refer to section 5.7.1 of this document for further guidance. 	<p>Based on Procedure and transaction records available, the site receiving RSPO certified oil palm products were ensured the RSPO certification status are verified. All transactions were confirmed through PalmTrace website.</p>	<p>Yes</p>
	<ul style="list-style-type: none"> A check of the validity of the Supply Chain Certification of suppliers is required for all sites that are SC certified. This shall be checked via the list of RSPO Supply Chain Certified sites on the RSPO website (www.rspo.org) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements. 	<p>Based on Procedure and transaction records available, the site receiving RSPO certified oil palm products were ensured the RSPO certification status were verified. All transactions were confirmed through PalmTrace website.</p>	<p>Yes</p>

	<ul style="list-style-type: none"> The validity of licence for traders and distributors shall also be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements / announcements. 	Not applicable.	Not applicable.
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	Mechanism in place for handling nonconforming oil palm products and/or documents was describe in the procedure available. No non-conforming products recorded since last audit.	Yes
5.5. Outsourcing activities			
5.5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. A CPO mill and independement mil cannot outsource processing activities like refining or crushing.</p> <p>This requirement is not applicable to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the certified organization (not the tank farm manager).</p>	No outsource activity at Tereh POM.	Not applicable.
5.5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <p>a. The site has legal ownership of all input material to be included in outsourced processes;</p>	No outsource activity at Tereh POM.	Not applicable.
	<p>b. The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor.</p>	No outsource activity at Tereh POM.	Not applicable.

	The onus is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.		
	c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.	No outsource activity at Tereh POM.	Not applicable.
	d. The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.	No outsource activity at Tereh POM.	Not applicable.
5.5.3	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	No outsource activity at Tereh POM.	Not applicable.
5.5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or physical handling of RSPO certified oil palm products.	No outsource activity at Tereh POM.	Not applicable.
5.6. Sales and goods out			
5.6.1	<p>The supplying site shall ensure that the following minimum information for RSPO certified products is made available in document form.</p> <ul style="list-style-type: none"> • The name and address of the buyer; • The name and address of the seller; • The loading or shipment/ delivery date; • The date on which the documents were issued; 	<p>CPO agreement and delivery sample:</p> <p>1) Domestic Sale/Purchase Contract For Malaysian Palm Kernels; Sellers: Mahamurni Plantations Sdn. Bhd.; Buyers: Intercontinental Specialty Fats Sdn. Bhd.; Contract # CPOIP-M1839; Date: 13/7/2018; Commodity: RSPO Identity Preserved Crude Palm Oil In Bulk; Quantity: 3,000mt</p> <ul style="list-style-type: none"> - Despatch ticket # C00931; Lorry # BFT 4129; Date: 25/7/2018; PL3 # C900281; Nett weight: 41.11 mt - Despatch ticket # C00932; Lorry # DBC 1370; Date: 25/7/2018; PL3 # C900436; Nett weight: 40.68 mt 	Yes

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	<ul style="list-style-type: none"> • A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); • The quantity of the products delivered; • Any related transport documentation; • Supply chain certificate number of the seller; • A unique identification number 	<p>2) Domestic Sale/Purchase Contract For Malaysian Palm Kernels; Sellers: Mahamurni Plantations Sdn. Bhd.; Buyers: Intercontinental Specialty Fats Sdn. Bhd.; Contract # CPOIP-M1838; Date: 2/7/2018; Commodity: RSPO Identity Preserved Crude Palm Oil In Bulk; Quantity: 3,000mt</p> <ul style="list-style-type: none"> - Despatch ticket # C00899; Lorry # DBC 1370; Date: 13/7/2018; PL3 # C877611; Nett weight: 40.34 mt - Despatch ticket # C00900; Lorry # WEQ 3589; Date: 13/7/2018; PL3 # C877978; Nett weight: 40.97 mt <p>PK agreement and delivery sample:</p> <p>1) Domestic Sale/Purchase Contract For Malaysian Palm Kernels; Sellers: Mahamurni Plantations Sdn. Bhd.; Buyers: PGEO Oil Mill Sdn. Bhd.; Contract # MPOK 1769IP; Date: 19/10/2017; Commodity: Palm Kernel In Bulk/RSPO IP; Quantity: 500mt</p> <ul style="list-style-type: none"> - Despatch ticket # K00259; Lorry # JLE 3222; Date: 19/8/2018; Collection order #PGR-PK 39749; Nett weight: 42.19 mt - Despatch ticket # K00260; Lorry # JSA 3222; Date: 20/8/2018; Collection order #PGR-PK 39656; Nett weight: 40.46 mt <p>2) Domestic Sale/Purchase Contract For Malaysian Palm Kernels; Sellers: Mahamurni Plantations Sdn. Bhd.; Buyers: PGEO Oil Mill Sdn. Bhd.; Contract # MPOK 1768IP; Date: 19/10/2017; Commodity: Palm Kernel In Bulk/RSPO IP; Quantity: 500mt</p> <ul style="list-style-type: none"> - Despatch ticket # K00198; Lorry # JMA 2223; Date: 7/6/2018; Collection order #PGR-PK 39049; Nett weight: 37.11 mt - Despatch ticket # K00199; Lorry # JMA 2223; Date: 8/6/2018; Collection order #PGR-PK 38911; Nett weight: 37.97 mt 	
	<ul style="list-style-type: none"> • Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation). 	<p>Based on records checked at mill, all information were completely presented across a range of documents issued for RSPO certified oil palm products including sales book, despatch note, weighbridge tickets as above.</p>	<p>Yes</p>

	<ul style="list-style-type: none"> For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcements / Announcements and Confirmations on the RSPO IT platform per shipment or group of shipments. Refer to section 5.7.1 of this document for further guidance. 	Announcement registered in PalmTrace system by the Marketing Department of Kulim (M) Berhad in Ulu Tiram, Johor. Based on PalmTrace transaction report, there were multiple (as per appendix) shipping announcements of both CSPO and CSPK made since the last assessment.	Yes
5.7. Registration of transactions			
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> are mills, traders, crushers and refineries and; take legal ownership and/or physically handle RSPO Certified Sustainable oil palm products that are available in the yield scheme of the RSPO IT Platform (Figure 2 and 3, Refer Annex 1) shall register their transaction in the RSPO IT platform and confirm upon receipt where applicable. 	The registration of PalmTrace was carried out by the Marketing Department based in Ulu Tiram HQ, Johor. All transactions were registered accordingly in the PalmTrace.	Yes
5.7.2	<p>The involved supply chain actors mentioned in 5.7.1 shall do the following actions in the RSPO IT Platform:</p> <ul style="list-style-type: none"> Shipping Announcement / Announcement: When RSPO certified volume is sold as certified, the volumes of products that are in the yield scheme (Figure 2 and 3, refer Annex 1) shall be registered as a Shipping Announcement / Announcement in the RSPO IT Platform. The declaration time to do Shipping announcement / Announcement is based on members' own standard operating procedures. 	Based on the announcement summary, all the registrations were found to be in order.	Yes
	<ul style="list-style-type: none"> Trace: When RSPO certified volumes are sold as RSPO certified to actors in the supply chain beyond the refinery, the volume shall be traced at least annually. Tracing triggers the generation of a trace document 	Not applicable. Products are not sold beyond refinery.	Not applicable

	with a unique traceability number. Tracing can be done in a consolidated way at least annually.		
	<ul style="list-style-type: none"> Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed. 	Based on the accounting (Mass Balance Allocation Sheet), the removal of volumes was done correctly when the products were sold as conventional.	Yes
	<ul style="list-style-type: none"> Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements. 	Based on the announcement summary, all the confirmations were found to be in order.	Yes
5.8. Training			
5.8.1	The organization shall have a training plan on RSPO Supply Chain Standards requirements, which is subject to on-going review and is supported by records of the training provided to staff.	Training plan on RSPO Supply Chain Standards requirements was established at mill with support by Sustainability team from HQ.	Yes
5.8.2	Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification standard requirements. Training shall be specific and relevant to the task(s) performed.	Training was conducted by SQD personnel on 5/3/2018 to all Supply Chain Committee members of Tereh POM i.e. Manager, Assistant Mill Manager, Weighbridge Clerk, Felsco, Lab Analyst, Operation Supervisor and FFB Grader.	Yes
5.9. Record Keeping			
5.9.1	The organization shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification Standard requirements.	Tereh Palm Oil Mill has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.	Yes
5.9.2	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	Positive stock was reported as of the record dated 23/9/2018 for CPO = 2,539.32 mt.	Yes

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5.9.3	The organization shall be able to provide the estimate volume of palm oil/palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	Based on the Mass Balance Sheet, the volume of CPO and PK has been allocated to both certified and noncertified products.	Yes
5.10. Conversion factors			
5.10.1	Where applicable a conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which shall be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website (www.rspo.org); RSPO Rules for Physical Transition of Oleochemicals and its Derivaties. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries.	Conversion factor of CPO and PK production is depending on the actual OER and KER. Previous period under review's average were reported in earlier section of this report.	Yes
5.10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	The facility is using the actual extraction rate and therefore updating of rates is not necessary.	Yes
5.11. Claims			
5.11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO Rules on Market Communications and Claims.	RSPO trademark was not use. Nonetheless, the facility is aware with the requirements of the RSPO Rules on Market Communications and Claims.	Yes
5.12. Complaints			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	The procedure for collecting and resolving stakeholder complaints were based on ISO procedure Managing Customer Feedback; Doc. # LTM/SOP/9.4; Issue # 3; Rev. # 0; Dated: 1/1/2018 and SPO Grievance Procedure Program 6.3 (Kulim Grievance Procedure Plans);	Yes

		Dated 4/9/2007. The record shown that there was one complaint related to quality of PK despatched on May 2018.	
5.13. Management Review			
5.13.1	The organization is required to hold management reviews annually at planned intervals, appropriate to the scale and nature of the activities undertaken.	Management review meeting was conducted on 6/9/2018	Yes
5.13.2	The input to management review shall include information on: <ul style="list-style-type: none"> • Results of internal audits covering RSPO Supply Chain Certification Standard. • Customer feedback. • Status of preventive and corrective actions. • Follow-up actions from management reviews. • Changes that could affect the management system. • Recommendations for improvement. 	Meeting was conducted as combined RSPO/MSP0/ISCC supply chain review meeting. Input to management review adequately included with all information required to be reviewed.	Yes
5.13.3	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> • Improvement of the effectiveness of the management system and its processes. • Resource needs. 	Output to management review has been included with all information required to be decided on action to be taken.	Yes

Appendix E *(Please choose either IP / MB)*

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

D.1 Definition			
	Requirement	Evidence For any N/A raised, justification is required.	Compliance (Yes / No or N/A)
D.1.1	A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from plantation/ estates that are certified against the RSPO Principles and Criteria (RSPO P&C), or against the Group Certification scheme. Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, then only Module E is applicable.	Ladang Tereh Palm Oil Mill only receives certified FFB. Therefore, qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.	Yes
D.2 Explanation			
D.2.1	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.	Yes

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D.2.2	The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).	Kulim (Malaysia) Berhad held RSPO membership number: 1-0080-09-000-00 since 27 December 2016. Company has registered in PalmTrace system as follows: Member name: KULIM (MALAYSIA) BERHAD - Tereh Palm Oil Mill Member ID: RSPO_PO1000001263 Member category : Oil Mil	Yes
D.3 Documented procedures			
D.3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a. Complete and up to date procedures covering the implementation of all the elements in these requirements;	Procedure namely Traceability; Doc. # SQD/SMS/1.2; Issue # 1; Rev. # 0; Dated: 1/7/2018 was established by the Sustainability & Quality Department of Kulim (Malaysia) Berhad. The procedure covered the traceability of FFB from field until dispatch of CPO from mill.	Yes
	b. The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site’s procedures for the implementation of this standard.	Identified person having overall responsibility for and authority over the implementation of Supply Chain / Traceability is the Mill Manager as per letter of Appointment as person responsible for traceability system; Ref. # SQD/ADMIN/021/2018; Dated: 30/6/2018 Responsibility and authority were elaborated in the traceability procedure. Specific organizational role related to traceability for relevant individual also available as per Company Organization Chart (Doc. # LTM/QM/3.0) and the Job Description (Doc. # LTM/QM/5.0-A3).	Yes
D.3.2	The site shall have documented procedures for receiving and processing certified FFBs.	Procedure namely Traceability; Doc. # SQD/SMS/1.2; Issue # 1; Rev. # 0; Dated: 1/7/2018 was established by the Sustainability & Quality Department of Kulim (Malaysia) Berhad. The procedure covered the traceability of FFB including receiving and processing of certified FFBs.	Yes

D.4 Purchasing and goods in			
D.4.1	The site shall verify and document the tonnage and sources of certified FFBS received.	<p>The daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified FFB. Records verified by internal and external audit. Tereh POM has system to verify at the weighbridge. Sighted sampled as following:</p> <ol style="list-style-type: none"> 1. Ladang Enggang Despatch Note: 109233 Date: 31/5/2018 Field: P09/2 Weighbridge ticket: 014097 Nett weight: 4.25 mt Lorry no.: WHP 3634 2. Ladang Enggang Despatch Note: 109232 Date: 31/5/2018 Field: P09/2 Weighbridge ticket: 014093 Nett weight: 6.34 mt Lorry no.: WEJ 1944 3. Ladang Sungai Sembrong Despatch Note: 18547 Date: 31/5/2018 Field: P00/4, P97/3 Weighbridge ticket: 014095 Nett weight: 16.66 mt Lorry no.: JEL 408 4. Ladang Sungai Sembrong Despatch Note: 18548 	Yes

		<p>Date: 31/5/2018 Field: P00/3, P97/3 Weighbridge ticket: 014119 Nett weight: 17.23 mt Lorry no.: JED 5440</p> <p>5. Ladang Sungai Tawing Despatch Note: 53835 Date: 31/5/2018 Field: P11, P00 Weighbridge ticket: 014131 Nett weight: 10.17 mt Lorry no.: JCY 8576</p> <p>6. Ladang Sungai Tawing Despatch Note: 53831 Date: 31/5/2018 Field: P12, P01, P02 Weighbridge ticket: 014086 Nett weight: 16.43 mt Lorry no.: JCY 8576</p> <p>7. Ladang Felda Paloh Despatch Note: 0978511 Date: 31/5/2018 Field: P003 Weighbridge ticket: 014141 Nett weight: 7.94 mt Lorry no.: JBV 8586</p> <p>8. Ladang Felda Paloh Despatch Note: 0978510 Date: 31/5/2018 Field: P001</p>	
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		Weighbridge ticket: 014135 Nett weight: 6.27 mt Lorry no.: JRL 2068	
D.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	The site aware that CB shall be inform immediately in case of any projected overproduction of certified tonnage.	Yes
D.5 Record keeping			
D.5.1	The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. <i>IP Mill must report on real time basis.</i>	Tereh Palm Oil Mill has maintained the accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements. Positive stock was reported as of the record dated 23/9/2018 for CPO = 2,539.32 mt.	Yes
D.6 Processing			
D.6.1	The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non- certified oil palm product including during transport and storage to strive for 100% separation.	During this assessment it was confirmed that only certified source of FFB from own plantation. This ensures that there is no possibility of mixing during processing.	Yes

Appendix E: CPO Mill Supply Chain Assessment Report (Module *E* - CPO Mills: *Mass Balance*)

E.1 Definition			
	Requirement	Evidence For any N/A raised, justification is required.	Compliance (Yes / No or N/A)
E.1.1	Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and sales volume of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.	N/A	N/A
E.2 Explanation			
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. For an independent mill, the estimated tonnage of CPO and PK products must be recorded in the RSPO IT platform, supply chain certificate and public summary audit report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	N/A	N/A
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).	N/A	N/A
E.3 Documented procedures			

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: a. Complete and up to date procedures covering the implementation of all the elements in these requirements;	N/A	N/A
	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.	N/A	N/A
E.3.2	The site shall have documented procedures for receiving and processing certifies an non-certified FFBS.	N/A	N/A
E.4 Purchasing and goods in			
E.4.1	The site shall verify and document the volumes of certified and non-certified FFBS received.	N/A	N/A
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	N/A	N/A
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 real-time basis and / or three-monthly basis by RSPO.	N/A	N/A
	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	N/A	N/A

	c. The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a site is allowed to sell short. (i.e. product can be sold before it is in stock.) For further details refer to Module C.	N/A	N/A
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Supply Chain Declaration *(Applicable For Appendix E)*

A. Monthly Records of Certified and Uncertified FFB Received since the last audit (Nov 17 – Oct 18)				
No.	Month - Year	Volume of FFB from certified supply bases (mt)	Volume of FFB from uncertified supply bases (mt)	Total FFB/Month (mt)
1	November 2017	37,202.62	-	37,202.62
2	December 2017	34,474.48	-	34,474.48
3	January 2018	25,738.53	-	25,738.53
4	February 2018	27,816.80	-	27,816.80
5	March 2018	25,227.69	-	25,227.69
6	April 2018	24,988.70	-	24,988.70
7	Mei 2018	23,103.88	-	23,103.88
8	June 2018	19,070.62	-	19,070.62
9	July 2018	19,794.69	-	19,794.69
10	August 2018	24,802.26	-	24,802.26
11	September 2018	31,835.01	-	31,835.01
12	October 2018	35,240.53	-	35,240.53

B. Monthly Records of Certified CPO & PK since the last audit (Nov 17 – Oct 18)			
No.	Month - Year	Certified CPO (mt)	Certified PK (mt)
1	November 2017	7632.59	2116.27
2	December 2017	7,300.53	1,973.12
3	January 2018	4,994.80	1,536.76
4	February 2018	5,853.55	1,591.73
5	March 2018	5,435.23	1,522.70
6	April 2018	5,336.66	1,384.25
7	Mei 2018	4,571.79	1,238.22
8	June 2018	4,124.37	895.97
9	July 2018	4,076.69	1,011.20
10	August 2018	5,282.36	1,360.03
11	September 2018	6,594.28	1,695.12
12	October 2018	7,399.42	1,939.24

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C. Records of Certified CPO & PK Sold under PalmTrace to Buyers since the last audit (if any)				
No.	Buyers Name	Palmtrace Trading License Number	Certified CPO Sold (mt)	Certified PK Sold (mt)
1	Buyer A	TR-4718e961-36b7	346.75	-
2	Buyer A	TR-706977ab-9570	420.39	-
3	Buyer A	TR-a7d9c27f-b2e0	384.58	-
4	Buyer A	TR-334260cc-5dcb	260.95	-
5	Buyer A	TR-7dc61ef5-3608	336.11	-
6	Buyer A	TR-2618de8f-07c3	2199.51	-
7	Buyer A	TR-90387a75-235a	1348.41	-
8	Buyer A	TR-66446eff-e3e1	1656.74	-
9	Buyer A	TR-5449663b-d9ac	1725.41	-
10	Buyer A	TR-5390568b-7f6d	311.36	-
11	Buyer A	TR-081ea4d6-a820	343.27	-
12	Buyer A	TR-7c37a5c1-9026	500.00	-
13	Buyer A	TR-230fb446-4d2c	500.00	-
14	Buyer B	TR-95af9b5d-9719	600.00	-
15	Buyer B	TR-172d6e8e-7469	250.00	-
16	Buyer B	TR-f813dfbf-e554	600.00	-
17	Buyer B	TR-b0aa7e8e-0a77	613.22	-
18	Buyer A	TR-cc8667a4-c063	541.38	-
19	Buyer A	TR-2f22531f-fa68	500.00	-
20	Buyer A	TR-ef8baa3f-7398	3000.00	-
21	Buyer A	TR-cfff3c6a-d3b6	500.00	-
22	Buyer A	TR-1220aebb-bc64	500.00	-
23	Buyer A	TR-c85b6ab1-6a20	500.00	-
24	Buyer B	TR-04c24491-78cf	71.03	-
25	Buyer A	TR-5bd589c3-5c8a	500.00	-
26	Buyer A	TR-09e64484-dc53	500.00	-
27	Buyer A	TR-bb8fa4e5-1b05	500.00	-
28	Buyer A	TR-b471ac62-4b11	3000.00	-
29	Buyer A	TR-af81aa09-e9e9	500.00	-
30	Buyer A	TR-0f4ce132-cd4f	500.00	-
31	Buyer A	TR-dbdac800-d42f	500.00	-
32	Buyer A	TR-3c5da67a-b394	500.00	-
33	Buyer A	TR-812060f8-5508	500.00	-

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34	Buyer A	TR-29a21404-777e	500.00	-
35	Buyer C	TR-dcaef692-bce2	916.14	-
36	Buyer B	TR-c3450975-3806	36.99	-
37	Buyer A	TR-0d8b6828-8a82	3000.00	-
38	Buyer A	TR-2b0f5886-3d73	500.00	-
39	Buyer A	TR-8a62aa10-2bc6	500.00	-
40	Buyer A	TR-6e66e2b6-c7cf	458.75	-
41	Buyer D	TR-d04db9f0-fcf9	165.94	-
42	Buyer A	TR-bceb5d12-3435	500.00	-
43	Buyer A	TR-0114123f-3ad1	500.00	-
44	Buyer A	TR-2808b4a2-7bbc	500.00	-
45	Buyer A	TR-6bcebed4-394d	500.00	-
46	Buyer A	TR-c93afd2e-b291	500.00	-
47	Buyer A	TR-6290f429-843f	500.00	-
48	Buyer A	TR-ceb1d91b-f04d	500.00	-
49	Buyer A	TR-6e860e51-7678	500.00	-
50	Buyer A	TR-06af9cbc-cf71	500.00	-
51	Buyer A	TR-7d1aff32-b27b	500.00	-
52	Buyer A	TR-2a22d923-5652	500.00	-
53	Buyer A	TR-12a87409-dcda	500.00	-
54	Buyer A	TR-5f4e0971-97a9	500.00	-
55	Buyer A	TR-08b8cd03-f3f2	500.00	-
56	Buyer A	TR-868223ee-8764	500.00	-
57	Buyer A	TR-03eae45f-222b	466.75	-
58	Buyer A	TR-f16b3842-2052	500.00	-
59	Buyer A	TR-1ecab32f-1cde	500.00	-
60	Buyer C	TR-e2cca096-e1fe	323.58	-
61	Buyer A	TR-0f08f5ab-3c7b	500.00	-
62	Buyer A	TR-f5961254-eb70	500.00	-
63	Buyer A	TR-e2d56138-c5fc	500.00	-
64	Buyer A	TR-21eb480b-5df9	3000.00	-
65	Buyer A	TR-247b6514-96e3	500.00	-
66	Buyer A	TR-dbf06a15-e3cb	500.00	-
67	Buyer A	TR-e19a938a-77a7	500.00	-
68	Buyer A	TR-d837a7f1-63cb	500.00	-
69	Buyer A	TR-0a5c2b10-fbba	1829.32	-

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70	Buyer A	TR-96fd0541-0280	383.15	-
71	Buyer E	TR-30e3d145-f56b	32.89	-
72	Buyer E	TR-2e88b837-c02b	645.47	-
73	Buyer F	Tr-Fe2071fe-E9f8	-	150.43
74	Buyer F	Tr-380f414f-2a32	-	167.03
75	Buyer F	Tr-F43334b0-67db	-	191.98
76	Buyer F	Tr-De87bf8b-E3c5	-	196.88
77	Buyer F	Tr-6adbd855-8350	-	189.99
78	Buyer F	Tr-6fc02688-1c7d	-	357.98
79	Buyer F	Tr-183842b9-0e37	-	189.04
80	Buyer F	Tr-4446f4a6-Ae61	-	238.85
81	Buyer F	Tr-E516ff9a-66ea	-	226.75
82	Buyer B	Tr-30846534-A2df	-	808.84
83	Buyer F	Tr-Ca35da98-61dc	-	375.39
84	Buyer F	Tr-071f0380-96fc	-	302.46
85	Buyer F	Tr-67b86b4e-6e85	-	432.41
86	Buyer F	Tr-F666f7e1-D0e5	-	52.00
87	Buyer F	Tr-420e8206-46d2	-	301.00
88	Buyer F	Tr-1feae577-C8d3	-	148.13
89	Buyer F	Tr-3fef9820-2bf5	-	51.53
90	Buyer G	Tr-A0892e3a-Ab1b	-	83.92
91	Buyer F	Tr-A8732658-688d	-	60.15
92	Buyer F	Tr-A323d549-37b4	-	16.56
93	Buyer F	Tr-C4708e90-9d8a	-	112.63
94	Buyer H	Tr-B5ef44dc-7c06	-	117.94
95	Buyer F	Tr-69c3f6e4-B93e	-	191.90
96	Buyer H	Tr-B7e3f6b2-3991	-	88.31
97	Buyer F	Tr-1eb46a02-F301	-	44.45
98	Buyer F	Tr-6416e9cd-6680	-	42.28

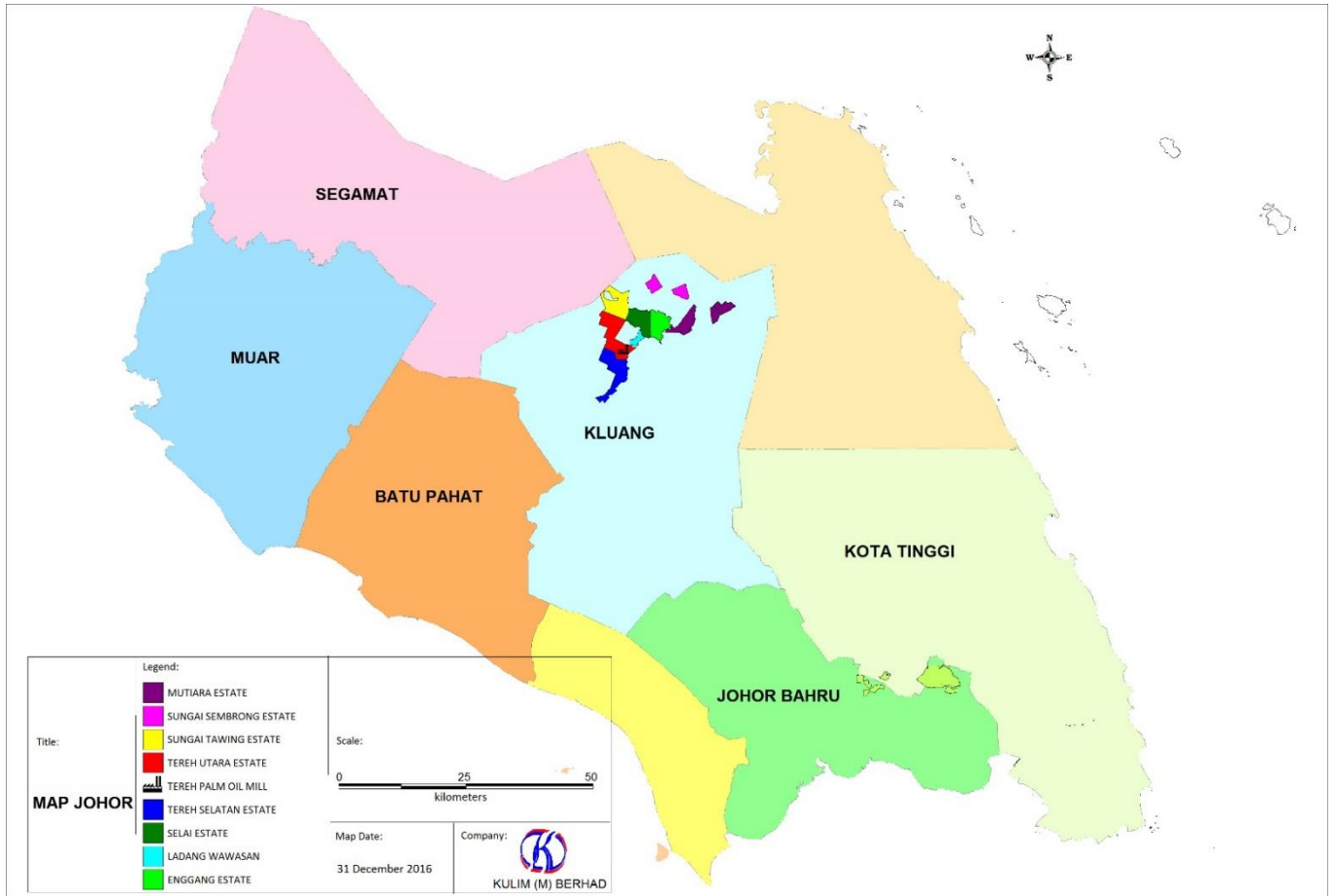
D. Records of CPO & PK Sold under other schemes to Buyers since the last audit (if any)				
No.	Buyers Name	Scheme Name	CPO Sold (mt)	PK Sold (mt)
1	A	ISCC	1,454.00	-
-	-	-	-	-

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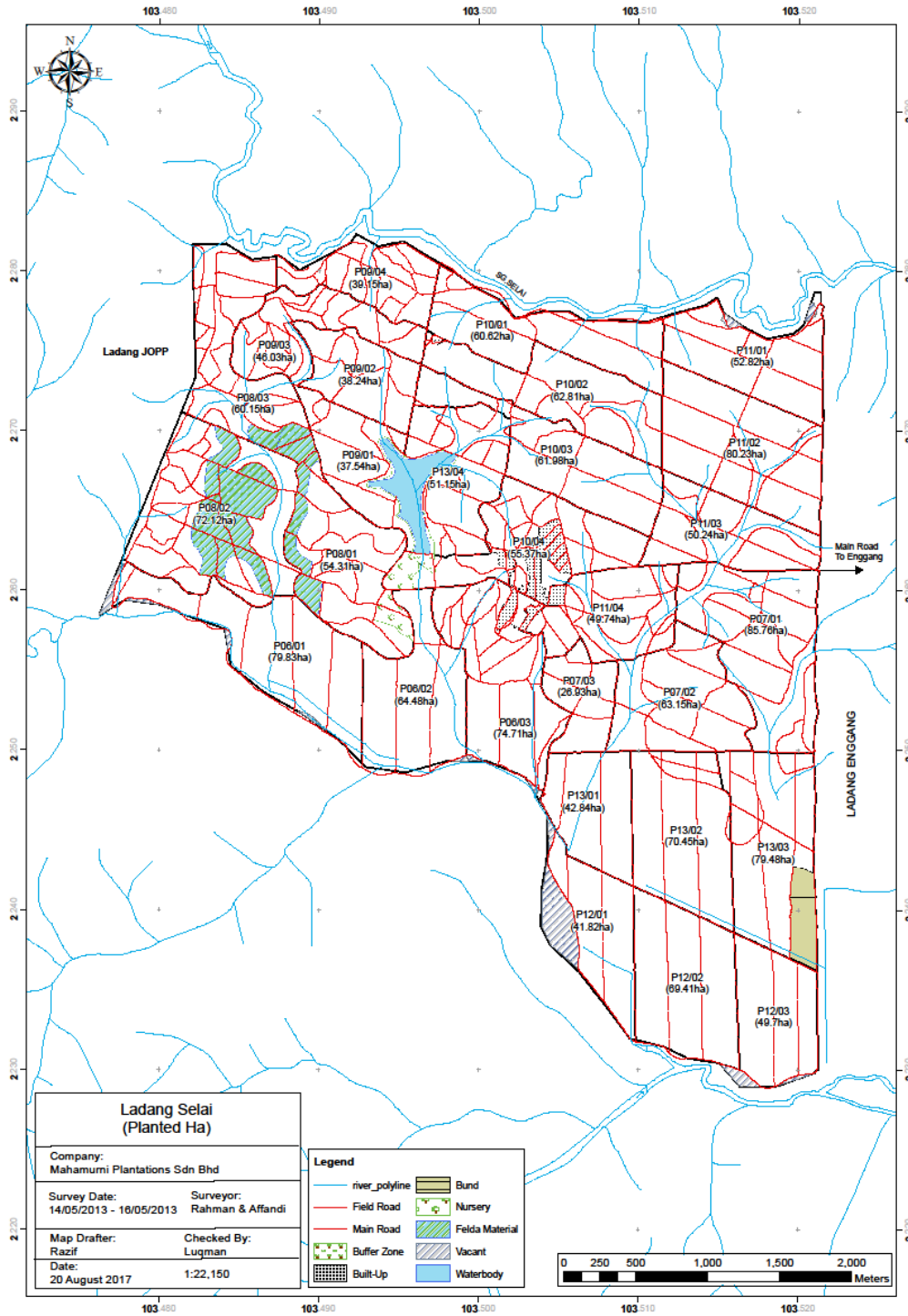
E. Records of CPO & PK Sold as conventional to Buyers since the last audit (if any)			
No.	Buyers Name	CPO Sold (mt)	PK Sold (mt)
1	A	40.21	-
2	B	-	7,962.63

F. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any)			
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
Nil	n/a	n/a	n/a
-	-	-	-

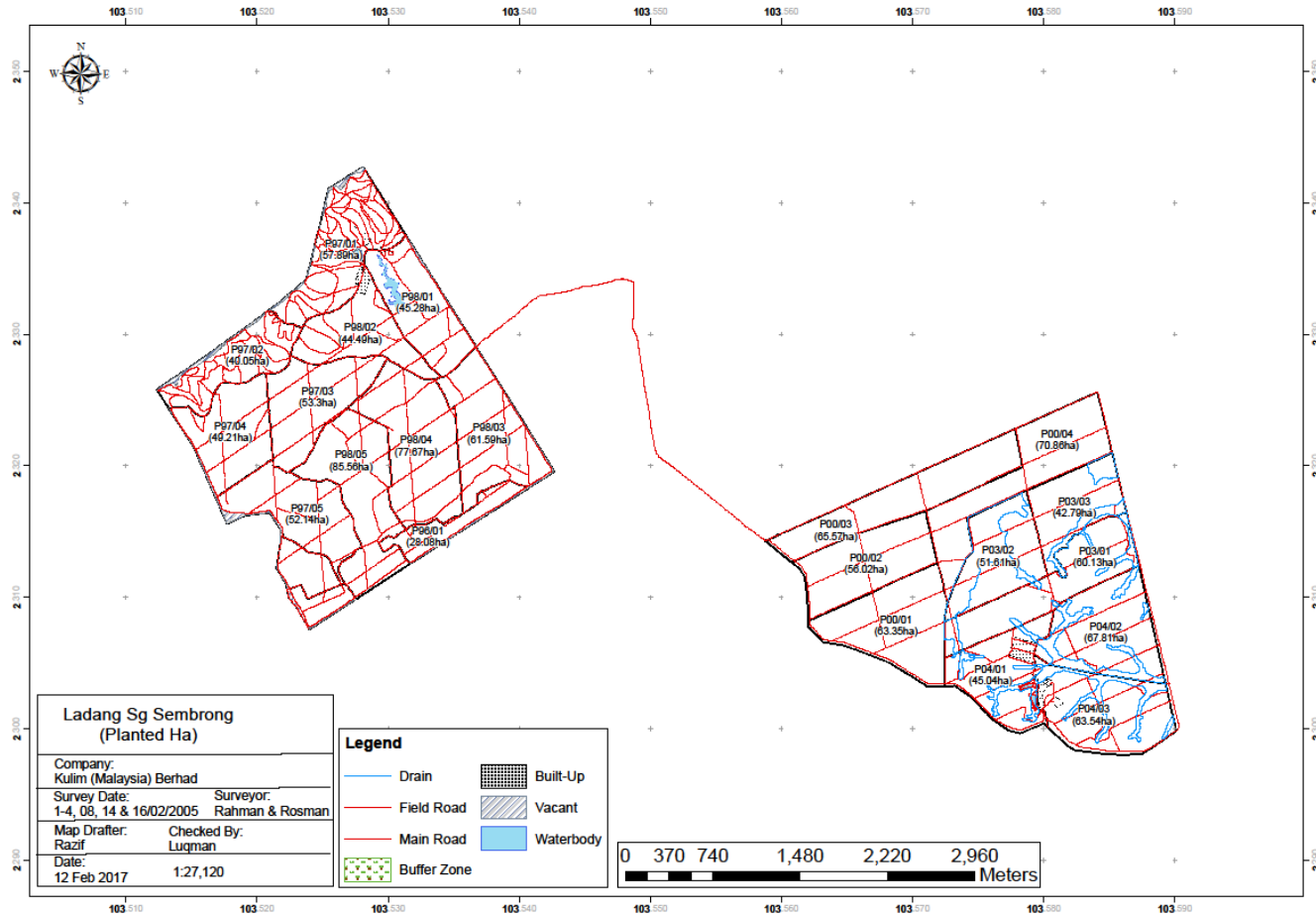
Appendix F: Location Map of Tereh Palm Oil Mill Certification Unit and Supply bases



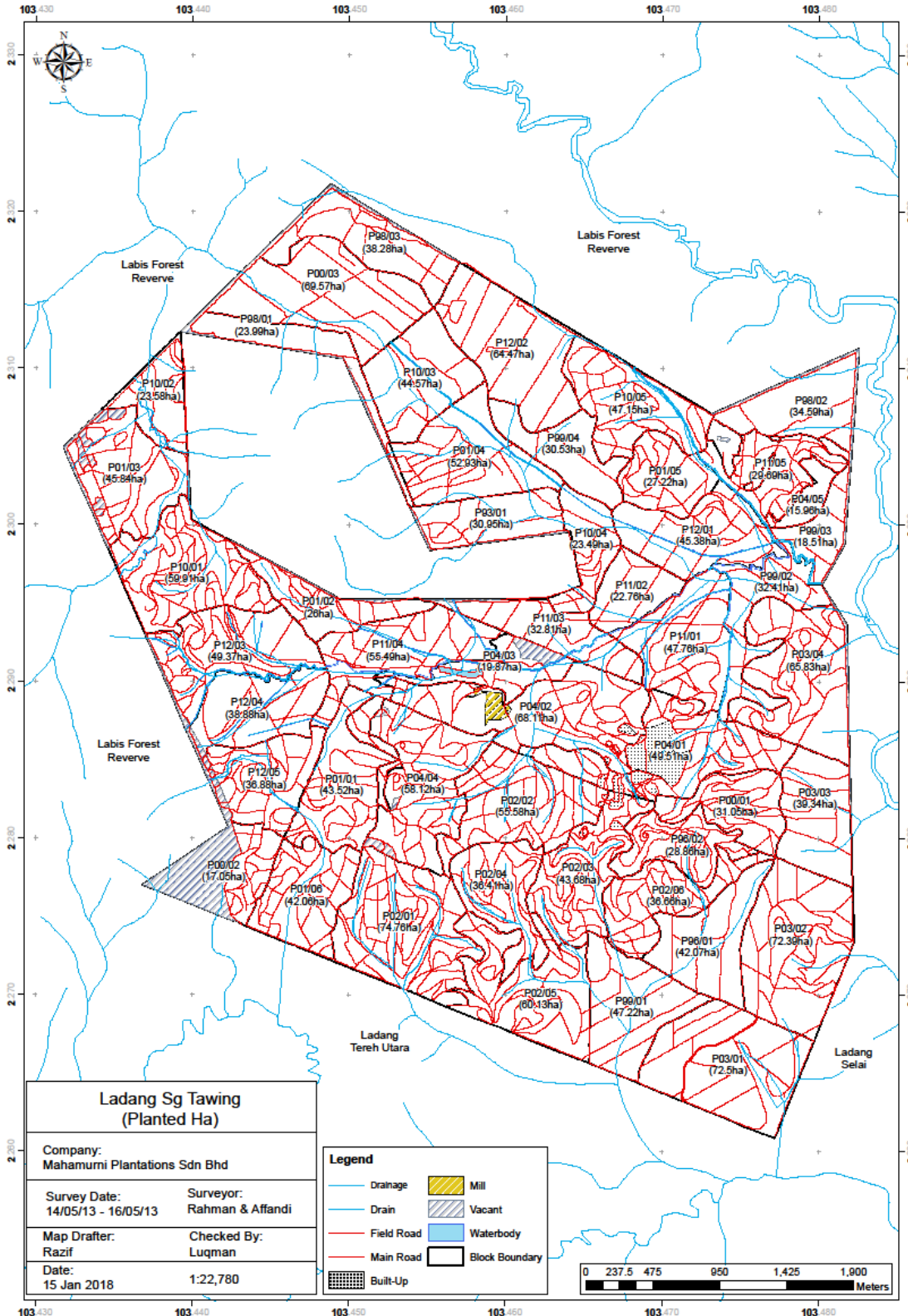
Appendix G: Selai Estate Field Map



Appendix H: Sg. Sembrong Estate Field Map



Appendix I: Sg. Tawing Estate Field Map



Appendix J: List of Smallholder Sampled *(If applicable – scheme/associated/group certification)*

Not applicable

Appendix K: List of Abbreviations

a.i	Active Ingredient
BOD	Biochemical Oxygen Demand
CB	Certification Bodies
CHRA	Chemical Health Risk Assessment
COD	Chemical Oxygen Demand
CPO	Crude Palm Oil
CSPO	Certified Sustainable Palm Oil
CSPKO	Certified Sustainable Palm Kernel Oil
EFB	Empty Fruit Bunch
EHS	Environmental, Health and Safety
EIA	Environmental Impact Assessment
EMS	Environmental Management System
FFB	Fresh Fruit Bunch
FPIC	Free, Prior, Informed and Consent
GAP	Good Agricultural Practice
GHG	Greenhouse Gas
GMP	Good Manufacturing Practice
GPS	Global Positioning System
HCV	High Conservation Value
IPM	Integrated Pest Management
IP	Identity Preserved
IS - CSPO	Independent Smallholder Certified Sustainable Palm Oil
IS – CSPKO	Independent Smallholder Certified Sustainable Palm Kernel Oil
IS – CSPKE	Independent Smallholder Certified Sustainable Palm Kernel Expeller
ISCC	International Sustainable Carbon Certification
LD50	Lethal Dose for 50 sample
MB	Mass Balance
MSDS	Material Safety Data Sheet
MT	Metric Tonnes
OER	Oil Extraction Rate
OSH	Occupational Safety and Health
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
P&C	Principles & Criteria
RTE	Rare, Threatened or Endangered species
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SIA	Social Impact Assessment
SOP	Standard Operating Procedure