

**RSPO PRINCIPLE AND CRITERIA –  
Recertification Assessment (RC\_2)  
Public Summary Report**

<b>Kulim (Malaysia) Berhad</b>
Client company address: Kulim (Malaysia) Berhad K.B 705 80990 Johor Bahru Johor, Malaysia
Certification Unit: <b>Sedenak Palm Oil Mill and supply base</b>  Location of Certification Unit:  KB 721 80990 Kulai Johor Bahru Johor, Malaysia

**TABLE of CONTENTS**

**Page No**

Section 1: Scope of the Certification Assessment.....	4
1.    Company Details .....	4
2.    Certification Information .....	4
3.    Other Certifications.....	4
4.    Location(s) of Mill & Supply Bases .....	5
5.    Description of Supply Base .....	5
6.    Plantings & Cycle.....	5
7.    Certified Tonnage of FFB (Own Certified Scope) .....	6
8.    Certified Tonnage of FFB (from other certified unit(s)) if applicable *.....	6
9.    Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable .....	6
10.   Certified Tonnage .....	7
11.   Actual Sold Volume (CPO) .....	7
12.   Actual Sold Volume (PK) .....	8
13.   Actual Group certification Claims .....	8
Section 2: Assessment Process .....	9
2.1   Assessment Methodology, Programme, Site Visits.....	9
2.3   Assessment Plan .....	12
Section 3: Assessment Findings .....	16
3.1   Normative requirement applied for this assessment:.....	16
3.2   Time Bound Plan progress for multiple management units .....	16
3.3   Progress of scheme smallholders and/or outgrowers (if applicable to this assessment) .....	18
3.4   Details of findings .....	18
3.4.1 Status of Nonconformities Previously Identified and Observations .....	22
3.4.2 Summary of the Nonconformities and Status.....	26
Formal Signing-off of Assessment Conclusion and Recommendation .....	29
Appendix A: Summary of Findings .....	30
Appendix B: Approved Time Bound Plan.....	123
Appendix C: GHG Reporting Executive Summary .....	125
Appendix D: General Chain of Custody Requirements for the Supply Chain.....	127
Appendix E: CPO Mill Supply Chain Assessment Report (Module E - CPO Mills: Mass Balance )...145	
Supply Chain Declaration ( <i>Applicable For Appendix E</i> ) .....	148
Appendix F: Location Map of Sedenak Palm Oil Mill Certification Unit and Supply bases .....	151
Appendix G: Sedenak Estate Field Map.....	152

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Appendix H: Ulu Tiram Estate Field Map.....153  
Appendix I: Kuala Kabong Estate Field Map .....154  
Appendix J: Basir Ismail Estate Field Map .....155  
Appendix K: List of Smallholder Sampled *(If applicable – scheme/associated/group certification)* 156  
Appendix L: List of Abbreviations .....157

## Section 1: Scope of the Certification Assessment

1. Company Details			
<b>RSPO Membership Number</b>	1-0080-09-000-00	<b>Membership Approval Date</b>	15/06/2009
<b>Parent Company Name</b>	Johor Corporation		
<b>Address</b>	Level 16, Menara Komtar, Johor Bahru City Centre 80000 Johor Bahru, Johor, Malaysia		
<b>Subsidiary (Certification Unit Name)</b>	Sedenak Palm Oil Mill		
<b>Address</b>	KB 721 80990 Kulai, Johor, Malaysia		
<b>Contact Name</b>	Mrs Salasah Elias		
<b>Website</b>	www.kulim.com.my	<b>E-mail</b>	<a href="mailto:salasah@kulim.com.my">salasah@kulim.com.my</a>
<b>Telephone</b>	+607 8611611	<b>Facsimile</b>	+607 8631084

2. Certification Information			
<b>Certificate Number</b>	RSPO 537873	<b>Date of First Certification</b>	23/01/2009
		<b>Certificate Start Date</b>	23/01/2019
		<b>Certificate Expiry Date</b>	22/01/2024
<b>Scope of Certification</b>	Palm Oil and Palm Kernel Production from Sedenak Palm Oil Mill and Supply Base (Sedenak, Ulu Tiram, Kuala Kabong and Basir Ismail Estate)		
<b>Applicable Standards</b>	RSPO P&C 2013 (MYNI-2014) and RSPO Supply Chain Certification Standard 2017 (CPO Mill – Module E)		

3. Other Certifications			
<b>Certificate Number</b>	<b>Standard(s)</b>	<b>Certificate Issued by</b>	<b>Expiry Date</b>
EU-ISCC-Cert-DE119-60192022	ISCC EU	ASG CERT	12/03/2020
A77597	MS 1500:2009	JAKIM	30/06/2019
QMS 00705	ISO 9001:2008	SIRIM QAS International Sdn Bhd	14/10/2020
MSPO 697951	MSPO 2530-4:2013	BSI	09/03/2020
MSPO 697952	MSPO 2530-3:2013	BSI	09/03/2020

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

<b>4. Location(s) of Mill &amp; Supply Bases</b>			
<b>Name (Mill / Supply Base)</b>	<b>Location [Map Reference #]</b>	<b>GPS Coordinates</b>	
		<b>Latitude</b>	<b>Longitude</b>
Sedenak Palm Oil Mill	Kulai, Johor, Malaysia	1° 43' 47.41" N	103° 32' 21.97" E
Sedenak Estate	Kulai, Johor, Malaysia	1° 42' 48.79" N	103° 31' 36.24" E
Ulu Tiram Estate	Ulu Tiram, Johor, Malaysia	1° 37' 28.02" N	103° 47' 26.40" E
Kuala Kabong Estate	Kulai, Johor, Malaysia	1° 41' 20.10" N	103° 26' 0.87" E
Basir Ismail Estate	Kota Tinggi, Johor, Malaysia	1° 37' 47.84" N	103° 54' 52.07" E

<b>5. Description of Supply Base</b>					
<b>Estate</b>	<b>Total Planted (Mature + Immature) (ha)</b>	<b>HCV (ha)</b>	<b>Infrastructure &amp; Other (ha)</b>	<b>Total Area (ha)</b>	<b>% of Planted</b>
Sedenak Estate	2,619.69	26.89	161.92	2,808.50	93.28
Ulu Tiram Estate	478.08	23.11	196.86	698.05	68.49
Kuala Kabong Estate	1,622.70	12.01	83.61	1,718.32	94.44
Basir Ismail Estate	2,906.86	50.69	239.08	3,196.63	90.94
<b>Total</b>	<b>7,627.33</b>	<b>112.70</b>	<b>681.47</b>	<b>8,421.50</b>	<b>90.57</b>

*\*Total planted area increased due to re-survey by Kulim's Land Development and acquirement of some REM Estate area, an estate belonging to Kulim Plantations. Acquired area still planted with existing oil palm included as planted area. Estates with replanting were being recalculated its infra (road) area due to rationalizing of field road activities done during replanting.*

<b>6. Plantings &amp; Cycle</b>							
<b>Estate</b>	<b>Age (Years)</b>					<b>Mature**</b>	<b>Immature</b>
	<b>0 - 3</b>	<b>4 - 10</b>	<b>11 - 20</b>	<b>21 - 25</b>	<b>26 - 30</b>		
Sedenak Estate	302.25	459.12	1,858.32	-	-	2,317.44	302.25
Ulu Tiram Estate	3.30	211.91	-	24.15	238.72	474.78	3.30
Kuala Kabong Estate	-	-	1,622.70	-	-	1,622.70	-
Basir Ismail Estate	330.85	1,487.29	766.41	322.31	-	2,576.01	330.85
<b>Total</b>	<b>636.40</b>	<b>2,158.32</b>	<b>4,247.43</b>	<b>346.46</b>	<b>238.72</b>	<b>6,990.93</b>	<b>636.40</b>

<b>7. Certified Tonnage of FFB (Own Certified Scope)</b>			
<b>Estate</b>	<b>Tonnage / year</b>		
	<b>Estimated (Jan 2018-Dec 2018)</b>	<b>Actual (Oct 2017 – Sep 2018)</b>	<b>Forecast (Jan 2019 – Dec 2019)</b>
Sedenak Estate	55,071.00	56,192.12	70,492.50
Ulu Tiram Estate	9,749.00	11,858.12	13,516.10
Kuala Kabong Estate	31,452.00	34,757.42	45,104.80
Basir Ismail Estate	60,655.00	64,440.91	84,181.50
<b>Total</b>	<b>156,927.00</b>	<b>167,248.57</b>	<b>213,294.90</b>

<b>8. Certified Tonnage of FFB (from other certified unit(s)) if applicable *</b>			
<b>Estate</b>	<b>Tonnage / year</b>		
	<b>Estimated</b>	<b>Actual (Oct 2017 - Sep 2018)</b>	<b>Forecast</b>
Rengam Estate	<b>N/A</b>	30,290.60	<b>N/A</b>
Siang Estate		8,086.10	
Sungai Papan Estate		329.69	
REM Estate		58.79	
Pasak Estate		38.34	
Pasir Logok Estate		552.80	
Bukit Payung Estate		37.98	
Bukit Kelompok Estate		574.11	
<b>Total</b>		<b>39,968.41</b>	

<b>9.</b>	<b>10. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable</b>		
<b>Independent FFB Supplier</b>	<b>Tonnage / year</b>		
	<b>Estimated (Jan 2018-Dec 2018)</b>	<b>Actual (Oct 2017 - Sep 2018)</b>	<b>Forecast (Jan 2019 – Dec 2019)</b>
Asam Bubok	<b>N/A</b>	257,775.18	5,766.00
Kebun Sedenak			3,582.00
Ree Fong			9,283.00
Koperasi Pesara			-
Peladang Jb			2,351.00

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Bukit Siput		20,131.00
Sedenak Bahru		2,278.00
Che Yu Trading		15,557.00
Per. Sri Mahtai		10,274.00
Hong Hui		46,319.00
Choon Guan		32,288.00
Per. Sri Misan		15,559.00
Fong Tak		12,371.00
Keng Ann		12,885.00
Guan Leng		71,841.00
Sindora Timber		-
Peladang Kulai		3,020.00
Per. Md Sangidi		17,456.00
Az Iman		4,851.00
<b>Total</b>		<b>285,812.00</b>

### 11. Certified Tonnage

	Estimated (Jan 2018-Dec 2018)	Actual (Oct 2017 - Sept 2018)	Forecast (Jan 2019 – Dec 2019)
	FFB	FFB	FFB
<b>Mill Capacity: 90 MT/hr</b>	156,927.00 mt	167,248.57 mt	213,294.90 mt
<b>SCC Model: MB</b>	<b>CPO (OER: 21.62%)</b>	<b>CPO (OER: 20.35%)</b>	<b>CPO (OER: 21.88%)</b>
	*85,496.45 mt	34,035.08 mt	46,679.00 mt
	<b>PK (KER: 5.75%)</b>	<b>PK (KER: 5.43%)</b>	<b>PK (KER: 5.65%)</b>
	*24,631.28 mt	9,081.60 mt	12,048.00 mt

\*Volume extension, sub license ID: CB66615 [CPO: 54,803 mt, PK: 16,647.51 mt] valid until 22/04/2019.

### 12. Actual Sold Volume (CPO)

	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
<b>CPO (MT)</b>	6,478.45	11,469	-	65,304.02	83,251.47

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

<b>13. Actual Sold Volume (PK)</b>					
	RSPO Certified	Other Schemes Certified		Conventional	Total
		ISCC	RSB		
<b>PK (MT)</b>	3,822.47	-	-	19,288.33	23,110.80

<b>14. Actual Group certification Claims</b>		
	Credit	Physical Volume (MT)
<b>IS-CSP0</b>	Nil	n/a
<b>IS-CSPK0</b>	Nil	n/a
<b>IS-CSPKE</b>	Nil	n/a



## 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  
59200 Kuala Lumpur  
Tel +603 2242 4211 Fax +603 2242 4218  
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[www.bsigroup.com](http://www.bsigroup.com)

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 7-11/10/2018. 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 03/01/2019. 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 Principles & Criteria 2013 (MY-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 where the stakeholder notification was made on 14/08/2018 through BSI & RSPO website as per following link: [https://www.bsigroup.com/globalassets/localfiles/en-my/rspo/Public%20Notification/2018/sept-2018/kulim\\_sedenak-and-supply-base\\_english.pdf](https://www.bsigroup.com/globalassets/localfiles/en-my/rspo/Public%20Notification/2018/sept-2018/kulim_sedenak-and-supply-base_english.pdf)

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.

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

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**

<b>Assessment Program</b>					
<b>Name (Mill / Supply Base)</b>	<b>Year 1 (Recertification)</b>	<b>Year 2 (ASA2_1)</b>	<b>Year 3 (ASA2_2)</b>	<b>Year 4 (ASA2_3)</b>	<b>Year 5 (ASA2_4)</b>
Sedenak Palm Oil Mill	✓	✓	✓	✓	✓
Sedenak Estate	✓	✓	✓	✓	✓
Ulu Tiram Estate	✓	✓	✓	✓	✓
Kuala Kabong Estate	✓	✓	✓	✓	✓
Basir Ismail Estate	✓	✓	✓	✓	✓

**Tentative Date of Next Visit:** September 23, 2019 – September 26, 2019

**Total No. of Mandays:** 16 mandays including 1.0 day SC 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, 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.
Muhamad Mazeli Naquiuddin	Team Member	He graduated with Bachelor of Science Horticulture at University Putra Malaysia. He started his career in 2009 as Researcher at Sime Darby Research Seed Centre and manage for Quality control for seed production for paddy, chilli and corn with collaboration with Malaysian Agricultural Research and Development Institute (MARDI) for 4 years. During the period, he was also involved with Nestle project on Red Rice production. He later joins the Sime Darby Plantation Berhad Sustainability Team in 2013 as Sustainability Executive. Joining the sustainability team, he managed, implemented and monitored the RSPO, ISCC, MSPO and ISO 9001 and ISO 18001 certification requirements for the estates, mills, refineries and Smallholder scheme. He also support in providing training and internal audits related to RSPO, MSPO and other certifications where applicable to the operations within Sime Darby Plantation. He is a trained Safety Officer and he managed the Occupation Safety and Health of Northern Region Sime Darby Plantation Berhad operations.
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 milling 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. During this assessment, he covered Mill & Estate Best Practices, Legal, OSH, Workers Consultation & etc.

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

<p>Mohamed Hidhir Zainal Abidin</p>	<p>Team Member</p>	<p>He holds Bachelor Degree in Chemical Engineering, graduated from National University of Malaysia on 2006. He has 7 years working experience in palm oil industry specifically on palm oil milling for 5 years. He also has the experiences as auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2012, Endorsed RSPO P&amp;C Lead Auditor Course in 2013, MSPO Awareness Training in 2014 and Endorsed RSPO SCCS Lead Auditor Course in 2015. He had been involved in RSPO auditing since May 2012 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of supply chain for mill.</p>
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**Accompanying Persons:**

No.	Name	Role
Nil	n/a	n/a

**2.3 Assessment Plan**

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

Date	Time	Subjects	HMM	MN	MM	MH
Saturday 6/10/2018	PM	Audit Team travelling to Johor Bahru (Mutiara Hotel)	✓	✓	✓	-
Sunday 7/10/2018	0830 – 0900	<p>Opening Meeting:</p> <ul style="list-style-type: none"> <li>• Opening Presentation by Audit team leader</li> <li>• Confirmation of assessment scope and finalize</li> <li>• Audit plan (including stakeholder’s consultation)</li> <li>• Verification on previous audit findings</li> </ul>	✓	✓	✓	-
	0900 – 1200	<p><b>Sedenak Estate:</b> Field visit, boundary inspection, field operations, staff &amp; workers interview, buffer zone, HCV area, IPM implementation, OSH &amp; ERP, workshop, storage area (agrochemical, fertilizer, lubricant &amp; etc.), agrochemical mixing area, schedule waste management, worker housing, clinic, landfill &amp; etc.</p>	✓	✓	✓	-
	1000 – 1100	<p><b>Meeting with stakeholders</b> (local community rep. neighbors, smallholders, workers/Union rep, vendor etc.)</p>	✓	-	-	-
<b>Lunch</b>						

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Date	Time	Subjects	HMM	MN	MM	MH	
	1300 – 1600	<b>Sedenak Estate:</b> 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	✓	✓	✓	-	
	PM	Audit Team travelling to Johor Bahru (Mutiara Hotel)	-	-	-	✓	
Monday 8/10/2018	0830 – 1200	<b>Sedenak Palm Oil Mill:</b> 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.	✓	✓	✓	-	
	1000 – 1200	<b>Sedenak Palm Oil Mill: Meeting with stakeholders</b> (local authority) – DOSH, DOE, Forestry, Wildlife, Land Office, Labour Office	✓	-	-	-	
	0830 – 1600	<b>Sedenak Palm Oil Mill: RSPO Supply Chain</b> for CPO mill, weighbridge and storage area	-	-	-	✓	
	1200 – 1300	<b>Lunch</b>					
	1300 – 1600	<b>Sedenak Palm Oil Mill:</b> 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	✓	✓	✓	✓	
Tuesday 9/10/2018	0830 – 1200	<b>Ulu Tiram Estate:</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant & etc.), agrochemical mixing area, schedule waste management, worker housing, clinic, landfill & etc.	✓	✓	✓	-	

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Date	Time	Subjects	HMM	MN	MM	MH
	1000 – 1100	<b>Meeting with stakeholders</b> (local community rep. neighbors, smallholders, workers/Union rep, vendor etc.)	✓	-	-	-
	1200 – 1300	<b>Lunch</b>				
	1300 – 1600	<b>Ulu Tiram Estate:</b> 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	✓	✓	✓	-
Wednesday 10/10/2018	0830 – 1200	<b>Kuala Kabong Estate:</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant & etc.), agrochemical mixing area, schedule waste management, worker housing, clinic, landfill & etc.  Verify previous nonconformities.	✓	✓	✓	-
	1000 – 1100	<b>Meeting with stakeholders</b> (local community rep. neighbors, smallholders, workers/Union rep, vendor etc.)	✓	-	-	-
	1200 – 1300	<b>Lunch</b>				
	1300 – 1600	<b>Kuala Kabong Estate:</b> 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	✓	✓	✓	-

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Date	Time	Subjects	HMM	MN	MM	MH	
Thursday 11/10/2018	0830 – 1200	<b>Basir Ismail Estate:</b> Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH & ERP, workshop, storage area (agrochemical, fertilizer, lubricant & etc.), agrochemical mixing area, schedule waste management, worker housing, clinic, landfill & etc.  Verify previous nonconformities.	✓	✓	✓	-	
	1000 – 1100	<b>Meeting with stakeholders</b> (local community rep. neighbors, smallholders, workers/Union rep, vendor etc.)	✓	-	-	-	
	1200 – 1300	<b>Lunch</b>					
	1300 – 1600	<b>Basir Ismail Estate:</b> 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 <ul style="list-style-type: none"> <li>• Presentation of report by BSI Lead Auditor – briefing &amp; discussion of findings</li> <li>• Acceptance &amp; acknowledgement by Sedenak Palm Oil Mill &amp; Estates</li> </ul>	✓	✓	✓	-	
Friday 12/10/2018	AM	Audit Team travel back to KL	✓	✓	✓	✓	

### Section 3: Assessment Findings

#### 3.1 Normative requirement applied for this assessment:

- Johor Corporation 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
<b>Summary of the Time Bound Plan</b>		
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"> <li>• Age of plantations.</li> <li>• Location.</li> <li>• POM development</li> <li>• Infrastructure.</li> <li>• Compliance with applicable law.</li> </ul>	<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



**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

	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
<b>Un-Certified Units or Holdings</b>		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Indonesia AMDAL report had been completed and report already submitted to RSPO for Public Notification. RSPO has approved the NPP.	Yes
No replacement after dates defined in NIs Criterion 7.3: <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO P&amp;C criterion 7.3.</li> </ul>	So far no new planting that replaced primary forest.	Yes
Any new plantings since January 1 <sup>st</sup> 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 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.	No land conflict	Yes
Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion	No labour dispute	Yes

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

6.3.		
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.	Yes

**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 two (2) Major & one (1) Minor nonconformity raised. The Sedenak 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			
<b>NCR Ref #</b>	1692792-201809-M1	<b>Clause &amp; Category (Major / Minor)</b>	RSPO SCCS E4.2 Major
<b>Date Issued</b>	11/10/2018	<b>Due Date</b>	
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	10/01/2019
<b>Statement of Nonconformity:</b>	CB has not been informed on the projected overproduction of certified tonnage incurred.		
<b>Requirement Reference:</b>	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.		

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

<b>Objective Evidence:</b>	Sedenak Palm Oil Mill: Overproduction of certified tonnage recorded with the surplus of 53,672.98 mt compared with certificate volume of 153,544 mt from October 2017 to September 2018.
<b>Corrections:</b>	Mill notified SQD and Engineering department of overproduction tonnage. SQD to apply for new production tonnage of SEDPOM.
<b>Root Cause Analysis:</b>	Relevant parties were inadvertently misunderstood of the certified tonnage permissible level due to continuously receiving ad hock diversions from group estates of Kulim’s sister mills. Crops are processed to ensure continuous productivity and preservation of product quality.
<b>Corrective Actions:</b>	Establish computerized Data Dashboard System for compilation of Production/processing tonnage data to be updated online on monthly basis and to be shared with all relevant parties through Google Drive for online viewing, analysis and reconciliation  Major NC close out verification: 1. Minutes of RSPO SCCS Meeting has been conducted on 13.12.2018 verified and checked. 2. Request Extension Volume for Sedenak POM checked and has been approved by RSPO. 3. Engineering Department has been establish computerized Data Dashboard System for compilation of Production/processing tonnage. In addition, crop diversion spreadsheet is used to monitor crop movement and production of certified palm product. Threshold limit is set at 80% of certificate volume to trigger for immediate notification to CB for volume extension. 4. Interview with the person in charge (admin, weighbridge and assistant manager) was done onsite. They able to explain their roles and the current procedure if there is any projected overproduction occurred in future.
<b>Assessment Conclusion:</b>	Corrective action has been implemented effectively, hence the major is closed on 10/1/19. Continuous implementation will be further verified in the next assessment.

Summary of Total Number of Nonconformity			
Nonconformity			
<b>NCR Ref #</b>	1692792-201809-M2	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 4.6.6 Major
<b>Date Issued</b>	11/10/2018	<b>Due Date</b>	
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	10/01/2019
<b>Statement of Nonconformity:</b>	Storage of pesticides not according to recognised best practices		
<b>Requirement Reference:</b>	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). Best practices requirements references: i) Environmental Quality (Scheduled Waste) Reg 2005 (Regulation 9 - Storage of Scheduled Waste) ii) FAO (Food and Agriculture Organization) Manual (Pesticide Storage and Stock Control Manual)		

	<p>iii) Guidelines on storage of Hazardous Chemicals 2006 by DOSH Malaysia iv) Own Kulim (M) Berhad SOP 2nd Issue Dec 2016 Work Instruction for Chemical Store</p>
<p><b>Objective Evidence:</b></p>	<p>Ulu Tiram Estate: New unused Lubricants and Scheduled wastes were stored in same store location without proper separation as per best practices</p> <p>Kuala Kabong Estate: Scheduled waste (SW 409) were stored together with agro-chemical such as Storm, Glyphosate and Ally without SDS, designated containment or container and signage in General Store and Tools Store. Sprayers changing room was used as Tools Store.</p>
<p><b>Corrections:</b></p>	<p>1) Ulu Tiram Estate - Lubricant and schedule waste store was separated. 2) Kuala Kabong Estate - Immediate action has been taken. All chemicals, scheduled wastes and tools have been isolated and placed to the right store. All tools are kept in tools store. Sprayers changing room only kept for sprayer clothes.</p>
<p><b>Root Cause Analysis:</b></p>	<p>1) Schedule waste store was mixed with lubricant store because space for storage is limited and also small quantity of scheduled waste generated and lubricant stored 2) Those chemicals, scheduled wastes and tools were unintentionally placed at general store and sprayers changing room during cleaning and clearance process.</p>
<p><b>Corrective Actions:</b></p>	<p>1) Estate to maintain the new store for scheduled waste and to ensure all scheduled wastes are placed at the right stores. Estates are to arrange weekly inspection by mandore and field staff in-charge to make sure all store are in good conditions. Refresher training will be arranged to workers for better understanding 2) Estate will make sure that all chemicals, scheduled wastes and tools are placed at the right stores. Weekly inspection will be carried out by mandore, field staff in-charge and assistant manager to make sure all store are in good conditions. Further training will be given to workers for the Improvement.</p> <p>Major NC close out verification: 1. Ulu Tiram Estate - New unused Lubricants and Scheduled wastes were stored separately and verified onsite. 2. Weekly inspection was carried out by Ulu Tiram Estate. Verified latest inspection records for October, November and December 2018. 3. Refresher Training by Ulu Tiram Estate was done on October 2018. Interview was done onsite with the person in charge to test on training effectiveness. He able to explain the current practice for storage of unused lubricant and schedule waste. 4. All chemicals, scheduled wastes and tools have been isolated and placed to the right store. All tools are kept in tools store. Sprayers changing room only kept for sprayer clothes. The current practice was verified onsite and implemented effectively. 5. Weekly inspection done on November and December 2018 by Kuala Kabong Estate. 6. Refresher training carried out at Kuala Kabong Estate for group of sprayer and mandore on October 2018. Interview was done onsite with the person in charge to test on training effectiveness. They are able to explain the current practice for PPE, working tools and chemical storage.</p>

<b>Assessment Conclusion:</b>	Corrective action has been implemented effectively, hence the major is closed on 10/1/19. Continuous implementation will be further verified in the next assessment.
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<b>Summary of Total Number of Nonconformity</b>			
<b>Nonconformity</b>			
<b>NCR Ref #</b>	1692792-201809-N1	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 2.1.3 Minor
<b>Date Issued</b>	11/10/2018	<b>Due Date</b>	Next annual surveillance assessment
<b>Closed (Yes / No)</b>	No	<b>Date of nonconformity Closure</b>	"Open"
<b>Statement of Nonconformity:</b>	Lapses of implementation of the following Acts / Regulations was sighted at the Biogas Plant Laboratory.		
<b>Requirement Reference:</b>	A mechanism for ensuring compliance shall be implemented. Requirements: Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000: - Section 9 (1) An employer shall not carry out any work which may expose or is likely to expose any employee to any chemical hazardous to health unless he has made a written assessment of the risks created by the chemical to the health of the employee.		
<b>Objective Evidence:</b>	<p>Sedenak Palm Oil Mill: CHRA report conducted for Sedenak Mill on 11/3/2015 shown only the following chemicals being assessed: - Mobil Pegasus 710 - Coolant</p> <p>The Chemical Register dated 8/1/2015 shown 17 chemicals were in used such as COD Test Reagent, pH 4.01 Buffer Colour Solution, Visocolour Eco Alkalinity TA and etc. not being assessed.</p>		
<b>Corrections:</b>	Mill notified KSTS on 10 October 2018 to arrange for CHRA to conduct for SEDPOM's Biogas Plant. KSTS has arranged for CHRA to be conducted on 11 November 2018.		
<b>Root Cause Analysis:</b>	CHRA was conducted for SEDPOM Biogas Plant on 2015 however SEDPOM's Biogas Laboratory was set up on 2016 which was the reason for CHRA was not done for biogas laboratory.		
<b>Corrective Actions:</b>	Mill to seek consultation from KSTS for any new installations / new stations, in terms of regulations/ requirements and/or required actions to be done to comply with legal requirements and regulations.		
<b>Assessment Conclusion:</b>	The corrective action plan is accepted. Implementation of corrective action taken will be further verified in the next assessment.		

<b>Opportunity for Improvements</b>	
<b>OFI #</b>	<b>Description</b>
<b>OFI 1</b>	Nil

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Positive Findings	
PF #	Description
PF 1	Nil

**3.4.1 Status of Nonconformities Previously Identified and Observations**

Non-Conformity			
<b>NCR Ref #</b>	1547124-201709-M1	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 6.5.1 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	17/12/2017
<b>Statement of Nonconformity:</b>	There was no proper documented evidence shown that the workers were worked on rest day offered by the management		
<b>Requirement Reference:</b>	Documentation of pay and conditions shall be available		
<b>Objective Evidence:</b>	<p>Sedenak Estate:            Sampled of harvesters' payslip and cross checked with harvesting interval book, checkroll book and bunch counter's master chit and distribution list found that the number of days of harvesters who worked on rest day were not properly documented and were not paid as below:            a. Employee No.: 615116 (SE)            b. Employee No.: 615109 (SE)            c. Employee No.: 615115 (SE)            d. Employee No.: 614990 (SE)            e. Employee No.: 614977 (SE)</p> <p>In the checkroll book found that Gang H09 E and H09 F were not working on rest day. However, in the harvesting interval book found that they worked on 17/9/2017 and 23/9/2017. Verified with the bunch counter (Employee No.: 615154 and 615099) for the gang confirmed that they worked on rest day without formal instruction from management. Document checked on the bunch counters' payslip and harvester found that there were some different where the bunch counters were paid double rate of its daily rate whereas harvesters were paid on normal rate for their piece per rate.</p> <p>Ulu Tiram Estate:            Interviewed with bunch counter, mandore and harvesters found that they worked on 2 rest days on September 2017. Document trailed on the harvesting interval book, master chit and payslip. In the harvesting interval book shown that Gang H01 were worked on 17/9/2017 for field P90B and 23/9/2017 for field P84. However, there was no master chit for the respective days and in the payslip shown that no work on rest day by the respective workers. Sampled of workers as below:            Employee No.: 601370, Employee No.: 601399 , Employee No.: 601442, Employee No.: 601469, Employee No.: 601472, Employee No.: 601484, Employee No.: 601453, Employee No.: 601461 , Employee No.: 601465, Employee No.: 601485, Employee No.: 601489, Employee No.: 601512, Employee No.: 601452 Employee No.: 601297</p>		

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

	No documented evidence by the management for the offered work on rest day and it was contradicting with the interview with the workers during time of audit
<b>Corrective Actions:</b>	<p>1. Estate management shall advise and brief the workers earlier should there' any need for work on weekly day of rest.</p> <p>2. The communication will be informed and communicated through morning muster and recorded in the Muster Training Book</p> <p>3. All authorized work on rest day shall be done through the Form Authorisation of Overtime/Work on rest Day/ Public Holiday which will be mutually agreed and signed by both employer and employee(s).</p> <p>4. Plantation Operation Department (POD to brief/ communicate the implementation guideline to all Regional Coordinator and estates' manager. Major NC close out verification:</p> <p>i) Briefing to workers during muster dated 24/11/17 (Sedenak Estate) and 17/11/17 (Ulu Tiram Estate) verified.</p> <p>ii) Memorandum for working on weekly day of rest dated 11/12/17 by GM, Estate Operation Department.</p> <p>iii) Agency Circular #5/2017 by dated 11/12/17 from Head of Plantation Division regarding working on weekly day of rest.</p> <p>iv) Management decision (extract of meeting notes) - working on rest day (resolution dated 4 December 2017) iv) Authorization of work on rest day implementation Sedenak Estate - Man day analysis December 2017 @ Muster chit dated 2/12/17 for harvester gang H01F - Authorization form dated 2/12/17 for harvester gang H01F - Harvester Crop Summary - December 2017, specific date 2/12/17 for harvester gang H01F Ulu Tiram Estate</p> <p>- Man day analysis December 2017 @ Muster chit dated 9/12/17 for harvester gang H01. - Authorization form dated 9/12/17 for harvester gang H01. - Harvester Crop Summary - December 2017, specific date 9/12/17 for harvester gang H01</p>
<b>Assessment Conclusion:</b>	<p>Based on verification of documentations of pay and conditions made available at all sampled operating units based on SPO Pay and Conditions Program; Kulim Pay and Conditions Plan; Dated: 4/9/2007 as per following:</p> <ul style="list-style-type: none"> <li>- Employee # 615554; Work station: General; Date joined: 17/8/2017; Nationality: Malaysia (Sedenak Mill)</li> <li>- Employee # 614935; Work station: General; Date joined: 13/12/1981; Nationality: Indonesia (Sedenak Estate)</li> <li>- Employee # 601112; Work station: General; Date joined: 16/3/2009; Nationality: Malaysia (Ulu Tiram Estate)</li> <li>- Employee # 603146; Work station: General; Date joined: 15/1/2018; Nationality: Indonesia (Kuala Kabong Estate)</li> </ul> <p>No recurrence of issue found during the visit hence confirmed that the corrective action plan taken effective and major nonconformity remained closed.</p>

<b>Non-Conformity</b>			
<b>NCR Ref #</b>	1547124-201709-M2	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 6.12.3 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	17/12/2017
<b>Statement of Nonconformity:</b>	Specific policy and procedures stated that the company has practice of no contract of substitution was not available.		



**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

<b>Requirement Reference:</b>	Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented
<b>Objective Evidence:</b>	Kulim (Malaysia) Berhad has developed Kulim Sustainability Handbook and policies which included the following aspects: The company will treat their people with respect, dignity and fairness stated in People Policy and will not engage in nor support discrimination in any form stated in Rights of Employee Policy. The company will puts high priority on employees' trainings and educations stated in the Handbook and provide induction training stated in the Procedure of Receiving New Foreign Workers at Operating Unit. The company will provide housing and basic amenities according to the minimum statutory requirements stated in Handbook. However, there was no specific policy and procedures stated no contract of substitution was practice in the company
<b>Corrective Actions:</b>	i) Briefing on new established policy to respective interested party i.e. estate and mill management. ii) Approved Policy and Procedures will be published and communicated to all operating units.
<b>Assessment Conclusion:</b>	Based on verification of following evidence: i) KULIM (MALAYSIA) BERHAD "Buku Panduan Pekerja-pekerja Buruh Am Di bawah Pengurusan Kulim (Malaysia) Berhad / EPA Management Sdn Bhd" (Revised date : November 2017) has include a clause on contract substitution under section G, "Pekerja Bukan Warga Negara". ii) Timeline for "Buku Panduan Pekerja Buruh Am 2017/2018 by HCMD. Roll out programme will be on February and March 2018. iii) Kulim (Malaysia) Berhad Core Labour Standard; Signed by Executive Director; Dated: 1/5/2018  No recurrence of issue found during the visit hence confirmed that the corrective action plan taken effective and major nonconformity remained closed.

<b>Non-Conformity</b>			
<b>NCR Ref #</b>	1547124-201709-M3	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 7.1.1 Major
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	17/12/2017
<b>Statement of Nonconformity:</b>	SEIA was not available for the conversion of coffee plantation to oil palm plot P16/01		
<b>Requirement Reference:</b>	An independent social and environmental impact assessment (SEIA), undertaken through a participatory methodology including the relevant affected stakeholders, shall be documented		
<b>Objective Evidence:</b>	SEIA was not carried out with the participatory of affected stakeholders on the conversion of coffee plantation to oil palm plot P16/01		
<b>Corrective Actions:</b>	i) Refresher briefing on RSPO Principles & Criteria emphasizing P7 requirement to be conducted to all OUs Major NC close out verification: ii) Stakeholder attendance dated 30/11/17 and 13/12/17 verified. Relevant parties consulted for the SEIA. iii) SEIA report and improvement plan dated 30/11/17 were verified. iv) Timeline for MSPO and RSPO for 2018 was verified. Briefing on RSPO P7 will be done in January and February 2018.		
<b>Assessment Conclusion:</b>	No any conversion of other plantation to oil palm in all visited estates. Furthermore, based on verification of following evidence:		



**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

	<p>i) Social Impact Register for KMB and JCorp; SR001-SR071</p> <p>ii) <i>Mesyuarat dan Sesi Taklimat Bersama Stakeholder, Kontraktor, Pembekal</i> (FFB &amp; Hardware) 01/2018; Legend Golf Resort, Sedenak; Date: 6/9/2018 (Sedenak Mill)</p> <p>iii) <i>Mesyuarat dan Sesi Taklimat Bersama Stakeholder, Kontraktor, Pembekal</i> (FFB &amp; Hardware) 01/2018; Date: 4/10/2018 (Ulu Tiram Estate)</p> <p>iv) <i>Mesyuarat Stakeholder/Pekebun Kecil 2018 Ladang Kuala Kabong</i>; Date: 20/9/2018 (Kuala Kabong Estate)</p> <p>v) Basir Ismail Estate RSPO/MSPO Meeting with Stakeholder; Venue: Nam Heng Country Club (NHCC) – Ladang Basir Ismail; Dated: 24/8/2018</p> <p>No recurrence of issue found during the visit hence confirmed that the corrective action plan taken effective and major nonconformity remained closed.</p>
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<b>Non-Conformity</b>			
<b>NCR Ref #</b>	1547124-201709-N1	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 5.2.4 Minor
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	11/10/2018
<b>Statement of Nonconformity:</b>	Outcomes of the monitoring and management plan was not effectively monitored		
<b>Requirement Reference:</b>	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul>		
<b>Objective Evidence:</b>	<p>Sedenak Estate Observed at P01/06 near to water sampling point, cultivated guatemala grass was cleared inside demarcated buffer zone area potentially during maintenance and upkeep activity.</p> <p>Ulu Tiram Estate At P89/01 near to water sampling point (Sg Tiram), soil erosion observed at river buffer zone area. Result of monitoring (patrolling and sighting) at was not fed back into the management plan.</p>		
<b>Corrective Actions:</b>	Estate will conducted awareness briefing to all their stakeholder to explain about buffer zone and its purpose and maintenance program. Further coordination and discussion with Jabatan Parit & Saliran (JPS) are to be arranged in order to discuss and take on appropriate preventive action of the erosion issues		
<b>Assessment Conclusion:</b>	<p>This was checked during the site visit at Sedenak, Ulu Tiram, Kuala Kabong and Basir Ismail Estates and observed that no buffer zone areas were sprayed. Training was held on the awareness of the of HCV/Buffer zone and Waste Management dated 3/9/18 by Kulim Safety. Evaluation was made to assess the understanding level of the workers.</p> <p>Subjects briefed during the training as follows;</p> <ol style="list-style-type: none"> <li>a) Buffer zone and the management of buffer zone</li> <li>b) Water management plan</li> <li>c) Monitoring of water quality (nitrate &lt; 7 mg/L. phosphate &lt; 2 mg/l</li> <li>d) Biodiversity /HCV - classification</li> <li>e) HCV Enhancement plan</li> <li>f) Monitoring of HCV / approaching steps of elephant intrusion</li> </ol>		

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

	In addition, the estates conduct similar training internally for awareness to the employees. Evidence found during the visit hence confirmed that the corrective action plan taken effective and minor nonconformity closed on 11/10/2018.
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Non-Conformity			
<b>NCR Ref #</b>	1547124-201709-N2	<b>Clause &amp; Category (Major / Minor)</b>	Indicator 7.1.2 Minor
<b>Closed (Yes / No)</b>	Yes	<b>Date of nonconformity Closure</b>	11/10/2018
<b>Statement of Nonconformity:</b>	SEIA management plan for new conversion plot P16/01 was not available.		
<b>Requirement Reference:</b>	Appropriate management planning and operational procedures shall be developed and implemented to avoid or mitigate identified potential negative impacts		
<b>Objective Evidence:</b>	SEIA management plan new conversion plot P16/01 was not developed and implemented to avoid or mitigate identified potential negative impacts		
<b>Corrective Actions:</b>	Refresher briefing on RSPO Principles & Criteria emphasizing P7 requirement to be conducted to all OUs		
<b>Assessment Conclusion:</b>	Refresher briefing on RSPO Principles & Criteria emphasizing P7 requirement to be conducted to all OUs: i) Stakeholder attendance dated 30/11/17 and 13/12/17 verified. Relevant parties consulted for the SEIA. ii) SEIA report and improvement plan dated 30/11/17 were verified. iii) Timeline for MSPO and RSPO for 2018 was verified. Briefing on RSPO P7 done in January and February 2018.  Evidence found during the visit hence confirmed that the corrective action plan taken effective and minor nonconformity closed on 11/10/2018.		

**3.4.2 Summary of the Nonconformities and Status**

CAR Ref.	Category (Major / Minor)	P&C Indicator	Issued Date	Status & Date (Closure)
1547124-201709-M1	Major	6.5.1	27/10/2017	Closed out on 17/12/2017
1547124-201709-M2	Major	6.12.3	27/10/2017	Closed out on 17/12/2017
1547124-201709-M3	Major	7.1.1	27/10/2017	Closed out on 17/12/2017
1547124-201709-N1	Minor	5.2.4	27/10/2017	Closed out on 11/10/2018
1547124-201709-N2	Minor	7.1.2	27/10/2017	Closed out on 11/10/2018
1692792-201809-M1	Major	SCCS E4.2	11/10/2018	Closed out on 10/01/2019
1692792-201809-M2	Major	4.6.6	11/10/2018	Closed out on 10/01/2019
1692792-201809-N1	Minor	2.1.3	11/10/2018	"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 Sedenak 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.

<b>List of Stakeholders Contacted</b>	
<p><b>Internal Stakeholders</b></p> <p>WOW Chairperson (Gender Committee Representative)</p> <p>Manager/Assistant Manager</p> <p>Field supervisor</p> <p>Mandore</p> <p>Harvester</p> <p>Sprayer</p>	<p><b>Union/Contractors/Local Communities</b></p> <p>Union (NUPW) representative</p> <p>Vendor</p> <p>Contractor</p> <p>Villages representatives</p>
<p><b>Government Departments</b></p> <p>SAJ (Water Authority) representative</p> <p>Perkeso (SOCSO) Officer</p> <p>Fire Department</p> <p>DOE Kluang</p> <p>Teachers</p>	<p><b>NGO</b></p> <p>Community nurse</p> <p>KEMAS</p>

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

IS #	Description
1	<p><b>Feedbacks:</b>  Nursery teacher/minder:  - There was a case where a snake found within nursery area  - Last found nearby parking area</p>
	<p><b>Management Responses:</b>  No feedback received on the matter however management will immediately take action to prevent similar incident from happening.</p>
	<p><b>Audit Team Findings:</b>  Action taken by management to prevent snake/reptiles encroachment within nursery area to be review in next audit.</p>
2	<p><b>Feedbacks:</b>  SK LKTP Bukit Batu:  Wonder how to seek for company's assistance in school programs</p>
	<p><b>Management Responses:</b>  All stakeholders whom being invited and attended stakeholder consultation meeting were briefed on company policy and procedures on request and response. School representatives were attended the meeting as well however no any request received so far.</p>
	<p><b>Audit Team Findings:</b>  Verification of records of request and response shown no records of request from school. Estate management were advised to engage school more often since school located nearby and few among school students were from estate employees' children.</p>
3	<p><b>Feedbacks:</b>  FFB transporter:  Road condition is quite bad especially after rain</p>
	<p><b>Management Responses:</b>  Issue was noted and discussed during stakeholder meeting and estate management already took action to maintain road conditions accordingly.</p>
	<p><b>Audit Team Findings:</b>  No further issue.</p>
4	<p><b>Feedbacks:</b>  Estate and mill suppliers:  Good prompt payment received from company upon invoicing.</p>
	<p><b>Management Responses:</b>  Positive feedback noted.</p>
	<p><b>Audit Team Findings:</b>  No further issue.</p>
5	<p><b>Feedbacks:</b>  Other stakeholders – no negative comments, positive comments with regards to good relationship</p>
	<p><b>Management Responses:</b>  Positive feedback noted.</p>
	<p><b>Audit Team Findings:</b>  No further issue.</p>

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

<b>Formal Signing-off of Assessment Conclusion and Recommendation</b>	
<p>The audit objectives have been achieved and the certificate scope remains appropriate. Based on the results of this audit, it is concluded that Sedenak Palm Oil Mill has complied with the RSPO P&amp;C MY-NI 2014 &amp; 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 Sedenak Palm Oil Mill is approved and continued.</p>	
<b>Report prepared by</b>	<b>Acceptance of Assessment Conclusion</b>
<b>Name:</b> <b>Hafriazhar Mohd Mokhtar</b>	<b>Name:</b> <b>Salasah Elias</b>
<b>Company Name:</b> <b>BSI Services Malaysia Sdn Bhd</b>	<b>Company Name:</b> <b>Kulim (Malaysia) Berhad</b>
<b>Title:</b> <b>Lead Auditor</b>	<b>Title:</b> <b>Deputy General Manager</b>
<b>Signature:</b> 	<b>Signature:</b> <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> 
<b>Date: 8/3/2019</b>	<b>Date: 14/3/2019</b>

**Appendix A: Summary of Findings**

Criterion / Indicator		Assessment Findings	Compliance
<b>Principle 1: Commitment to Transparency</b>			
<b>Criterion 1.1:</b> 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 environmental, social and legal issues which are relevant to RSPO Criteria and stakeholders is shared for effective participation and decision making.  In company website ( <a href="http://www.kulim.com.my/">http://www.kulim.com.my/</a> ), publicly available documents are published 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
1.1.2	Records of requests for information and responses shall be maintained. -Major compliance	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. Few records of requests being the recent transactions sighted available in all operating units such as Enquiry Register Record; Ladang Kuala Kabong; Register # 03/2018; Date: 23/7/2018; From: SK LKTP Bukit Batu.	Complied
<b>Criterion 1.2:</b> 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>1.2.1</p>	<p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> <li>• Land titles/user rights (Criterion 2.2);</li> <li>• Occupational health and safety plans (Criterion 4.7);</li> <li>• Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8);</li> <li>• HCV documentation (Criteria 5.2 and 7.3);</li> <li>• Pollution prevention and reduction plans (Criterion 5.6);</li> <li>• Details of complaints and grievances (Criterion 6.3);</li> <li>• Negotiation procedures (Criterion 6.4);</li> <li>• Continual improvement plans (Criterion 8.1);</li> <li>• Public summary of certification assessment report;</li> <li>• Human Rights Policy (Criterion 6.13).</li> </ul> <p>- Major compliance –</p>	<p>There is a SPO (Sustainability Palm Oil) Transparency Program under Kulim Malaysia Berhad. The procedure is to meet the requirements of this criterion and when requested are readily available. The Corporate Department will ensure that the following documents do not impinge on confidentiality and will not cause detrimental sustainability or social outcomes. Among the documents made available for viewing are:</p> <ul style="list-style-type: none"> <li>a) Land title (held as hard copy by the property department)</li> <li>b) Health and safety plan</li> <li>c) Plans and impact assessment- environmental &amp; social</li> <li>d) Pollution prevention plans</li> <li>e) Details of complaints and grievances</li> <li>f) Negotiation procedures</li> <li>g) Continuous improvement plan</li> <li>h) Biodiversity plans</li> <li>i) Policy documents (sustainability handbook)</li> </ul> <p>In addition to the website, company policies were also displayed at various locations of the operating units, for example, at mill offices, estates main notice boards and muster ground notice boards for employees and visitors to view.</p> <p>Records such as enquiry register, and record of government visits documented the visit or request from the stakeholders.</p> <ul style="list-style-type: none"> <li>- Polisi Insan; Signed by Executive Director; Date: 1/5/2018</li> <li>- Polisi Pengurusan Pengetahuan; Signed by Executive Director; Date: 1/5/2018</li> <li>- Polisi Konflik Kepentingan; Signed by Executive Director; Date: 1/5/2018</li> <li>- Polisi Kemampanan; Signed by Executive Director; Date: 1/5/2018</li> </ul>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Polisi Etika; Signed by Executive Director; Date: 1/5/2018</li> <li>- Polisi Bisnes; Signed by Executive Director; Date: 1/5/2018</li> <li>- Polisi Alam Sekitar; Signed by Executive Director; Date: 1/5/2018</li> <li>- Polisi Tiada Hadiah dan Keraian; Signed by Executive Director; Date: 1/5/2018</li> <li>- Polisi Pencegahan dan Pembasmian Gangguan Seksual di Tempat Kerja; Signed by Executive Director; Date: 1/5/2018</li> <li>- Polisi Berkaitan Keselamatan dan Kesihatan Pekerjaan; Signed by Executive Director; Date: 1/5/2018</li> <li>- Polisi Kilanan; Signed by Executive Director; Date: 1/5/2018</li> <li>- Right of Employees; Signed by Executive Director; Date: 8/1/2017</li> </ul>	
<b>Criteria 1.3:</b> 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 Sedenak complex. Sighted latest was done on 7/9/2018.	Complied
<b>Principle 2: Compliance with applicable laws and regulations</b>			
<b>Criterion 2.1:</b> 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>Legal register covering the applicable local and international laws and regulations are available. Compliance to each applicable law and regulation is monitored by the operating units and head office sustainability team. Sample of licenses and permits checked at visited operating units:</p> <p><u>Sedenak Estate</u></p> <p>a) MPOB license 501224702000 valid until 18 Jan 2018 – 31 March 2019.          b) KPDNKK for diesel under Siries no. J034942 valid from 31 March 2018 until 30 March 2019.          c) Pengandung Tekanan Tak Berapi PMT-JH 117887 (Doc no:-PMT-JH/18 44405) valid until 22 July 2019          d) Weighbridges license (B1458146) already renew dated 12 July 2018          e) Lesen Abtraksi Air Sungai (08/A/KJ/051) valid from 11 March 2018 – 31 Dec 2018          f) JTK permit for Khairat Keluarga and Tambang Bas Sekolah (PP3/29/0201) from 1 Apr 1999.          g) JTK permit for Elektrik is dated 29 September 1984 (11)dIm.BMB.7/2/35/9</p> <p><u>Sedenak Mill</u></p> <p>a) MPOB license 500058304000 valid from 5/2/2018 to 31/12/2018          b) DOE license No 004532 dated 26/6/2018          c) KPDNKK for diesel under Siries no J033791 valid 16 Jan 2018 to 15 Jan 2019          d) Weighbridge calibration B1458342 datd 18 July 2018 refer Q005663-2.1K/JJB-ATK 127256          e) SPAN under License SPAN/EKS/(PT)/800-4/2/14 VALID FROM 13 March 2017 until 12 March 2020          f) Water abstraction for River license under 08/A/KJ/051</p>	<p>Complied</p>
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		<p>g)JTK for electricity deduction permit refer permit (9)dlm.PTKJB/10101/29571(PMT) dated 16 March 2012</p> <p><u>Ulu Tiram Estate</u>  a)MPOB license 501257302000 valid from 1/4/2018 to 31/3/2019  b) KPDNKK for diesel under Siries no. J035200 valid from 10 October 2017 to 9 October 2018 (already apply in BLESS 2.0 on 21/9/2018 in progress)  c)Pengandung Tekanan Tak Berapi JH PMT 22863 (Doc no:-PMT-JH/18 44374) valid until 22 July 2019  d)Weighbridges license (A2964186) already renew dated 13/8/ 2018  e) JTK permit for wages deduction (PP3/29/035/2008) valid from 15/9/2008.</p> <p><u>Kuala Kabong Estate</u>  a)MPOB License 503896302000 valid from 1 April 2018 until 31 March 2019  b) Pengandung Tekanan Tak Berapi JH PMT 22737 valid from 22/7/2019  c) KPDNKK for diesel and Petrol under saries J034941 valid from 1 May 2018 until 9 Mei 2019  d)JTK permit is available as per below detail:-</p> <table border="1" data-bbox="1028 1072 1659 1174"> <tr> <td>License type for</td> <td>dated</td> </tr> <tr> <td>Mosque</td> <td>15 Feb 2008</td> </tr> <tr> <td>Electricity &amp; water</td> <td>15 Feb 2008</td> </tr> </table> <p>e) Weighbridge calibration certificate (A3278785) dated 3 Oct 2018</p> <p><u>Basir Ismail Estate</u>  a)MPOB License 501258102000 valid from 1 April 2018 until 31 March 2019  b) Pengandung Tekanan Tak Berapi JH PMT 24676 valid from 23/4/2019</p>	License type for	dated	Mosque	15 Feb 2008	Electricity & water	15 Feb 2008	
License type for	dated								
Mosque	15 Feb 2008								
Electricity & water	15 Feb 2008								

Criterion / Indicator		Assessment Findings	Compliance						
		<p>c) KPDNKK for diesel under saries J007045 valid from 11 March 2018 until 10 March 2019</p> <p>d)JTK permit is available as per below detail:-</p> <table border="1"> <tr> <td>License type for</td> <td>dated</td> </tr> <tr> <td>Surau,khairat bulanan,insurance,AME SU and Tabung haji PTKJB/10101/34989 (PMT)</td> <td>27 August 2018</td> </tr> <tr> <td>Kelab Sukan,Surau and Electricity PTKJB/10101/34989(PMT)</td> <td>18 January 2012</td> </tr> </table> <p>e) Weighbridge calibration certificate (B1324731) dated 3 Nov 2018</p> <p>Pesticide SOP 2nd Issue – Dec 2016 from SPO team ref no: SSD/ADMIN/002/17 under practice section stated All pesticide are to be kept in pesticide store.</p>	License type for	dated	Surau,khairat bulanan,insurance,AME SU and Tabung haji PTKJB/10101/34989 (PMT)	27 August 2018	Kelab Sukan,Surau and Electricity PTKJB/10101/34989(PMT)	18 January 2012	
License type for	dated								
Surau,khairat bulanan,insurance,AME SU and Tabung haji PTKJB/10101/34989 (PMT)	27 August 2018								
Kelab Sukan,Surau and Electricity PTKJB/10101/34989(PMT)	18 January 2012								
2.1.2	A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -	All operating units maintain documented system for identifying, evaluating, reviewing and updating applicable regulations and other requirements. Legal and Other Requirement Register dated 30 August 2018 was sighted at the visited operating units. As to date there was no changes of legal incorporated in the register.	Complied						

Criterion / Indicator	Assessment Findings	Compliance												
<p>2.1.3</p> <p>A mechanism for ensuring compliance shall be implemented. - Minor compliance -</p>	<p>Assessment at the Sedenak Biogas Plant Laboratory found that the Occupational Safety and Health (Use and Standards of Exposure of Chemicals Hazardous to Health) Regulations 2000 has not been complied with, in particular:</p> <ul style="list-style-type: none"> <li>• Section 5 (1) An employer shall identify and record in a register all chemicals hazardous to health used in the place of work; and</li> <li>• Section 9 (1) An employer shall not carry out any work which may expose or is likely to expose any employee to any chemical hazardous to health unless he has made a written assessment of the risks created by the chemical to the health of the employee.</li> </ul> <p>Evaluation of legal requirements and compliance status with legal requirement is monitored by operating units, Sustainability Team, OHS Department and head office audit Department. Evaluation of compliance is part of the audit checklist as the sustainability team was assigned to cover RSPO P&amp;C requirements.</p> <p>The latest internal audit was conducted for each estate and the report is available for review. Internal audit is available as per below detail:-</p> <table border="1" data-bbox="1025 1042 1659 1240"> <thead> <tr> <th>Estate</th> <th>Date Internal Audit</th> </tr> </thead> <tbody> <tr> <td>Kuala Kabong</td> <td>29 July 2018</td> </tr> <tr> <td>Basir Ismail</td> <td>24 July 2018</td> </tr> <tr> <td>Sedenak</td> <td>29 July 2018</td> </tr> <tr> <td>Ulu Tiram</td> <td>26 July 2018</td> </tr> <tr> <td>Sedenak POM</td> <td>9 August 2018</td> </tr> </tbody> </table>	Estate	Date Internal Audit	Kuala Kabong	29 July 2018	Basir Ismail	24 July 2018	Sedenak	29 July 2018	Ulu Tiram	26 July 2018	Sedenak POM	9 August 2018	<p>Minor nonconformance</p>
Estate	Date Internal Audit													
Kuala Kabong	29 July 2018													
Basir Ismail	24 July 2018													
Sedenak	29 July 2018													
Ulu Tiram	26 July 2018													
Sedenak POM	9 August 2018													

Criterion / Indicator		Assessment Findings	Compliance
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	Tracking system available to identify changes in the relevant regulations through head office, sustainability team, website information and the information are communicated from the Head Office. Kulim (Malaysia) Berhad have centralised system for tracking any changes in the law. The tracking law person incharge is Miss Handayani Bagong (RMC/COM/GM/18/10) dated 27/6/2018 who will maintain the changes in laws and updated the Legal and other requirement. For Basir Ismail Estate the tracking law person incharge is Miss Nurfazliwati Suzana Zainal(RMC/COM/GM/18/09) dated 27/6/2018.	Complied
<b>Criterion 2.2:</b> The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.			

<p>2.2.1</p>	<p>Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -</p>	<p><u>Sedenak Estate:</u> Documents showing legal ownership total 10 titles. Quit rent for 2018 has been paid by HQ as per Debut Note Ref. # R003; Dated 20/3/2018. Sighted samples: - Title # 354796; Mukim: Sedenak; Lot # 817; Area: 1,225.3881ha; Date registered: 24/7/2009 - Title # 237392; Mukim: Sedenak; Lot # 964; Area: 21.4357ha; Date registered: 27/12/2007 - Title # 236660; Mukim: Sedenak; Lot # 1389; Area: 63.8644ha; Date registered: 26/12/2007; <i>Sijil di bawah Seksyen 214(A) Kanun Tanah Negara Ubahsyarat Nyata Tanah; Cert. # 0007/2018; Date: 28/3/2018</i></p> <p><u>Ulu Tiram Estate:</u> Area statement 26/4/2017: Planted: 501.66ha; Area statement 2/7/2018: Planted: 478.08ha. Documents showing legal ownership total 29 titles. Quit rent for 2018 has been paid by HQ as per Debit Note Ref. # S61571; Dated 20/3/2018. Sighted samples: - Title # 354248; Mukim: Tebrau; Lot # PTD 105768; Area: 39.378ha; Date registered: 27/5/2003 - Title # 354246; Mukim: Tebrau; Lot # PTD 105766; Area: 107.407ha; Date registered: 27/5/2003 - Title # 358854; Mukim: Tebrau; Lot # PTD 105798; Area: 144.653ha; Date registered: 7/8/2003</p> <p><u>Kuala Kabong Estate:</u> Area statement 18/6/2017: Planted: 1,622.70ha; Total: 1,718.32ha. Documents showing legal ownership in single title owned by <i>Perbadanan Kemajuan Ekonomi Negeri Johor (JCorp)</i>; Title # 41938; Mukim: Bukit Batu; Lot # PTD 10294; Area: 1,736.1029ha; Date registered: 27/12/2007; Lease tenure ended on 16/8/2081. Ownership was by Tenancy Agreement between Johor Corporation</p>	<p>Complied</p>
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**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

		<p>(JCorp) and Kulim (Malaysia) Berhad; Dated: 6/4/1999; Effective 1/10/1998 for period of 3 years and option for renewal for further periods of 6 terms of 3 years. Quit rent for 2018 has been paid by HQ as per Debit Note Ref. # S61571; Dated 31/3/2018. Land rental charges for July 2018 sampled Debit Note Ref. # S22301; Dated 31/7/2018.</p> <p><u>Basir Ismail Estate:</u>          Area statement 15/1/2018: Planted: 2,906.77ha; Documents showing legal ownership total 29 titles. Quit rent for 2018 has been paid by HQ as per Debit Note Ref. # S61571; Dated 31/3/2018. Sighted samples:</p> <ul style="list-style-type: none"> <li>- Title # 105256; Mukim: Sungai Tiram; Lot # 697; Area: 2.1701ha; Date registered: 15/6/2004</li> <li>- Title # 105257; Mukim: Sungai Tiram; Lot # 766; Area: 2.4408ha; Date registered: 25/6/2004</li> </ul> <p>Title # 105255; Mukim: Sungai Tiram; Lot # 534; Area: 6.0804ha; Date registered: 15/6/2004</p> <p>Legal land ownership within Sedenak CU was made available during visit. Sighted the following</p> <table border="1" data-bbox="1028 1074 1823 1369"> <thead> <tr> <th>Lot no / Grant no. /PTD</th> <th>Legal Owner</th> <th>ha</th> <th>Actual legal land use</th> <th>History land tenure</th> </tr> </thead> <tbody> <tr> <td colspan="5"><b>Sedenak Tiram Estate</b></td> </tr> <tr> <td>10 land titles</td> <td>Mahamurni Plantations Sdn Bhd</td> <td>2860.87</td> <td>Oil palm</td> <td>Rubber</td> </tr> <tr> <td></td> <td><b>TOTAL</b></td> <td><b>2860.87</b></td> <td></td> <td></td> </tr> <tr> <td colspan="5"><b>Kuala Kabong Estate</b></td> </tr> </tbody> </table>	Lot no / Grant no. /PTD	Legal Owner	ha	Actual legal land use	History land tenure	<b>Sedenak Tiram Estate</b>					10 land titles	Mahamurni Plantations Sdn Bhd	2860.87	Oil palm	Rubber		<b>TOTAL</b>	<b>2860.87</b>			<b>Kuala Kabong Estate</b>					
Lot no / Grant no. /PTD	Legal Owner	ha	Actual legal land use	History land tenure																								
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**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator		Assessment Findings				Compliance
		PN62939		1736.10	Oil palm	Oil palm
		<b>TOTAL</b>		<b>1736.10</b>		
		<b>Lot no / Grant No. /PTD</b>	<b>Legal Owner</b>	<b>ha</b>	<b>Actual legal land use</b>	<b>History land tenure</b>
		<b>Ulu Tiram Estate</b>				
		10 land titles	Kulim (M) Berhad	477.30	Oil palm	
		1176 and 1182	Shared – Kulim and JLand	61.59		
		16 land titles.	JLand Berhad	404.40		
		<b>TOTAL</b>		<b>943.29</b>		
		<b>Basir Ismail Estate</b>				
		29 land titles	Kulim (M) Berhad	3196.63	Oil palm	Oil palm
		<b>TOTAL</b>		<b>3196.63</b>		



Criterion / Indicator		Assessment Findings				Compliance																				
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	<p>Legal boundaries were marked clearly using wooden pegs (red and white) at all visited estates. Sighted at Sedenak, Ulu Tiram, Kuala Kabong and Basir Ismail estates the following markers that were visibly maintained:</p> <table border="1"> <thead> <tr> <th>Estate name</th> <th>Plot No. / Block</th> <th>Marker No</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>Sedenak</td> <td>01/06</td> <td>C47 C48 C49</td> <td>Borders small holder Southeast. Between C48 and C49 is Sg. Skudai, approx. 4.5m wide</td> </tr> <tr> <td>Ulu Tiram</td> <td>13/01</td> <td>3</td> <td>Borders Pelangi Berhad, North-north-west (external stakeholder)</td> </tr> <tr> <td>Kuala Kabong</td> <td>P99/2 P00/05 P00/08</td> <td>13</td> <td>Borders Air Baloi Main road, Northeast; Swampy area and drain along border with RISDA, Westerly</td> </tr> <tr> <td>Basir Ismail</td> <td>98/B</td> <td>111</td> <td>Bordering Hutan Pulada near Sg. Redan, Southwest</td> </tr> </tbody> </table>				Estate name	Plot No. / Block	Marker No	Remarks	Sedenak	01/06	C47 C48 C49	Borders small holder Southeast. Between C48 and C49 is Sg. Skudai, approx. 4.5m wide	Ulu Tiram	13/01	3	Borders Pelangi Berhad, North-north-west (external stakeholder)	Kuala Kabong	P99/2 P00/05 P00/08	13	Borders Air Baloi Main road, Northeast; Swampy area and drain along border with RISDA, Westerly	Basir Ismail	98/B	111	Bordering Hutan Pulada near Sg. Redan, Southwest	Complied
Estate name	Plot No. / Block	Marker No	Remarks																							
Sedenak	01/06	C47 C48 C49	Borders small holder Southeast. Between C48 and C49 is Sg. Skudai, approx. 4.5m wide																							
Ulu Tiram	13/01	3	Borders Pelangi Berhad, North-north-west (external stakeholder)																							
Kuala Kabong	P99/2 P00/05 P00/08	13	Borders Air Baloi Main road, Northeast; Swampy area and drain along border with RISDA, Westerly																							
Basir Ismail	98/B	111	Bordering Hutan Pulada near Sg. Redan, Southwest																							
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																				

Criterion / Indicator		Assessment Findings	Compliance
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
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
<b>Criterion 2.3:</b>			
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 -	Maps of appropriate scale showing extent of recognized legal rights was established within Sedenak complex.	Complied

Criterion / Indicator		Assessment Findings	Compliance
2.3.2	<p>Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>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;</p> <p>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;</p> <p>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.</p> <p>- Minor compliance -</p>	<p>Kulim has developed the procedure i.e. SPO on Negotiations Concerning Compensation Program dated 04/09/2007. There is no land dispute issue occurred since the last audit.</p>	<p>Complied</p>
2.3.3	<p>All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>-Minor compliance</p>	<p>There is no land disputed recorded and it has been confirmed during stakeholder interview.</p>	<p>Complied</p>
2.3.4	<p>Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>-Major compliance</p>	<p>There is no land disputed recorded and it has been confirmed during stakeholder interview.</p>	<p>Complied</p>
<p><b>Principle 3: Commitment to long-term economic and financial viability</b></p>			
<p><b>Criterion 3.1:</b>            There is an implemented management plan that aims to achieve long-term economic and financial viability.</p>			

<p>3.1.1</p>	<p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -</p>	<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 throughput, % mill utilization rate, CPO, OER and KER, costs of production, and CAPEX.</p> <p>Sample of CAPEX sighted are as follows. <b>Sedenak POM</b></p> <ul style="list-style-type: none"> <li>• New Lubricant &amp; Chemical Store</li> <li>• 1 Unit Copper Step Up Transformer 380v/415 V</li> <li>• 1 Unit Loading Ramp</li> <li>• 1 Unit EFB Shredder for Boiler Fuel</li> <li>• 1 Unit 2.5 Mw Steam Turbine</li> <li>• 1 Unit 450 Kw Genset</li> <li>• 1 Unit 25000m<sup>3</sup> Biogas Pond (1000m<sup>3</sup> POME/Day) c/w Piping for Blower to Boiler</li> <li>• 1 Unit Side Blower for Biogas Plant</li> <li>• Replacement of Biogas Membrane (2 Tanks)</li> <li>• Digester Auto Control Level System</li> <li>• Upgrading of Inclined Fuel Conveyor to suit feeding of new boiler</li> <li>• Vertical Steriliser System c/w Electrical Control System and Conveyors for Vertical Steriliser System</li> <li>• Extension and widening of road for evacuation of shell and fibre</li> <li>• New Furrow Location at P04 A/03 (90 Furrows)</li> </ul> <p>Estates CAPEX for current year and projections for the following 5-years were seen.</p> <table border="1" data-bbox="1028 1270 1805 1329"> <thead> <tr> <th data-bbox="1028 1270 1218 1305">Estate</th> <th data-bbox="1218 1270 1805 1305">Items budgeted</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> </tr> </tbody> </table>	Estate	Items budgeted			<p>Complied</p>
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**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator		Assessment Findings		Compliance
		Sedenak	Other Plant and Machinery, Furniture, Fittings and Equipment, Road Vehicle and Mechanical Buffalo.	
		Kuala Kabong	Furniture, Fittings and Equipment, Road Vehicle, Wooden trailer, Rear Mounted Grader, Mini Crawler and Mechanical Buffalo.	
		Ulu Tiram	Agriculture Vehicle-Trailer, Road Vehicle, Mechanical Buffalo, Building Ramp, Water Pump and Furniture & Fittings.	
		Basir ismail	Construction of buildings, Other Plant and Machinery, Vehicles, Furniture & Fittings, Office and Residential Equipment & Appliances.	

<p>3.1.2</p>	<p>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>	<p><b>Sedenak Estate</b></p> <table border="1"> <thead> <tr> <th>Year of Replanting</th> <th>Field No.</th> <th>Ha,</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td>P92 (Bal)</td> <td>96.27</td> </tr> <tr> <td></td> <td>P92P</td> <td>53.83</td> </tr> <tr> <td>2019</td> <td></td> <td>NIL</td> </tr> <tr> <td>2020</td> <td>P99 (Part) Blk 1-2</td> <td>44.71</td> </tr> <tr> <td>2021</td> <td></td> <td>NIL</td> </tr> <tr> <td>2022</td> <td></td> <td>NIL</td> </tr> <tr> <td>2023</td> <td>P98 (Part) Blk 3-4</td> <td>214.04</td> </tr> </tbody> </table> <p><b>Kuala Kabong Estate</b> No replanting program envisaged for the next 5 years.</p> <p><b>Ulu Tiram Estate</b> No replanting programme from 2018 onwards and most of the area are under planning for properties development by Johor Corporation.</p> <p><b>Basir Ismail Estate</b></p> <table border="1"> <thead> <tr> <th>Year of Replanting</th> <th>Field No.</th> <th>Ha,</th> <th>Remarks</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td></td> <td>50.37</td> <td>Acquired from REM Estate, an estate belonging to Kulim Plantations</td> </tr> <tr> <td>2019</td> <td></td> <td>NIL</td> <td></td> </tr> </tbody> </table>	Year of Replanting	Field No.	Ha,	2018	P92 (Bal)	96.27		P92P	53.83	2019		NIL	2020	P99 (Part) Blk 1-2	44.71	2021		NIL	2022		NIL	2023	P98 (Part) Blk 3-4	214.04	Year of Replanting	Field No.	Ha,	Remarks	2018		50.37	Acquired from REM Estate, an estate belonging to Kulim Plantations	2019		NIL		<p>Complied</p>
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Criterion / Indicator		Assessment Findings				Compliance
		2020		0.84	Ex-laterite area (subject to *Zoo project proposed by J Corp)	
		2021	P97	322.31`		
		2022	P98A	114.41		
			P98B	56.87		
		2023		NIL		
		2024	P00	114.99		
<b>Principle 4: Use of appropriate best practices by growers and millers</b>						
<b>Criterion 4.1:</b> Operating procedures are appropriately documented, consistently implemented and monitored.						
4.1.1	Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -	<p>Sedenak Palm Mill uses its Mill Operation Manual that includes SOP, Work Instruction (19) and Sustainable Palm Oil Guidelines (13) as a guidance document to operate the mill.</p> <p>Estates use Kulim (M) Berhad Agricultural manual updated 1<sup>st</sup> July 2013 that covers land preparation, planting material, upkeep, harvesting and transport, etc. It also has implemented 28 OSH Safe Operating Procedures for Workshop, Stores (Chemical, General Waste, Schedule Waste, Fertiliser), Landfill site, Water Pump House, Cleaning Water Tank, Use of Fertiliser that contains Rock Phosphate and Crystalline Silica, Use of Grass Cutting/Trimming Hedges/Fogging Machine and other light machines, etc.</p> <p>For supply chain the mill refers to documented procedures (Core Process Procedure- Weighbridge Station: SDM/SOP/5.2) rev:5 dated 1/1/17. The procedure covers both supply chain module; Mass Balance and Identity Preserved for RSPO SCCS implementation.</p>				Complied

4.1.2	<p>A mechanism to check consistent implementation of procedures shall be in place.          - Minor compliance -</p>	<p>Inspection at the field and mill confirm that the SOPs, Work Instructions and Guidelines are being implemented. Assistant Managers, Supervisors and Mandores at both mill and estates level carry out daily supervision monitoring the implementation as part of their duty and the following reports sighted are evidence of recording required.</p> <p>a) Daily / monthly production &amp; financial report at both mill and estates.          b) Daily and monthly lab analysis report at mill.</p> <p>In addition to the above staff, the Mill Advisor and Plantation Inspectorate make regular visits to evaluate the performance of the mill and estates, as per Kulim Plantations requirements. Similarly, Kulim Sustainability Unit conduct Internal audit twice a year.</p> <table border="1" data-bbox="1032 847 1827 1374"> <thead> <tr> <th>Type of report</th> <th>Report no.</th> <th>Date of visit</th> <th>Date of report</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Sedenak POM</b></td> </tr> <tr> <td>MA Visit No. 1</td> <td>MJAB/SEDPOM /1/2018</td> <td>6.2.2018</td> <td>12.2.2018</td> </tr> <tr> <td>MA Visit No. 2</td> <td>MJAB/SEDPOM /2/2018</td> <td>3.4.2018</td> <td>5.4.2018</td> </tr> <tr> <td>MA Visit No. 3</td> <td>MJAB/SEDPOM /3/2018</td> <td>5.6.2018</td> <td>11.6.2018</td> </tr> <tr> <td>MA Visit No. 4</td> <td>MJAB/SEDPOM /4/2018</td> <td>13.8.2018</td> <td>16.0.2018</td> </tr> <tr> <td colspan="4"><b>Sedenak Estate</b></td> </tr> <tr> <td>PI Visit No. 1</td> <td>SE-PI Report – 01/2018</td> <td>14-15.03.18</td> <td>30.3.2018</td> </tr> <tr> <td>PI Visit No. 2</td> <td>SE-PI Report – 02/2018</td> <td>13.08.2018</td> <td>30.8.2018</td> </tr> </tbody> </table>	Type of report	Report no.	Date of visit	Date of report	<b>Sedenak POM</b>				MA Visit No. 1	MJAB/SEDPOM /1/2018	6.2.2018	12.2.2018	MA Visit No. 2	MJAB/SEDPOM /2/2018	3.4.2018	5.4.2018	MA Visit No. 3	MJAB/SEDPOM /3/2018	5.6.2018	11.6.2018	MA Visit No. 4	MJAB/SEDPOM /4/2018	13.8.2018	16.0.2018	<b>Sedenak Estate</b>				PI Visit No. 1	SE-PI Report – 01/2018	14-15.03.18	30.3.2018	PI Visit No. 2	SE-PI Report – 02/2018	13.08.2018	30.8.2018	Complied
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**RSPO Public Summary Report  
Revision 7 (Aug /2018)**

<b>Kuala Kabong Estate</b>			
PI Visit No. 1	KK-PI Report - 01/2018	26&27.3.2018	4.4.2018
PI Visit No. 2	KK-PI Report - 02/2018	14.8.2018	4.9.2018
<b>Ulu Tiram Estate</b>			
PI Visit No. 1	UT-PI Report - 01/2018	22.3.2018	26.3.2018
PI Visit No. 2	UT-PI Report - 02/2018	29.7.2018	30.7.2018
<b>Basir Ismail Estate</b>			
PI Visit No. 1	BI-PI Report – 01/2018	15-16.1.2018	21.1.2018
PI Visit No. 2	BI-PI Report – 02/2018	28&30.5.2018	3.6.2018
<p>Each site management then develop Action Plans from the Advisory / Inspectorate Reports or non-conformity raised from internal audit for improvement of their operations. Review of the reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs.</p> <p>During mill visit it was noted that that operating parameters were consistently recorded by the operators. For example, at the Boiler Control Room, the on-duty Grade 1 Boilerman was seen adjusting the mix ratio of shell and fiber charged to boiler to ensure emission meets the Control of Boiler Black Smoke Emission as per document no. SD/WI/1 Rev.0. Sighting the Smoke Density Meter (SDM) chart showed the emission is within the allowable limits. SDM was last calibrated on 14.7.2018</p> <p>At the estates,</p>			

		<p>(a) empty Pesticides Containers were tripled rinse, punctured at the bottom and stored in accordance to established procedure. For example, records of collection (49 x 20L, 186 x 4L, 6 x 1L, 146 x 500g Ally bottle and 52 boxes of Storm Rat Bait) dated 4.10.2018 by G-Planter for disposal as noted in the UPPCR Collection Form was sighted issued and signed by Ulu Tiram Estate and accepted by G-Planter lorry driver.</p> <p>(b) Water courses and wetlands are protected including maintaining and restoring appropriate buffer zones. Sighted in the field visited, the following prohibition signage in Malay language at the buffer zone that reads:</p> <p>Dilarang melakukan aktiviti di kawasan buffer zon ini: <i>(Do not conduct the following activities at this buffer zone):</i></p> <ol style="list-style-type: none"> <li>1. Meraacun <i>(Pesticides Spraying)</i></li> <li>2. Membaja <i>(Manuring)</i></li> <li>3. Mencabut, memotong rumput <i>(Remove or grass cutting)</i></li> <li>4. Menangkap ikan <i>(fishing)</i></li> </ol> <p>(c) At Kuala Kabong Estate the water management procedure A18, in peat areas, and Monitoring of subsidence of peat soils procedure, A19, as contained in the Agricultural Manual are adhered to. Records of daily water level recording at 65 weirs and 6-monthly interval at Subsidence Pole Point (6 points) were conducted to monitor ground level subsidence of peat soil were evident.</p> <p>At the linesite, weekly inspection was carried out by EHA and issues are highlighted in the report. It is also discussed during Safety and Health Committee meeting.</p>	
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**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator		Assessment Findings	Compliance																																																								
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	Mosquito fogging at linesite was carried out fortnightly and recorded All visited estates and the mill maintained all the above records including the administrative documents in either soft or hard copies in the office. They are maintained 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 -	<p>Sedenak POM continued to maintain record of origins of all third-party sourced Fresh Fruit Bunches (FFB). Sample of contract and MPOB licence was verified:</p> <table border="1"> <thead> <tr> <th>2018</th> <th colspan="3">Tonnage from Third Party FFB Supplier, MPOB Licence No. and validity period</th> </tr> </thead> <tbody> <tr> <td>Supplier name:</td> <td><b>HONG HUI</b> 50816301500</td> <td><b>GUAN LENG</b> 505874315000</td> <td><b>AZ IMAN</b> 610583015000</td> </tr> <tr> <td>MPOB Licence No.</td> <td>0</td> <td>01.02.18 – 31.01.19</td> <td>01.05.18 – 30.04.19</td> </tr> <tr> <td>Valid from / to</td> <td>01.01.18 – 31.12.18</td> <td></td> <td></td> </tr> <tr> <td>Jan</td> <td>3,049.40</td> <td>3,157.79</td> <td>774.57</td> </tr> <tr> <td>Feb</td> <td>3,214.48</td> <td>3,460.01</td> <td>616.10</td> </tr> <tr> <td>Mar</td> <td>4,016.62</td> <td>5,104.43</td> <td>648.26</td> </tr> <tr> <td>Apr</td> <td>4,359.49</td> <td>4409.44</td> <td>666.87</td> </tr> <tr> <td>May</td> <td>3,663.61</td> <td>3,648.11</td> <td>767.40</td> </tr> <tr> <td>Jun</td> <td>3,861.56</td> <td>3,720.83</td> <td>587.00</td> </tr> <tr> <td>Jul</td> <td>5,839.12</td> <td>4,477.40</td> <td>963.01</td> </tr> <tr> <td>Aug</td> <td>4,294.66</td> <td>4,048.47</td> <td>871.64</td> </tr> <tr> <td>Sep</td> <td>4,859.14</td> <td>4,625.12</td> <td>918.01</td> </tr> <tr> <td>TOTAL TO DATE</td> <td>37,158.08</td> <td>36,651.60</td> <td>6,812.86</td> </tr> </tbody> </table>	2018	Tonnage from Third Party FFB Supplier, MPOB Licence No. and validity period			Supplier name:	<b>HONG HUI</b> 50816301500	<b>GUAN LENG</b> 505874315000	<b>AZ IMAN</b> 610583015000	MPOB Licence No.	0	01.02.18 – 31.01.19	01.05.18 – 30.04.19	Valid from / to	01.01.18 – 31.12.18			Jan	3,049.40	3,157.79	774.57	Feb	3,214.48	3,460.01	616.10	Mar	4,016.62	5,104.43	648.26	Apr	4,359.49	4409.44	666.87	May	3,663.61	3,648.11	767.40	Jun	3,861.56	3,720.83	587.00	Jul	5,839.12	4,477.40	963.01	Aug	4,294.66	4,048.47	871.64	Sep	4,859.14	4,625.12	918.01	TOTAL TO DATE	37,158.08	36,651.60	6,812.86	Complied
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Criterion / Indicator		Assessment Findings	Compliance
4.2.1	<p>There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible.</p> <p>- Minor compliance -</p>	<p>Good agriculture practices which follows the Kulim (M) Berhad Agriculture Manual dated July 2013 contains Standard Operating Procedures to ensure soil fertility is managed to a level that ensure optimal and sustained yield. The implementation of SOPs is checked during daily inspection by staff as well as by internal audits.</p> <p>The practices include among others the following;</p> <ul style="list-style-type: none"> <li>a) Soil survey and map including topography details</li> <li>b) Leaf sampling and nutrient analysis</li> <li>c) Fertilizer recommendation by the Agronomist</li> <li>d) Fertilizer application program/implementation</li> <li>e) Monthly/annual yield statistics analysis</li> <li>f) Roads, Drains, Bridges, Culvert and Fences</li> <li>g) Soil Conservation</li> </ul> <p>The recommendations for improvements are given through the Plantation Inspectorate and Agronomist reports. Records were sighted and verified.</p>	Complied

<p>4.2.2</p>	<p>Records of fertiliser inputs shall be maintained. - Minor compliance -</p>	<p>Fertilizer recommendation is by Agronomist and records of application is captured via costing book and store issuance. Record details also show application date, field number, dosage applied per palm, type of fertilizer and number of applicators.</p> <p>All assessed estates maintained their fertiliser program and application records. Details of sampled field are as shown below; figures in kg otherwise stated and represent dosage /palm.</p> <p><b>Sedenak Estate</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Field no</th> <th colspan="5">Fertiliser type</th> </tr> <tr> <th>Mix 2+B</th> <th>Kiesrite</th> <th>AS</th> <th>MOP</th> <th>ERP</th> </tr> </thead> <tbody> <tr> <td>P98, P99, P00 &amp; P01</td> <td>3.00</td> <td>1.00</td> <td>3.00</td> <td>2.00</td> <td></td> </tr> <tr> <td>P06</td> <td>3.00</td> <td>1.00</td> <td>2.50</td> <td>2.00</td> <td>1.50</td> </tr> <tr> <td>P05, P07 &amp; P08</td> <td>3.00</td> <td>1.00</td> <td>2.50</td> <td>2.25</td> <td>1.50</td> </tr> <tr> <td>P09</td> <td>2.50</td> <td>1.00</td> <td>2.50</td> <td>2.50</td> <td>1.50</td> </tr> </tbody> </table> <p><b>Kuala Kabong Estate</b></p> <table border="1"> <thead> <tr> <th rowspan="2">Field no</th> <th colspan="6">Fertiliser type</th> </tr> <tr> <th>Mix 2+B</th> <th>GRO 1</th> <th>GML</th> <th>YA Zn15 &amp; Cu15</th> <th>MOP</th> <th>AS</th> </tr> </thead> <tbody> <tr> <td>P99</td> <td>3.00</td> <td>2.00</td> <td>2.00</td> <td>0.02</td> <td>1.75</td> <td>2.00</td> </tr> <tr> <td>P00</td> <td>3.00</td> <td>2.00</td> <td></td> <td>0.02</td> <td>1.75</td> <td>1.75</td> </tr> <tr> <td>P01</td> <td>3.00</td> <td>2.00</td> <td>2.00</td> <td>0.02</td> <td>2.00</td> <td>1.00</td> </tr> <tr> <td>P02</td> <td>3.00</td> <td>2.00</td> <td>2.00</td> <td>0.02</td> <td>2.50</td> <td>1.00</td> </tr> </tbody> </table> <p><b>Ulu Tiram Estate</b></p> <table border="1"> <thead> <tr> <th>Field no</th> <th>Fertiliser type</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> </tbody> </table>	Field no	Fertiliser type					Mix 2+B	Kiesrite	AS	MOP	ERP	P98, P99, P00 & P01	3.00	1.00	3.00	2.00		P06	3.00	1.00	2.50	2.00	1.50	P05, P07 & P08	3.00	1.00	2.50	2.25	1.50	P09	2.50	1.00	2.50	2.50	1.50	Field no	Fertiliser type						Mix 2+B	GRO 1	GML	YA Zn15 & Cu15	MOP	AS	P99	3.00	2.00	2.00	0.02	1.75	2.00	P00	3.00	2.00		0.02	1.75	1.75	P01	3.00	2.00	2.00	0.02	2.00	1.00	P02	3.00	2.00	2.00	0.02	2.50	1.00	Field no	Fertiliser type			<p>Complied</p>
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	Mix 2+B	MOP	IS 44+ B	AS	Bayovar RP	Kiesrite
P12 & P13	2.25	0.50	2.00			
P86,P89,P90B, P92P & P94			1.50	2.00		
P16				1.50	1.50	0.50

**Basir Ismail Estate**

Field no	Fertiliser type						
	YA 13/11/12	YA 10/10/30	YA 16/16/16	MOP	CPD44	RP	Kiesrite
P97	2.50	2.50		1.00			
P98	2.35	2.20		1.00			
P04	2.65	2.20		1.00			
P07	2.65	2.20		1.00			
P11	2.65	2.20		1.00			
P14	2.65	2.20	1.00				
P15	1.50		1.50	1.0			
P16					1.75	1.50	0.50

<p>4.2.3</p>	<p>There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status.          - Minor compliance -</p>	<p>The internal Agronomist from Agronomy Advisory and Services Department visited estates to perform foliar and soil sampling as shown below. This is done to monitor changes in nutrient status prior to the fertilizer recommendation for the forthcoming year.</p> <p><b>Soil sampling</b></p> <table border="1" data-bbox="1032 587 1805 919"> <thead> <tr> <th>Estate</th> <th>Date of visit</th> <th>Report No.</th> <th>Date of Report</th> </tr> </thead> <tbody> <tr> <td>Sedenak</td> <td>26.6.2018</td> <td>SI/1807/0157-0160</td> <td>26.7.2018</td> </tr> <tr> <td>Kuala Kabong</td> <td>15.2.2017</td> <td>SI/703/0029-0032</td> <td>6.3.2017</td> </tr> <tr> <td>Ulu Tiram</td> <td>3.1.2018</td> <td>SI/1701/0001-0004</td> <td>23.1.2018</td> </tr> <tr> <td>Basir Ismail</td> <td>25.3.2018</td> <td>SI/1804/0061-0064</td> <td>12.4.2018</td> </tr> </tbody> </table> <p><b>Tissue sampling</b></p> <table border="1" data-bbox="1032 983 1805 1283"> <thead> <tr> <th>Estate</th> <th>Date of visit</th> <th>Report No.</th> <th>Date of Report</th> </tr> </thead> <tbody> <tr> <td>Sedenak</td> <td>13.7.2018</td> <td>LI/1808/SDK/1015</td> <td>29.8.2018</td> </tr> <tr> <td>Kuala Kabong</td> <td>4.2.2018</td> <td>LI/1802/KK/0126-0135</td> <td>14.2.2018</td> </tr> <tr> <td>Ulu Tiram</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Basir Ismail</td> <td>26.3.2017</td> <td>LI/1605/BI/0421-0430</td> <td>16.5.2017</td> </tr> </tbody> </table> <p>Annual foliar and soil analysis by agronomist once per year          Sampling done 22/5/18 result soil issued 26.7.18, result leaf 29.8.17</p>	Estate	Date of visit	Report No.	Date of Report	Sedenak	26.6.2018	SI/1807/0157-0160	26.7.2018	Kuala Kabong	15.2.2017	SI/703/0029-0032	6.3.2017	Ulu Tiram	3.1.2018	SI/1701/0001-0004	23.1.2018	Basir Ismail	25.3.2018	SI/1804/0061-0064	12.4.2018	Estate	Date of visit	Report No.	Date of Report	Sedenak	13.7.2018	LI/1808/SDK/1015	29.8.2018	Kuala Kabong	4.2.2018	LI/1802/KK/0126-0135	14.2.2018	Ulu Tiram				Basir Ismail	26.3.2017	LI/1605/BI/0421-0430	16.5.2017	<p>Complied</p>
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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"> <li>a) EFB application in designated fields at dosage of 30-50 mt/ha applied in inter rows subject to Agronomist recommendations</li> <li>b) Cut frond are stacked in between the palms rows left to decompose.</li> <li>c) Bio compost application in selected fields at rate of 7mt/ha</li> <li>d) POME Utilization using tractor tanker and furrow system at 17mt/ha or 125kg/palm at Sedenak Estate only, the host estate of Sedenak Mill.</li> </ul> <p>Specific application as extracted and shown below is sighted at Kuala Kabong and Ulu Tiram Estates;</p> <table border="1" data-bbox="1025 879 1727 1050"> <thead> <tr> <th>Estate/Field no</th> <th>Ha</th> <th>EFB, mt</th> </tr> </thead> <tbody> <tr> <td>Kuala Kabong / P99</td> <td>30</td> <td>750</td> </tr> <tr> <td>Kuala Kabong / P00</td> <td>7</td> <td>175</td> </tr> <tr> <td>Kuala Kabong / P02</td> <td>40</td> <td>1000</td> </tr> <tr> <td>Ulu Tiram / P16</td> <td>3.30</td> <td>99.67</td> </tr> </tbody> </table>	Estate/Field no	Ha	EFB, mt	Kuala Kabong / P99	30	750	Kuala Kabong / P00	7	175	Kuala Kabong / P02	40	1000	Ulu Tiram / P16	3.30	99.67	Complied
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<p><b>Criterion 4.3:</b> Practices minimise and control erosion and degradation of soils.</p>																		
4.3.1	Maps of any fragile soils shall be available. - Major compliance -	<p>Within the Sedenak CU fragile soils are only present at Kuala Kabong Estate. In terms of area, peat soil covers 78.2%, problematic lateritic soil (Gajah Mati series) covers 10.6% with the balance non-problematic soil (Batang Merbau and Rengam series). The 21.8% non-peat soils are on undulating land.</p> <p>See Indicator 7.2.1 details of soil maps for Sedenak CU in general.</p>	Complied															



Criterion / Indicator	Assessment Findings	Compliance	
4.3.2	<p>A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific).</p> <p>- Minor compliance -</p>	<p>Management strategy for planting on slopes are referred to in Kulim (M) Berhad Agriculture Manual, Procedure A-07 Terrace and Platform Construction.</p> <p>Slope areas are constructed with terrace and stop bund. Planting terraces had been constructed where slope &gt;7°. Fields are established with cover crops such as mucunna and planting of soft grasses in interlines to prevent soil erosion.</p>	Complied

Criterion / Indicator		Assessment Findings					Compliance																									
4.3.3	A road maintenance programme shall be in place. - Minor compliance -	<p>The road maintenance program for the year under assessment at visited estates, as of end September, are as follows:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Distance /area</th> <th>Start Date / End Date</th> <th>% Completed</th> <th>Scope of work</th> </tr> </thead> <tbody> <tr> <td>Sedenak</td> <td>14200 m<sup>2</sup></td> <td>1.1.2018 / 31.8.2018</td> <td>100</td> <td>Probase patching</td> </tr> <tr> <td>Kuala Kabong</td> <td>50 chain</td> <td>1.1.2018 / 30.9.2018</td> <td>100</td> <td>Grading and patching potholes</td> </tr> <tr> <td>Ulu Tiram</td> <td></td> <td>1.1.2018 / 31.9.2018</td> <td>60</td> <td>Repair and patching potholes</td> </tr> <tr> <td>Basir Ismail</td> <td>6,337 chain</td> <td>1.1.2018 / 31.10.2018</td> <td>92</td> <td>Road camber and gradual/gentle slope to ensure rainwater flow to the sides. To carry out scupper drain every 1 chain Any holes after grading to be filled in manually. All potholes to be covered.</td> </tr> </tbody> </table>					Estate	Distance /area	Start Date / End Date	% Completed	Scope of work	Sedenak	14200 m <sup>2</sup>	1.1.2018 / 31.8.2018	100	Probase patching	Kuala Kabong	50 chain	1.1.2018 / 30.9.2018	100	Grading and patching potholes	Ulu Tiram		1.1.2018 / 31.9.2018	60	Repair and patching potholes	Basir Ismail	6,337 chain	1.1.2018 / 31.10.2018	92	Road camber and gradual/gentle slope to ensure rainwater flow to the sides. To carry out scupper drain every 1 chain Any holes after grading to be filled in manually. All potholes to be covered.	Complied
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Criterion / Indicator	Assessment Findings	Compliance
<p>4.3.4</p> <p>Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place.                      - Minor compliance -</p>	<p>Kulim Plantations has established in its Agricultural Manual, Procedure A19 – Monitoring Subsidence of Peat Soils and this procedure had been implemented. There are 6 Subsidence Pole Points installed throughout the peat area. Readings are taken at 6-monthly interval.</p> <p>Likewise, Procedure A18 – Water Management Plan in Peat Areas is used to provide extensive and effective drainage system in peat soil in order to maintain the water levels during dry period and to drain out the excess water during wet period.</p> <p>To conserve moisture, a series of weirs are constructed across the collection drains to hold back water and raise the water-table to within 50-75 cm from the surface. Water level monitoring pole is erected in the middle of the weir. Daily water level at each weir is recorded.</p> <p>The weirs sighted in the field are made of sandbags. To regulate the height of the water table, wooden planks/sandbags, acting as sluice gates, are slotted into the desired level. Except for periodic flushing of acidic water during the rainy seasons, the blocks are maintained at the predetermined level at all times.</p> <p>Assisted by the water gates (5 nos.) at the discharge ends of the main drains, the weirs are very effective in minimizing the adverse effects of the moisture stress.</p>	<p>Complied</p>
<p>4.3.5</p> <p>Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing.                      - Minor compliance -</p>	<p>See criterion 3.1.2 above. No replanting is envisaged in the next 5 years.</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
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 -	At Kuala Kabong Estate the Gajah Mati soil series in at undulating areas. The Management strategies adopted are: 1. Maximizing palm biomass retention/ recycling such as apply biocompost at 7MT/Ha and apply EFB at 30MT/Ha. 2. Maintaining good non-competitive ground cover. 3. Proper frond heap stacking such as contour/L-shaped stacking for straight line planting. 4. Regular road maintenance.	Complied
<b>Criterion 4.4:</b> Practices maintain the quality and availability of surface and ground water.			

4.4.1	<p>An implemented water management plan shall be in place. - Minor compliance -</p>	<p>The Sedenak CU monitors water quality of outgoing waters to identify any adverse effect from the mill and estate activities. The plan takes into account the efficient use of resources, ensure amongst others that the use of water did not impact on other users, avoid contamination of ground and surface water, and appropriate treatment of mill effluent.</p> <p>The mill and estate water management plans have been established with the recent review made on 01/8/2018. Among others the plans therein has emphasized;</p> <table border="1" data-bbox="1032 719 1823 1332"> <thead> <tr> <th>Source</th> <th>Activity</th> <th>Threat</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td colspan="4"><b>Mill water management plan</b></td> </tr> <tr> <td>River/ pond</td> <td>Mill operation</td> <td>Water pollution</td> <td> <ul style="list-style-type: none"> <li>• Rain water harvesting for cleaning purposes</li> <li>• Water from the reservoir for the mill operations and treated water for human consumption including monthly water analysis</li> <li>• Monthly effluent analysis as required by DOE</li> <li>• Continual training for workers on water efficiency consumption</li> <li>• Desilting of water reservoir to retain the reservoir optimal capacity</li> <li>• Follow work instruction and SOP for effluent pond and furrow system to avoid any outflow of effluent</li> </ul> </td> </tr> </tbody> </table>	Source	Activity	Threat	Action Plan	<b>Mill water management plan</b>				River/ pond	Mill operation	Water pollution	<ul style="list-style-type: none"> <li>• Rain water harvesting for cleaning purposes</li> <li>• Water from the reservoir for the mill operations and treated water for human consumption including monthly water analysis</li> <li>• Monthly effluent analysis as required by DOE</li> <li>• Continual training for workers on water efficiency consumption</li> <li>• Desilting of water reservoir to retain the reservoir optimal capacity</li> <li>• Follow work instruction and SOP for effluent pond and furrow system to avoid any outflow of effluent</li> </ul>	Complied
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			Housekeeping (Cleaning process)	Drought Wastage	<ul style="list-style-type: none"> <li>• Schedule water supply to avoid overuse of water</li> <li>• Outsource water from neighboring estate/division</li> <li>• Awareness on water usage efficiency</li> <li>• Monitor leakages and periodically fix it</li> </ul>
<b>Estate water management plan</b>					
	Reservoir/pond/SAJ/Rain	Chemical mixing		Water Pollution	<ul style="list-style-type: none"> <li>• Enforcement of buffer zone as non-spraying activities</li> <li>• Inlet and outlet water analysis done after manuring application for the month</li> <li>• Follow Schedule Waste management procedure to avoid water pollution caused by scheduled waste</li> </ul>
				Drought	Water rationing by SAJ
		General Upkeep		Pollution Wastage	<ul style="list-style-type: none"> <li>• Follow WI &amp; SOP to avoid water pollution</li> <li>• Follow SW SOP to avoid pollution caused from SW</li> </ul>

**RSPO Public Summary Report  
Revision 7 (Aug /2018)**

Criterion / Indicator		Assessment Findings			Compliance	
			Line site	Drought Water rationing by SAJ Wastage Pollution	<ul style="list-style-type: none"> <li>• Every house is supplied with containers</li> <li>• Schedule water supply to avoid wastage</li> <li>• Outsource water from neighboring estates</li> <li>• Awareness on water usage efficiency</li> <li>• Monitor leakages and periodically fix it</li> <li>• Monitor conditions of septic tank</li> </ul>	
			Drain upkeep	Interruption water flow at drainage system.	<ul style="list-style-type: none"> <li>• Periodic desilting</li> <li>• Building of sand bags at specific points to contain water (weirs)</li> </ul>	

<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>Water courses and wetlands are protected including maintaining and restoring appropriate riparian buffer zones. 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. The guidelines are detailed in the SOP No 12: Protection of River Reserves (Riparian &amp; Buffer Zone). The buffer zones established are as follows:</p> <table border="1" data-bbox="1032 587 1655 855"> <thead> <tr> <th>River width (meter)</th> <th>Minimum width for river reserves (m) for Peninsular Malaysia and Sarawak</th> </tr> </thead> <tbody> <tr> <td>1-5</td> <td>5</td> </tr> <tr> <td>5-10</td> <td>10</td> </tr> <tr> <td>10-20</td> <td>20</td> </tr> <tr> <td>20-40</td> <td>40</td> </tr> <tr> <td>&gt;40</td> <td>50</td> </tr> </tbody> </table> <p>All estates monitored river water entering and exiting their property. Water sampling for Nitrate Nitrogen and Phosphate was done in months when fertilisers were applied. Analysis was assigned to UTCL Laboratory, Kota Tinggi. The below table showed monitoring details:</p> <table border="1" data-bbox="1032 1018 1805 1383"> <thead> <tr> <th>Estate</th> <th>River</th> <th>Report number</th> <th>Date of report</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Sedenak</td> <td rowspan="3">Sg. Skudai</td> <td>WI/1808/0819-0820</td> <td>30.08.2018</td> </tr> <tr> <td>WI/1808/0734-0735</td> <td>17.07.2018</td> </tr> <tr> <td>WI/1808/0660-0661</td> <td>26.06.2018</td> </tr> <tr> <td rowspan="3">Kuala Kabong</td> <td rowspan="3">Sg. Merah</td> <td>WI/1810/0980-0983</td> <td>17/9/2018</td> </tr> <tr> <td>WI/1808/0802-0805</td> <td>26/08/2018</td> </tr> <tr> <td>WI/1808/0741-0744</td> <td>03/07/2018</td> </tr> <tr> <td rowspan="2">Ulu Tiram</td> <td rowspan="2">Sg. Ulu Tiram</td> <td>WI/1810/0990-0992</td> <td>21.09.2018</td> </tr> <tr> <td>WI/1808/0759-0761</td> <td>23.07.2018</td> </tr> </tbody> </table>	River width (meter)	Minimum width for river reserves (m) for Peninsular Malaysia and Sarawak	1-5	5	5-10	10	10-20	20	20-40	40	>40	50	Estate	River	Report number	Date of report	Sedenak	Sg. Skudai	WI/1808/0819-0820	30.08.2018	WI/1808/0734-0735	17.07.2018	WI/1808/0660-0661	26.06.2018	Kuala Kabong	Sg. Merah	WI/1810/0980-0983	17/9/2018	WI/1808/0802-0805	26/08/2018	WI/1808/0741-0744	03/07/2018	Ulu Tiram	Sg. Ulu Tiram	WI/1810/0990-0992	21.09.2018	WI/1808/0759-0761	23.07.2018	<p>Complied</p>
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**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator		Assessment Findings				Compliance								
		Basir	Sg. Serai	WI/1810/0949-0952	4.10.2018									
		Ismail		WI/1809/0835-0838	3.09.2018									
			Sg. Redan	WI/1810/0949-0952	4.10.2018									
				WI/1809/0835-0838	3.09.2018									
4.4.3	<p>Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6).</p> <p>- Minor compliance -</p>	<p>Treatment of mill effluent carried out as per SOP Doc no SNPOM/SOP/8.14 dated 1 January 2018 and DOE license requirements with regular monitoring of discharge quality; especially Biochemical Oxygen Demand (BOD) is monitored. Results of BOD monitoring as per stipulated frequency was in compliance as follows:</p> <p>i)Final Discharge analysis (BOD analysis fortnightly)                      Latest monitoring by UTCL Laboratory, dated 24 August 2018, report no: EI/1808/0751-0754. Sampling dated 12 August 2018.                      Sampling area:</p> <ul style="list-style-type: none"> <li>i) EI – 0751 (Final Discharge)</li> <li>ii) EI – 0753 (upstream)</li> <li>iii) EI – 0754 (downstream)</li> </ul> <table border="1"> <thead> <tr> <th>Parameter (unit)</th> <th>0751</th> <th>0753</th> <th>0754</th> </tr> </thead> <tbody> <tr> <td>BOD(mg/L)</td> <td>71</td> <td>50</td> <td>&lt;7</td> </tr> </tbody> </table> <p>ii)Quarterly return via Online Environmental Reporting (OER) and monthly effluent analysis                      Latest quarter, 1 April – 31 June 2018, submitted on 16/7/2018. 1st(8/4/2018), 5th (6/5/2018) and 9th (3/6/2018) week analysis results were submitted no off-limit parameter recorded.</p>				Parameter (unit)	0751	0753	0754	BOD(mg/L)	71	50	<7	Complied
Parameter (unit)	0751	0753	0754											
BOD(mg/L)	71	50	<7											

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>Sedenak POM monitored its water consumption on monthly basis for the source of water supply for its mill process usage. Summary of water consumption as per below:</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Water consumption ratio</th> </tr> </thead> <tbody> <tr> <td>2017</td> <td>1.02 m3/mt</td> </tr> <tr> <td>2018 (todate)</td> <td>1.05 m3/mt</td> </tr> </tbody> </table>	Year	Water consumption ratio	2017	1.02 m3/mt	2018 (todate)	1.05 m3/mt	Complied
Year	Water consumption ratio								
2017	1.02 m3/mt								
2018 (todate)	1.05 m3/mt								
<p><b>Criterion 4.5:</b>  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>All estates visited continued to have in place a documented integrated pest management (IPM) system. The IPM program among others included pest management of rats by rearing barn owls, bagworms by planting beneficial plants such as <i>Cassia cobanensis</i>, <i>Antigonan leptopus</i> and <i>Turnera subulata</i> as per Kulim (M) Berhad – ARM section J – IPM.</p> <p>The implementation was monitored for rat damage, bag worm attack, barn owl population census and records on planting beneficial plants.</p> <p>At Sedenak Estate Antigonon, Tunera and Cassia were seen planted at Field P17 &amp; P18. Tunera was also seen at P07/01/ P01/03 and P06/01. At Kuala Kabong Estate the following beneficial plants were sighted: Office areas Turnera Subulata, Allamanda and cathartica; Field P02/1 Turnera Subulata and Antigonan,; and Field P99/1,P99/2 &amp; P99/3 Cassia cobanensis and Antigonan. At Ulu Tiram Estate Tunera was planted at field P12/01 along the main road.</p> <p>Though all estates had barn owl boxes rat damage still exist. Rat attack was treated/controlled by rat baiting using <i>broadifacoum</i>. Calendar Baiting were carried out annually and stopped when bait acceptance drops to &lt;20%.</p> <p><b>Barn owl</b></p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Sedenak</th> <th>Kuala Kabong</th> <th>Ulu Tiram</th> <th>Basir Ismail</th> </tr> </thead> <tbody> <tr> <td>No. of boxes</td> <td>68</td> <td>60</td> <td>23</td> <td>40</td> </tr> </tbody> </table>	Estate	Sedenak	Kuala Kabong	Ulu Tiram	Basir Ismail	No. of boxes	68	60	23	40	Complied
Estate	Sedenak	Kuala Kabong	Ulu Tiram	Basir Ismail									
No. of boxes	68	60	23	40									

4.5.2	<p>Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -</p>	<p>IPM training is given by the Agronomist and plantation executives with qualification in agriculture. Interview with the staff confirm their understanding of the Kulim’s IPM practices. Sample of IPM training verified at visited estate:</p> <table border="1" data-bbox="1025 539 1823 1310"> <thead> <tr> <th rowspan="2">Estate</th> <th>2018</th> <th rowspan="2">Course name</th> <th rowspan="2">Field</th> <th rowspan="2">Trainer</th> <th colspan="2">Attendees</th> </tr> <tr> <th>Date</th> <th>No.</th> <th>Job*</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Sedenak</td> <td>8 Jan</td> <td>Rat baiting</td> <td>P17/1</td> <td>AM</td> <td>13</td> <td>W</td> </tr> <tr> <td>18 Jul</td> <td>Pesticides Spraying</td> <td>P17/1</td> <td>G-Planter</td> <td>20</td> <td>St and FW</td> </tr> <tr> <td rowspan="2">Kuala Kabong</td> <td>13 Mar</td> <td>Rat baiting</td> <td>Kuala Kabong Estate</td> <td>AM</td> <td>8</td> <td>Exec &amp; GW</td> </tr> <tr> <td>12 Jul</td> <td>Control of Ganoderma disease</td> <td>Legends Golf Resort</td> <td>Dr. Idris Abu Seman</td> <td></td> <td>Exec, Agronomists and staff</td> </tr> <tr> <td>Ulu Tiram</td> <td>5 Feb</td> <td>Rat baiting</td> <td>P12/2</td> <td>AM</td> <td>10</td> <td>S</td> </tr> </tbody> </table>	Estate	2018	Course name	Field	Trainer	Attendees		Date	No.	Job*	Sedenak	8 Jan	Rat baiting	P17/1	AM	13	W	18 Jul	Pesticides Spraying	P17/1	G-Planter	20	St and FW	Kuala Kabong	13 Mar	Rat baiting	Kuala Kabong Estate	AM	8	Exec & GW	12 Jul	Control of Ganoderma disease	Legends Golf Resort	Dr. Idris Abu Seman		Exec, Agronomists and staff	Ulu Tiram	5 Feb	Rat baiting	P12/2	AM	10	S	Complied
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Criterion / Indicator		Assessment Findings						Compliance
		<b>Basir Ismail</b>	19 Mar	Cultivation and care of beneficial plant	Basir Ismail Estate	AM	16	FS and GW
			12 Jul	Field day on Basal Stem Rot Disease Management	Sedena Estate	MPOB and Agronomy Advisory Dept	87	Executives
			1 Oct	Pesticides Spraying	Basir Ismail Estate	AM	6	FS and GW
		<p>*Job – AM means Estate Assistant Manager            - S means Sprayer            - St means Staff            - FW means Field Workers            - GW means General Workers            - FS means Field Supervisor</p>						
<p><b>Criterion 4.6:</b>            Pesticides are used in ways that do not endanger health or the environment</p>								

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 31/10/2017, H01: Justification of Chemical Use. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.	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 -	<p>Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications was maintained.</p> <table border="1"> <thead> <tr> <th></th> <th>2017 a.i/ha</th> <th>Todate until September 2018 a.i/ha</th> </tr> </thead> <tbody> <tr> <td>Sedenak estate</td> <td>1.1</td> <td>0.9</td> </tr> <tr> <td>Ulu Tiram estate</td> <td>1.82</td> <td>1.79</td> </tr> <tr> <td>Kuala Kabong Estate</td> <td>1.68</td> <td>1.75</td> </tr> <tr> <td>Basir Ismail</td> <td>1.34</td> <td>0.64</td> </tr> </tbody> </table> <p>The increase in chemical activity because trial some new chemical for certain estate. From the PI report new recommendation from PI regarding to Typhonium Sp need new chemical water based trichlopyr, crush and miracle for control the weed.</p>		2017 a.i/ha	Todate until September 2018 a.i/ha	Sedenak estate	1.1	0.9	Ulu Tiram estate	1.82	1.79	Kuala Kabong Estate	1.68	1.75	Basir Ismail	1.34	0.64	Complied
	2017 a.i/ha	Todate until September 2018 a.i/ha																
Sedenak estate	1.1	0.9																
Ulu Tiram estate	1.82	1.79																
Kuala Kabong Estate	1.68	1.75																
Basir Ismail	1.34	0.64																

Criterion / Indicator	Assessment Findings	Compliance
<p>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.</p> <p>- Major compliance -</p>	<p>The quantity of agrochemicals required for various field conditions are documented and justified in Kulim’s Agriculture Manual. The implementation in the field is consistent with the manual. There is no prophylactic use of pesticides.</p> <p>In Kuala Kabong Estate Rat Baiting programme is available until September 2018. For Barn owl the programme of census is available latest result from census occupancy is around 38%.</p> <p>For Basir Ismail Estate,te programme is available for Rat Control by using Owl. There 2 type of control for rat, rat baiting and barn owl implementation. Some budget already allocate for both activities maintainance. Example in Field P98A 114.4 Ha already allocate RM 70/Ha budget.the programme for Rat Bait is from January to February and July for Barn Owl implementation.</p>	<p>Complied</p>
<p>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.</p> <p>- Minor compliance -</p>	<p>Kulim (M) Bhd has stopped paraquat usage since February 2015. Alternatives such as Glyphosate were used. The implementation in the field is consistent with the SOP.</p>	<p>Complied</p>

<p>4.6.5</p>	<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). - Major compliance -</p>	<p>The suitable personal protective equipment's and application equipment provided to the operators. Pesticide operators given training on the safe handling and application of the pesticides. All precautions attached to the products explained using SDS to operators and understood by them. This was noted during the interview with workers. Safety data Sheet is available and updated as per below detail:-</p> <table border="1" data-bbox="1032 587 1662 887"> <thead> <tr> <th>Chemical</th> <th>A/I</th> <th>SDS dated</th> </tr> </thead> <tbody> <tr> <td>Blocus Beta</td> <td>Cyfluthrin</td> <td>2013</td> </tr> <tr> <td>ALLY 20 DF</td> <td>Metsulfuron Methyl</td> <td>2014</td> </tr> <tr> <td>Ken – Amine 600</td> <td>Dimethyl Ammonium</td> <td>2015</td> </tr> <tr> <td>Ken-glyphosate</td> <td>Glyphosate isopropylammonium</td> <td>2014</td> </tr> </tbody> </table> <p>The training for handling the chemical is already done. Sampling in Kuala Kabong Estate, training regarding chemical handling training as per below detail:-</p> <table border="1" data-bbox="1032 986 1662 1372"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Person attend</th> </tr> </thead> <tbody> <tr> <td>4 Oct 2018</td> <td>PPE and handling chemical training Training on chemical class by G Planter Triple rinse training</td> <td>16 person  13 Person  13 person</td> </tr> <tr> <td>In Basir Ismail 23 Sept 2018</td> <td></td> <td>44 Person</td> </tr> </tbody> </table>	Chemical	A/I	SDS dated	Blocus Beta	Cyfluthrin	2013	ALLY 20 DF	Metsulfuron Methyl	2014	Ken – Amine 600	Dimethyl Ammonium	2015	Ken-glyphosate	Glyphosate isopropylammonium	2014	Date	Training	Person attend	4 Oct 2018	PPE and handling chemical training Training on chemical class by G Planter Triple rinse training	16 person  13 Person  13 person	In Basir Ismail 23 Sept 2018		44 Person	<p>Complied</p>
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Criterion / Indicator		Assessment Findings			Compliance
			PPE and handling chemical training by G Planter		
		1 Oct 2018	Pesticide application training	14 person	
4.6.6	Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	<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 visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation. SOP triple rinsing is available dated 18 May 2018 under Title <i>Panduan Kerja Selamat Dibawah Akta Keselamatan Dan Kesehatan Pekerjaan 1994</i>. Pesticide SOP 2<sup>nd</sup> Issue – Dec 2016 from SPO team ref no: SSD/ADMIN/002/17 under practice section stated All pesticide are to be kept in pesticide store.</p> <p>In Ulu Tiram estate found Lubricant and Scheduled waste in same store not followed as per SOP Work Instruction for Chemical store and Scheduled waste store. This action also breach legal under Scheduled waste Reg 2005.</p> <p>In Kuala Kabong Estate, during site visit at Changing Room, General store and Tools Store have store certain scheduled waste (SW 409) and chemical such as Storm, Glyphosate and Ally. This action not followed as per SOP Work Instruction for Chemical Store. Hence a major noncompliance has been raised on these matters.</p>			Major nonconformance

4.6.7	<p>Application of pesticides shall be by proven methods that minimise risk and impacts.          - 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. PPE issuance record as per below verification:-</p> <p><u>Kuala Kabong Estate</u></p> <table border="1" data-bbox="1028 587 1765 999"> <thead> <tr> <th>Work type</th> <th>Date</th> <th>PPE Type</th> <th>Workers name</th> </tr> </thead> <tbody> <tr> <td>Sprayer</td> <td>25/9/2018</td> <td>Respiratory filter</td> <td>Herman</td> </tr> <tr> <td>Sprayer</td> <td>15/6/2018</td> <td>Rubber glove, apron, rubber boot, facemask</td> <td>Khairudin</td> </tr> <tr> <td>Manurer</td> <td>3/9/2018</td> <td>Cotton glove, Face mask</td> <td>Arjuna</td> </tr> <tr> <td>Manurer</td> <td>3/9/2018</td> <td>Cotton glove, face mask</td> <td>Beni superento</td> </tr> </tbody> </table> <p><u>Ulu Tiram estate</u></p> <table border="1" data-bbox="1028 1046 1765 1375"> <thead> <tr> <th>Work type</th> <th>Date</th> <th>PPE type</th> <th>Workers name</th> </tr> </thead> <tbody> <tr> <td>Sprayer</td> <td>7/10/18</td> <td>Goggles, chemical glove, respirator and filter</td> <td>Saifullah</td> </tr> <tr> <td>Sprayer</td> <td>15/7/18</td> <td>Respirator</td> <td>Suhardi</td> </tr> <tr> <td>Fertiliser applicator</td> <td>8/10/18</td> <td>Chemical glove</td> <td>Taufik</td> </tr> </tbody> </table>	Work type	Date	PPE Type	Workers name	Sprayer	25/9/2018	Respiratory filter	Herman	Sprayer	15/6/2018	Rubber glove, apron, rubber boot, facemask	Khairudin	Manurer	3/9/2018	Cotton glove, Face mask	Arjuna	Manurer	3/9/2018	Cotton glove, face mask	Beni superento	Work type	Date	PPE type	Workers name	Sprayer	7/10/18	Goggles, chemical glove, respirator and filter	Saifullah	Sprayer	15/7/18	Respirator	Suhardi	Fertiliser applicator	8/10/18	Chemical glove	Taufik	Complied
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Criterion / Indicator		Assessment Findings				Compliance
		Fertiliser Applicator	11/6/18	Chemical glove	Alwan	
		<u>Basir Ismail Estate</u>				
		Work type	Date	PPE type	Workers name	
		Sprayer	20/9/18	Goggles, chemical glove, respirator and filter	Muhamad Zunaidi	
		Sprayer	3/5/2018	Filter Mask,Glove, Apron	Marlia	
		Fertiliser applicator	3/1/18	Glove, Apron, mask, hard hat, rubber shoes	Fauzan Azima	
		Fertiliser Applicator	10/6/18	Glove, Apron, mask, hard hat, rubber shoes	Mahnun	
4.6.8	Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying at all estates.				Complied

Criterion / Indicator		Assessment Findings	Compliance
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 is no associated smallholder at Sedenak Certification Unit. Employees handling pesticide given knowledge and skill required to cover safe handling practices and standard operating procedures.	Complied

4.6.10	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). - Minor compliance -</p>	<p>Proper disposal of waste material is based on the established waste and pollution management plan dated 1 August 2018. Note SOP for waste disposal is available in Kulim Berhad, dated 3 September 2007 under title SPO Improvement Program for control waste.</p> <table border="1" data-bbox="1025 555 1805 1303"> <thead> <tr> <th data-bbox="1025 555 1346 592">Waste Material</th> <th data-bbox="1346 555 1805 592">Disposal Method</th> </tr> </thead> <tbody> <tr> <td data-bbox="1025 592 1346 850">Domestic</td> <td data-bbox="1346 592 1805 850"> <p><u>Sedenak</u> Dispose in the land fill at field 98 Block 1 <u>Ulu Tiram</u> Dispose in the land fill at field P86 <u>Kuala Kabong</u> Dispose in the land fill at Field P99/02</p> </td> </tr> <tr> <td data-bbox="1025 850 1346 1273">Plastic,Bottles,Clothing</td> <td data-bbox="1346 850 1805 1273"> <p>For all estate to be recycle, or landfill disposal, for chemical empty container dispose at G – Planter. <u>Sedenak</u> Latest disposal is on 5 Sept 2018 with total 397 container. <u>Ulu Tiram</u> Latest disposal is on 4 Oct 2018 with total 439 container. <u>Kuala Kabong</u> Latest disposal is on 9 Oct 2018 with total 64 container.</p> </td> </tr> <tr> <td data-bbox="1025 1273 1346 1303">Garden waste</td> <td data-bbox="1346 1273 1805 1303">Dispose at Frond staking row</td> </tr> </tbody> </table>	Waste Material	Disposal Method	Domestic	<p><u>Sedenak</u> Dispose in the land fill at field 98 Block 1 <u>Ulu Tiram</u> Dispose in the land fill at field P86 <u>Kuala Kabong</u> Dispose in the land fill at Field P99/02</p>	Plastic,Bottles,Clothing	<p>For all estate to be recycle, or landfill disposal, for chemical empty container dispose at G – Planter. <u>Sedenak</u> Latest disposal is on 5 Sept 2018 with total 397 container. <u>Ulu Tiram</u> Latest disposal is on 4 Oct 2018 with total 439 container. <u>Kuala Kabong</u> Latest disposal is on 9 Oct 2018 with total 64 container.</p>	Garden waste	Dispose at Frond staking row	Complied
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Garden waste	Dispose at Frond staking row										

Criterion / Indicator		Assessment Findings		Compliance
		Septic tank maintenance	Service by Indah water Konsuortium Sdn Bhd cert (UT 105670) 7 Sept 2017.	

<p>4.6.11</p>	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. - Major compliance -</p>	<p><u>Mill</u> Medical Surveillance latest conducted on 11 July 2018 at Kulim Safety Training &amp; Service (KSTS), send 31 person. The result all workers is fit to work at Dr. Saifurahman Bin Abd Rahim (HQ/15/DOC/00/412). The cert is valid from 3/5/2018 – 2/5/2021</p> <p><u>Sedenak Estate</u> Chemical Exposure Monitoring for crystalline Silica is done as per CHRA recommendation. Dated 27 June 2018 Certificate No;- AMC/nA1806/078. 6 Person have been attend the CEM analysis result is Not detected. The CEM done by Yeow Liang Ming (HQ/11/JHI/00/164) valid from 6/7/2017 – 5/7/2020. Medical Surveillance for 2018 is done on 16/7/2018 attended by 45 Person ( sprayer, fertilizer, workshop and storekeeper) at Dr. Saifurahman Bin Abd Rahim (HQ/15/DOC/00/412). The cert is valid from 3/5/2018 – 2/5/2021</p> <p><u>Ulu Tiram Estate</u> Chemical Exposure Monitoring for crystalline Silica is done as per CHRA recommendation. Dated 4 May 2017 Report No;- HIE127/171-3/1 (164) – 2017/006. 6 Person have been attend the CEM analysis result is Not detected. The CEM done by Yeow Liang Ming (HQ/11/JHI/00/164) valid from 3/7/2014 – 2/7/2017. Medical Surveillance for Ulu Tiram estate send 12 workers at Klinik Falck Bestari by Saifurahman bin Abd Rahim (HQ/15/DOC/00/412) on 16 July 2018. From the report found the fertiliser gang must going for X- Ray to check for trace on crystalline silica. They will attend x-ray on 16 October 2018</p> <p><u>Kuala Kabong Estate</u> Medical Surveillance for Kuala Kabong send 23 workers ( Manurer, Sprayer and Workshop operator) at Klinik Falck Bestari by</p>	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		Saifurahman (HQ/15/DOC/00/412) on 18 July 2018.From result, all are fit to work.	
4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. - Major compliance -	No women chemical handler in Sedenak Estate,Ulu Tiram Estate and Kuala Kabong Estate. On In Basir Ismail estate have 2 woman worker with pesticide however from interview with them, they are aware regarding to No work with pesticides shall be undertaken by pregnant or breast-feeding women policy.	Complied
<b>Criterion 4.7:</b> 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"> <li>• establishing OSH Committee and the functioning of the Committee;</li> <li>• establishing of OSH objectives and monitoring of Safety Performance Scoreboard;</li> <li>• all operations being risk assessed and control as per established SOP;</li> <li>• establishing OSH Legal and Other Requirement Register and evaluation of its compliance;</li> <li>• Chemical Health and Risk Assessment;</li> <li>• Annual Audiometric test;</li> <li>• Workplace accident notification, investigation and reporting;</li> <li>• Posting of Protective Personal Equipment (PPE), Electrical Danger Signages and simplified SOP at work stations.</li> </ul>	Complied



**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.2</p> <p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</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 Sedenak POM, 24.6.18 at Ulu Tiram Estate, 7.9.18 at Kuala Kabong Estate and 9.8.18 at Basir Ismail 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>	<p>Complied</p>
<p>4.7.3</p> <p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>- Minor compliance -</p>	<p>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>Complied</p>

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator	Assessment Findings	Compliance
<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded.</p> <p>- Major compliance -</p>	<p>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 estates were OSH committee 3 monthly 11 with each employee and employer &amp; chairman (Zairul) Sec (w Rusdi W Ismail) dated 13.9.18, 28.6.18 &amp; 22.3.18</p>	<p>Complied</p>
<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>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 Chargeman, 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 &amp; Health Committee meeting. All accidents are reported to DOSH as per NADOOPOD Regulation 2004.</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 Sampo insurance.</p> <p>Foreign workers are covered by Foreign Workers Compensation Scheme Certificate of Insurance through Underwriter, MSIG INSURANCE (MALAYSIA) SDN BHD.</p>	Complied
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 accordingly.	Complied
<p><b>Criterion 4.8:</b> All staff, workers, smallholders and contract workers are appropriately trained.</p>			

Criterion / Indicator		Assessment Findings	Compliance
4.8.1	<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.</p> <p>- Major compliance -</p>	<p>A formal training programme on all aspects of RSPO Principles and Criteria has been established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied.</p> <p>Training programme planned for year 2018 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to: - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers</p>	Complied

**RSPO Public Summary Report  
Revision 7 (Aug /2018)**

<p>4.8.2</p>	<p>Records of training for each employee shall be maintained. - Minor compliance -</p>	<p>Training records for employees available and maintained at the office. Records are verified on a sampling basis which covers all aspect of training and RSPO P&amp;C requirement. Samples of training record for 2018 as follows:</p> <table border="1" data-bbox="1032 491 1805 1383"> <thead> <tr> <th colspan="3">Sedenak Estate</th> </tr> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>16 Feb 2018</td> <td>OSH in Harvesting</td> <td rowspan="8">All training is maintain in training file 2018.</td> </tr> <tr> <td>29/3/2018</td> <td>Chemical calibration</td> </tr> <tr> <td>20/2/2018</td> <td>Manuring by Spreader calibration</td> </tr> <tr> <td>31/3/2018</td> <td>OSH during tractor driving</td> </tr> <tr> <td>3/7/2018</td> <td>Scheduled Waste training</td> </tr> <tr> <td>8/1/2018</td> <td>Rat baiting SOP</td> </tr> <tr> <td>2/5/2018</td> <td>Triple Rinsing training</td> </tr> <tr> <th colspan="3">Sedenak Mill</th> </tr> <tr> <td>15/3/2018</td> <td>Work instruction for press station</td> <td rowspan="8">All training is maintain in training file 2018.</td> </tr> <tr> <td>14/1/2018</td> <td>RSPO &amp; MSPO training</td> </tr> <tr> <td>19 - 20/9/2018</td> <td>Machine safeguarding</td> </tr> <tr> <td>8/3/2018</td> <td>Water sampling training</td> </tr> <tr> <td>1/4/2018</td> <td>ERP training</td> </tr> <tr> <td>9/4/2018</td> <td>First aid training</td> </tr> <tr> <td>13/3/2018</td> <td>Welding safety training</td> </tr> <tr> <td>2/10/2018</td> <td>ERP in Biogas Training</td> </tr> </tbody> </table>	Sedenak Estate			Date	Training	Remark	16 Feb 2018	OSH in Harvesting	All training is maintain in training file 2018.	29/3/2018	Chemical calibration	20/2/2018	Manuring by Spreader calibration	31/3/2018	OSH during tractor driving	3/7/2018	Scheduled Waste training	8/1/2018	Rat baiting SOP	2/5/2018	Triple Rinsing training	Sedenak Mill			15/3/2018	Work instruction for press station	All training is maintain in training file 2018.	14/1/2018	RSPO & MSPO training	19 - 20/9/2018	Machine safeguarding	8/3/2018	Water sampling training	1/4/2018	ERP training	9/4/2018	First aid training	13/3/2018	Welding safety training	2/10/2018	ERP in Biogas Training	<p>Complied</p>
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Criterion / Indicator		Assessment Findings			Compliance
		8/1/2018	Ergonomic training		
			Kuala Kabong Estate		
		21/9/2018	Biodiversity training		
		3/9/2018	Peat Management	Training by Mohd Rusdi	
		5/8/2018	Sampling water training	Annuar talman	
<b>Principle 5: Environmental responsibility and conservation of natural resources and biodiversity</b>					
<b>Criterion 5.1:</b> 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.					

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator		Assessment Findings	Compliance
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	<p>Sedenak Estate, Documented Environmental Aspects and Impacts Register (Form No.: LSD/SOP/8.1-F1) dated 1 April 2018 available. Total 12 list of activities are identified in Sedenak Estate. As for the review process, the annual review of the EIA management review meeting and review if any new activities in operation, changes of legislation and environmental issue raise by stakeholders.</p> <p>For Sedenak POM, Documented Environmental Aspects and Impacts Register (Form No.: EPA-SEDPOM-2017; Activity code: ER001-ER021; Rev. 1/2018) available. Total 21 list of activities are identified in POM. As for the review process including Biogas Plant, the annual review of the EIA management review meeting and review if any new activities in POM, changes of legislation and environmental issue raise by stakeholders.</p> <p>In Ulu Tiram Estate Documented Environmental Risk Assessment Form (Form No: EPA-UTE-2018; Activity code: ER001–ER014; Rev. 1/2018) available. Register dated 1<sup>st</sup> Sept 2018 verified. For the year 2018, review add up Ramp area for new ramp.</p>	Complied

<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><u>Sedenak Estate</u> Environmental Management Plan (EMP) established is based on ISO 14001:2004 objectives and target. Environmental management programme (Doc No:- LSD/SOP/8.2-F1) for 2018, dated 1/4/18 was verified as sampling per below:-</p> <table border="1" data-bbox="1032 523 1664 790"> <thead> <tr> <th>Objective</th> <th>Target</th> </tr> </thead> <tbody> <tr> <td>Establish of Mucuna planting at P18</td> <td>To reduce soil erosion</td> </tr> <tr> <td>Reduction by 0.5% glyphosate usage against budget</td> <td>To reduce the chemical</td> </tr> <tr> <td>Reduction of disposal Empty Container</td> <td>Reuse the empty container</td> </tr> </tbody> </table> <p><u>MILL</u> Environmental management programme for 2018, dated 12/1/18 was verified.</p> <table border="1" data-bbox="1032 919 1664 1249"> <thead> <tr> <th>Objective</th> <th>Action Plan</th> </tr> </thead> <tbody> <tr> <td>To reduce emission of dark smoke</td> <td>Ensure black smoke emission is within allowable legal limit Inspection of vehicle condition</td> </tr> <tr> <td>Emission Noise</td> <td>Boundary monitoring Provide sound level test</td> </tr> <tr> <td>Emission of air pollutant</td> <td>Diesel engine to carried out routine maintenance</td> </tr> </tbody> </table> <p><u>Ulu Tiram</u> For Ulu Tiram estate the environmental management plan is available for each action to be taken such as:-</p>	Objective	Target	Establish of Mucuna planting at P18	To reduce soil erosion	Reduction by 0.5% glyphosate usage against budget	To reduce the chemical	Reduction of disposal Empty Container	Reuse the empty container	Objective	Action Plan	To reduce emission of dark smoke	Ensure black smoke emission is within allowable legal limit Inspection of vehicle condition	Emission Noise	Boundary monitoring Provide sound level test	Emission of air pollutant	Diesel engine to carried out routine maintenance	<p>Complied</p>
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Criterion / Indicator		Assessment Findings		Compliance
		Objective	Action Plan	
		Spillage of diesel during storage	Weekly inspection and ensure ERP training for spillage	
		Emission of CO2 by open burning and vehicle	Awareness of open burning to workers and staff. Signage installation each area potential.	
		Spillage grease to soil	Used of spillage tray Ensure designated area for vehicle.	

Criterion / Indicator		Assessment Findings	Compliance								
5.1.3	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p><u>Mill</u>            Reporting for POME results and in line with mil’s compliance schedule requirements. New Guided SelfRegulation was introduced by DOE to ensure all operator self-assessed the compliance status on environmental related issues. The approach is based on 7 Environmental Monitoring Tools (EMT) and implemented since June 2016. New establishment of EPMC @ Environmental Performance Monitoring Committee (operation level – mill) and ERCMC @ Environmental Regulatory Compliance Monitoring Committee (HQ level) shows the commitment towards continuous compliance. Latest ERCMC meeting – 28 August 2018 attended by mill manager and HQ representative with total 11 person. EPMC meeting – 04/2018 7 Sept 2018, and 03/2018 4 June 2018 .The frequency is quarterly per year. The monitoring of Environmental Management Plan in Sedenak Estate application is available under doc no:- LS-EMS-OT-F02 for year 201. Verification as per below:-</p> <table border="1"> <thead> <tr> <th>Objective</th> <th>monitoring</th> </tr> </thead> <tbody> <tr> <td>Establish of Mucuna planting at P18</td> <td>Todate 7 oct 2018 – already planted 49.96 ha from target 150 ha</td> </tr> <tr> <td>Reduction by 0.5% glyphosate usage against budget</td> <td>Todate data from ai/ha 2017 is 0.48 and todate for 2018 is 0.21</td> </tr> <tr> <td>Reduction of disposal Empty Container</td> <td>Todate data for LS-EMS-OT-F02 already reduce 14.76%</td> </tr> </tbody> </table>	Objective	monitoring	Establish of Mucuna planting at P18	Todate 7 oct 2018 – already planted 49.96 ha from target 150 ha	Reduction by 0.5% glyphosate usage against budget	Todate data from ai/ha 2017 is 0.48 and todate for 2018 is 0.21	Reduction of disposal Empty Container	Todate data for LS-EMS-OT-F02 already reduce 14.76%	Complied
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Reduction of disposal Empty Container	Todate data for LS-EMS-OT-F02 already reduce 14.76%										
<p><b>Criterion 5.2:</b>            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>											

<p>5.2.1</p>	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). - Major compliance -</p>	<p>The last assessment conducted was in January 2008 covering all 15 estates in Johor that include Sedenak Estate’s complex. The assessment was a Rapid Biodiversity Assessment conducted by A.J.F.M Dekker, a Biodiversity Consultant. The report has identified the list of natural habitats that is possible present in the operating units. The report details the findings of a rapid appraisal of the biodiversity in the estates and addresses the RSPO P&amp;C relevant to biodiversity conservation and HCV. Therein being provided details relating to the following;</p> <ul style="list-style-type: none"> <li>a) General biodiversity issues</li> <li>b) Watercourses and drainage</li> <li>c) Habitats natural and man-made</li> <li>d) Wildlife</li> <li>e) Ponds and reservoirs</li> <li>f) Wetlands /watercourses</li> <li>g) Legal aspects</li> <li>h) Immediate and long term effect.</li> </ul> <p>HCV report is available under Rapid Biodiversity Assessment of Fifteen Oil Palm Plantations of Kulim (M) Bhd by A.J.F.M. Dekker dated January 2008:- Biodiversity Area in Sedenak Complex In Kulim (M) Berhad there area reviewed HCV report ( Penilaian Biodiversiti Ladang Kelapa Sawit 2015 by Mr Muhammad Syam Zakaria (Biodiversity Coordinator) for all estate (Sedenak, Ulu Tiram, Kuala Kabong, Basir Ismail) and detail as per below:- In Ulu Tiram Estate, :-</p> <table border="1" data-bbox="1032 1235 1662 1394"> <thead> <tr> <th>HCV Area</th> <th>Hectarage</th> </tr> </thead> <tbody> <tr> <td>Sungai Tiram buffer Zone</td> <td>5.69</td> </tr> <tr> <td>Effluen pond</td> <td>5.86</td> </tr> <tr> <td>Swamp area</td> <td>10.14</td> </tr> </tbody> </table>	HCV Area	Hectarage	Sungai Tiram buffer Zone	5.69	Effluen pond	5.86	Swamp area	10.14	<p>Complied</p>
HCV Area	Hectarage										
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HCV area	Hectarage													
Boundary and swampy forest areabetween K.Kabong and RISDA (P00/04,P00/05,P00/08)	2.19													
Unplantable area (P02/04)	0.02													
River & Buffer zone (Sg Merah)	9.8													
Total	12.01													
		<p>In Sedenak estate:-</p> <table border="1"> <thead> <tr> <th>HCV area</th> <th>Hectarage</th> </tr> </thead> <tbody> <tr> <td>Pond(RBA 2 )</td> <td>25.58</td> </tr> <tr> <td>Drain &amp; buffer zone (RBA 4)</td> <td>0.81</td> </tr> <tr> <td>Total</td> <td>26.39</td> </tr> </tbody> </table>	HCV area	Hectarage	Pond(RBA 2 )	25.58	Drain & buffer zone (RBA 4)	0.81	Total	26.39				
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Criterion / Indicator		Assessment Findings		Compliance
		Pond 2,7 and 3	3.87	
		Infaq 1 Warisan	5.55	
		Lot 611 (Tanjung Lena)	6.08	
		Swampy	0.73	
		Mangrove(RBA 8)	3.02	
		Total	50.69	

<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. - Major compliance -</p>	<p>Based on report the HCV assessment " Rapid Biodiversity Assessment of Oil Palm Plantations – A.J.F.M Dekker Consultant, Biodiversity 2008 and recce survey of bird and bats by Wildlife Conservation Society Malaysia Programme, a few species of birds and mammals under IUCN red list (least concerned and near threatened) were recorded. Biodiversity Improvement Plan 2018 dated 1 January 2018 detail as per below:-</p> <table border="1" data-bbox="1032 624 1805 1015"> <thead> <tr> <th>Item</th> <th>Action to taken</th> </tr> </thead> <tbody> <tr> <td>Erosion control at buffer zone, and swamp area</td> <td>To keep record on Monitoring HCV every 2 Weeks To have erosion and road maintenances programme To brief awareness on justification for conserving HCV steep area.</td> </tr> <tr> <td>Bird survey in swamp area</td> <td>To conduct further assessment on HCV area. Already done On 2011 by Wildlife Conservation Society- Malaysia. Result 28 Bird Species and 3 bat Species found</td> </tr> </tbody> </table> <p>Consultant, A.J.F.M Dekker undertook A Rapid Biodiversity Assessment to identify any areas of conflict or interest to biodiversity at Sedenak CU in January 2008. The assessment concluded:</p> <ul style="list-style-type: none"> <li>• there was no RTE species or HCV (other than HCV5, wetlands in the form of ponds and rivers and streams) were present within the CU nor at their boundaries, or were affected by plantation and mill operations.</li> <li>• within the estates common birds were sighted, among them, Black-shouldered Kite, Crested Serpent Eagle, Purple Heron, Kingfishers, Red-wattled Lapwing, Dollar Bird.</li> </ul>	Item	Action to taken	Erosion control at buffer zone, and swamp area	To keep record on Monitoring HCV every 2 Weeks To have erosion and road maintenances programme To brief awareness on justification for conserving HCV steep area.	Bird survey in swamp area	To conduct further assessment on HCV area. Already done On 2011 by Wildlife Conservation Society- Malaysia. Result 28 Bird Species and 3 bat Species found	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>at the boundary the wildlife recorded were Grey-headed Fish Eagle, White-bellied Sea Eagle, Storks, Long-tailed Macaque, and Weaver nests.</li> </ul> <p>Biodiversity Improvement Plan had been developed and updated in 2018 based on the assessment findings and consultation with related stakeholders. The action plan contained information represented in tabular format with general descriptions of HCV, action steps, Responsible Person and monitoring activities.</p> <p>Records of animal sightings, September 2018, spotting wild boars, common birds, snakes, monkeys and squirrels were kept available at the CU.</p> <p>Other measures include regular patrolling of HCV areas, access and boundary of estates, posting of signages, such as "No Hunting", "No Fishing", "Buffer Zone" were available. The prohibition to use chemicals was observed been applied at the buffer zone.</p>	
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	<p>The Biodiversity Improvement Plan dated 01/09/2018 had identified the action program. Among others;</p> <ul style="list-style-type: none"> <li>a) continue educating the workers regarding RTE. Workers interviewed confirmed that they are aware of no hunting is permitted in and within the estate.</li> <li>b) regularly educate the employees via morning muster briefing about the need to protect the RTE species.</li> <li>c) appropriate disciplinary measures will be taken if found violated in accordance with company rules and national law.</li> <li>d) Information pertaining RTE and relevant CU policies were displayed at the display boards.</li> </ul>	Complied

Criterion / Indicator		Assessment Findings	Compliance
5.2.4	Where a management plan has been created there shall be ongoing monitoring: <ul style="list-style-type: none"> <li>• The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported;</li> <li>• Outcomes of monitoring shall be fed back into the management plan.</li> </ul> - Minor compliance -	<p>The plan is described and incorporated in the Biodiversity Improvement Plan dated 01/9/2018. Verified monitoring records and evidence of sighting in the field visited.</p> <ul style="list-style-type: none"> <li>a) Animal sighting records. There are no RTE identified in the sighting records.</li> <li>b) HCV Buffer zone, No Fishing and No Hunting signages act as continuous awareness to workers.</li> <li>c) HCV training being provided to employees in addition to reminder during morning muster.</li> </ul> <p>The outcome of monitoring was included in the report.</p>	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 identified as applicable for local communities set-aside in all the estates.	Complied
<b>Criterion 5.3:</b> Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.			



Criterion / Indicator		Assessment Findings	Compliance
5.3.1	All waste products and sources of pollution shall be identified and documented. - Major compliance -	<p>The documentation and identification of all the waste products based on waste type and source which review on 1 August 2018.</p> <p>Waste types such as domestic, schedule waste, rubber material, scrap, mill by products, emissions, liquid waste, office and medical waste. Records on the usage and disposal were recorded. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters SW 410), Hydrocarbon/ chemical spillage (SW 408), Mixture of scheduled and non-scheduled waste(SW 407), Expired chemical( SW 429), waste water PCD (SW 307) and used batteries (SW 102). Records on the usage and disposal were well recorded and documented. Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained.</p>	Complied

<p>5.3.2</p>	<p>All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>Stores for scheduled waste were inspected at audited sites i.e. Mill and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment. e.g. for POM by Kualiti Alam Sdn Bhd and following disposal records were verified.</p> <ul style="list-style-type: none"> <li>a. Consignment note 20181004114QTEP8 dated 4 October 2018; SW110</li> <li>b. Consignment note 20181004129RH5IT dated 4 October 2018; SW305</li> <li>c. Consignment note 2018100412NLXVUZ dated 4 October 2018; SW306</li> </ul> <p>The disposal is at Kualiti Alam Sdn Bhd (License no. 004993) valid cert until 30 April 2019.</p> <p>In Ulu Tiram Estate, Disposal of scheduled waste have been done at Kualiti Alam Sdn Bhd and following disposal records were verified as per below:-</p> <ul style="list-style-type: none"> <li>a. Consignment note 2018092709RH92SV dated 27 Sept 2018; SW102</li> <li>b. Consignment note 2018092709R9PWM4 dated 27 Sept 2018; SW109</li> <li>c. Consignment note 2018092709TJP1KO dated 27 Sept 2018; SW305</li> </ul> <p>For Kuala Kabong estate, Disposal scheduled waste were verified as per below:-</p> <ul style="list-style-type: none"> <li>a. Consignment note 20181004178GQTMX dated 4 October 2018; SW305</li> <li>b. Consignment note 20181004178DSWG3 dated 4 October 2018; SW307</li> <li>c. Consignment note 2018100417TMNPDX dated 4 October 2018; SW410</li> </ul>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	<p>In Basir Ismail estate, Disposal scheduled waste were verified as per below:-</p> <ul style="list-style-type: none"> <li>a. Consignment note 2018073108K1270Q dated 31 July 2018; SW410</li> <li>b. Consignment note 2018073108M2O3B7 dated 31 July 2018; SW307</li> <li>c. Consignment note 2018073108CU42YP dated 31 July 2018; SW408</li> </ul> <p>For empty chemical container, estate reuse back the certain empty container and some of it will dispose as recycle waste. SOP triple rinsing is available dated 18 May 2018 under Title <i>Panduan Kerja Selamat Dibawah Akta Keselamatan Dan Kesihatan Pekerjaan 1994</i>. The Disposal will be dispose at G – Planter for estate and Kualiti Alam Sdn Bhd for Mill.</p>	

Criterion / Indicator		Assessment Findings	Compliance																				
5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -	<p>Waste management and disposal plan was implemented and verified during assessment. Records disposal were made available for a few disposal arrangement as follows: Waste management plan is available in Sedenak mill dated Jan 2018.</p> <table border="1"> <thead> <tr> <th>Waste type</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td>Domestic</td> <td>Will be dispose in Land fill including kitchen waste</td> </tr> <tr> <td>Plastic</td> <td>If possible to segregate or into landfill</td> </tr> <tr> <td>Garden waste</td> <td>Dispose at frond stack</td> </tr> </tbody> </table> <p>In Ulu Tiram Estate, dated 1 August 2018 already identified the waste in estate and the action plan to be taken as per below:-</p> <table border="1"> <thead> <tr> <th>Waste type</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td>Domestic</td> <td>Will be dispose in Land fill P86</td> </tr> <tr> <td>Waste water</td> <td>PCD cleaning monitoring</td> </tr> <tr> <td>Garden waste</td> <td>Dispose at frond stack</td> </tr> <tr> <td>Septic tank overflow &amp; Spillage</td> <td>Monitor during linesite inspection. Ensure service by Indah Water every year</td> </tr> <tr> <td>Waste water from cleaning, lubricant store, workshop and washroom</td> <td>To maintainance PCD cleaning, water sampling and give training to workers.</td> </tr> </tbody> </table>	Waste type	Action	Domestic	Will be dispose in Land fill including kitchen waste	Plastic	If possible to segregate or into landfill	Garden waste	Dispose at frond stack	Waste type	Action	Domestic	Will be dispose in Land fill P86	Waste water	PCD cleaning monitoring	Garden waste	Dispose at frond stack	Septic tank overflow & Spillage	Monitor during linesite inspection. Ensure service by Indah Water every year	Waste water from cleaning, lubricant store, workshop and washroom	To maintainance PCD cleaning, water sampling and give training to workers.	Complied
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<p><b>Criterion 5.4:</b> Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>																							

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator	Assessment Findings	Compliance
<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 Mill optimizes the use of renewable energy and monitors and reports energy usage monthly to head office through monthly report. The energy usage varies depending on the FFB supplied by the estates. During low crop there is a slight increase in use of diesel fuel for processing.</p> <p>Power generation summary as follows:</p> <ol style="list-style-type: none"> <li>1. Diesel engine @ fossil fuel (250 kW, 280 kW &amp; 650 kW) at 867,800 kWh to date end September 2018 compared to 808,440 kWh for corresponding period 2017.</li> <li>2. Biogas engine (850kW) @ renewable energy at 8,180 kWh to date end September 2018 compared to 838,300 kWh for corresponding period 2017.</li> <li>3. Steam turbine (2.0MW and 2.5MW) @ renewable energy at 6,432,000 kWh to date end September 2018 compared to 5,577,000 kWh for corresponding period 2017.</li> <li>4. Fossil fuel usage in 2018 is 11.88% over the total power generation/consumption compared to 23.16% for corresponding period 2017.</li> </ol> <p>All electrical power at the visited estates are supplied through national electricity grid. Diesel at estates are consumed by farm tractors. The tractor servicing period is monitored to ensure its operating efficiency, thus less consumption of diesel fuel. Similarly, planting of beneficial plants reduce the usage of fuel (and chemical) by motorize spray.</p>	<p>Complied</p>
<p><b>Criterion 5.5:</b>                      Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		

Criterion / Indicator		Assessment Findings	Compliance
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 -	There is no land preparation by burning at all CU estates visited. Kulim's Sustainability handbook described on Environmental policy including Zero open burning policy dated January 2008. All estates management found complied with the Malaysian environmental law – EQA and Regulations 1974. On the 2017 & 2018 replants visited at Sedenak Estate it was observed that palms had been mechanically felled, chipped and windrowed; no burning was observed.	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 estates Kuala Kabong and Ulu Tiram showed no replanting program for the year under review. However, in 2018 at Sedenak estate 150.10 ha was replanted and at Basir Ismail it acquired 50.37 ha from REM Estate, an estate that belongs to Kulim (M) Berhad under Sindora CU. Young immature palms were sighted at Sedenak Estate Field P92 and P92P and no traces of open burning were seen at these estates.	Complied
<b>Criterion 5.6:</b> 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><u>Mill</u> For Sedenak Mill, Ambient Air quality monitoring and Air emission monitoring has been carried out as per required frequency stipulated in mill's compliance schedule. In addition, smoke density meters were calibrated consistently every 6 monthly. Results of monitoring as follows: i)Stack monitoring, twice per year <u>Quarter 2 Result</u> Stack# 3: 12 July 2018, refer to report,</p> <table border="1" data-bbox="1032 651 1644 831"> <thead> <tr> <th>Parameter</th> <th>Test No.</th> <th>Limits</th> <th>Result</th> </tr> </thead> <tbody> <tr> <td rowspan="2">Solid particles( Dust) (g/Nm3)</td> <td>KKSD-B3-F-1</td> <td rowspan="2">0.4</td> <td>0.19</td> </tr> <tr> <td>KKSD-B3-F-2</td> <td>0.19</td> </tr> </tbody> </table> <p>ii)Smoke density meter calibration, twice per year (6 monthly) 2nd half: refer to calibration certificate no; SCT/RPT/2018/0044 by Scienotech Sdn Bhd. Calibration date: 16/7/2018. iii) Ambient Air (quarterly) Total Suspended Particulate, TSP (limit 24hr: 120 ug/m3 as per New Malaysia Ambient Air Quality Standard) by PAC Testing &amp; Consulting Sdn Bhd 1 monitoring points were selected. 11-12 July 2018: A1-24, A2-43 (refer to report# PAC-AA-180707) Noise boundary (Once a year frequency) done by internal team (engineering department) Noise boundary monitoring report (26/3/2018): 6 boundary points selected for monitoring. All monitored point in within the allowable limit of 65 dBA (day) and 55 dBA (Night) For Biogas plant, The initial noise &amp; personal noise exposure monitoring report (NOISE/1511/002) by EPA Management Sdn Bhd already done on 29 October 2015. The report done by Ms Chong</p>	Parameter	Test No.	Limits	Result	Solid particles( Dust) (g/Nm3)	KKSD-B3-F-1	0.4	0.19	KKSD-B3-F-2	0.19	<p>Complied</p>
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	KKSD-B3-F-2		0.19										

Criterion / Indicator		Assessment Findings	Compliance												
		<p>Fong Yin (JKKP HIE 127/5/3-1 (No. 135). The result for noise level is below action level (56.7 – 78.6 dBA). The additional Noise Exposure Monitoring (NOISE/1510/004) is conducted on 8 October 2015</p> <p>Furrow absorption rate is monitoring by monthly, latest record is is for Sept 2018 as per below detail</p> <table border="1"> <thead> <tr> <th>Month</th> <th>W1</th> <th>W2</th> <th>W3</th> <th>W4</th> <th>Average m3/day</th> </tr> </thead> <tbody> <tr> <td>Sept</td> <td>1.5</td> <td>1.5</td> <td>1.9</td> <td>1.41</td> <td>1.48</td> </tr> </tbody> </table> <p>Mill already sent proposal for new furrow area to DOE, and DOE officer already make a inspection the area and sampling (dated 17 Sept 2018 by Abdul Hamid bin Ahmad.</p>	Month	W1	W2	W3	W4	Average m3/day	Sept	1.5	1.5	1.9	1.41	1.48	
Month	W1	W2	W3	W4	Average m3/day										
Sept	1.5	1.5	1.9	1.41	1.48										
5.6.2	<p>Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>- Major compliance</p>	<p>The data for GHG emissions already been verified from Jan 2017 until Dec 2017. The main source of GHG in Sedenak is Pome Treatment, Other less significant GHG emissions identified including COx, SOx and NOx from various sources including fossil fuel, chemical and fertilizer consumptions.</p> <p>Implementation and monitoring of GHG emissions is carried out by sustainability team and kept by Ms Nadia.</p>	Complied												
5.6.3	<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.</p> <p>- Minor compliance -</p>	<p>Kulim has published Carbon footprint report. Calculation was based on PalmGHG tools, version 3.0.1. Tools and systems used to monitor significant pollutants includes the DOE CEMS monitoring system for air emissions, water quality at discharge points as per DOE regulations and Scheduled Waste disposal as per the DOE requirements via eSwis. POME is treated using aerobic and anaerobic ponds and use in Biogas plan for generate electricity and flaring activity. This have been taken into calculate. Effluent waste-water samples were taken as per DOE requirement and quarterly reports sent to DOE via the latest "OER" @ Online Environmental Reporting.</p>	Complied												



Criterion / Indicator	Assessment Findings	Compliance	
<p><b>Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.</b></p>			
<p><b>Criterion 6.1:</b>            Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>			
<p>6.1.1</p>	<p>A social impact assessment (SIA) including records of meetings shall be documented.            - Major compliance -</p>	<p>Social Impact Register for KMB and JCorp; SR001-SR071            Mill: Daftar Impak Sosial Kulim (Malaysia) Berhad 2018; Date: 15/9/2018; SIA01-SIA07            Sedenak: Stakeholders List (Updated 1/1/2018) of Government &amp; Non-Government Agencies; Shopkeepers; Contractors; Suppliers; Estate Boundaries (Neighbours); Estate/Mill/Intrapreneuers.            Communications, copied form complaints/grievances form were recorded in Enquiry Register Book with latest enquiry registered on 17/9/2018 &amp; 18/7/2018 by DOE Johor and 2/5/2018 by Kulai Health Office. In Basir Ismail, latest enquiry (Enquiry ref. # 45) receives from Timbalan Pengarah Tenaga Kerja Johor whom visited Basir Ismail on 4/7/2018            Basir Ismail Estate: Cadangan Penambahbaikan Sosial bagi Ladang Basir Ismail 2018; LBI01-LBI08; Dated: 19/4/2018</p>	<p>Complied</p>

Criterion / Indicator		Assessment Findings	Compliance
6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -	<p>Mill: Mesyuarat dan Sesi Taklimat Bersama Stakeholder, Kontraktor, Pembekal (FFB &amp; Hardware) 01/2018; Legend Golf Resort, Sedenak; Date: 6/9/2018</p> <p>Ulu Tiram Estate: Mesyuarat dan Sesi Taklimat Bersama Stakeholder, Kontraktor, Pembekal (FFB &amp; Hardware) 01/2018; Date: 4/10/2018</p> <p>Kuala Kabong Estate: Mesyuarat Stakeholder/Pekebun Kecil 2018 Ladang Kuala Kabong; Date: 20/9/2018</p> <p>Basir Ismail Estate RSPO/MSPO Meeting with Stakeholder; Venue: Nam Heng Country Club (NHCC) – Ladang Basir Ismail; Dated: 24/8/2018</p>	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 -	<p>Plans included in Kulim Social Improvement Program; SPO Team; Ver. 1.0; Date: 02/2018; Consists of Community, Electric Supply, Creche Operation, Estate Operation, Effluent Discharge, Transporting, Health and Sanitation, Harvesting, Manuring (Manual), Water Supply, Housing and Amenities, Handling and Use of Pesticide, Operation Hour-Mill, Replanting, Mill Operation-Mill.</p> <p>Documented in <i>Cadangan Penambahbaikan Sosial bagi Sedenak POM 2018</i>; Date: 15/8/2018; KSED01-KSED05.</p>	Complied
6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	The plan was reviewed on yearly basis and the last reviewed was conducted on 21/9/2018 for all estates. It includes all the related issues for both internal and external stakeholder's issues.	Complied

Criterion / Indicator		Assessment Findings	Compliance
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 Sedenak POM certification unit.	Not applicable
<b>Criterion 6.2:</b> There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.			
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	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 Sedenak Mill, Assistant Mill Engineer (Mohd. Radzi) was appointed 01.01.2017 as person in charge for social issues as per appointment dated: 1/1/2018, in Sedenak Estate; Chief Clerk (Rosiah Ahmad); Letter dated: 1/1/2017; in Ulu Tiram Estate; Chief Clerk (Zuraidah Yusof); Letter dated: 1/1/2017; in Kuala Kabong Estate; Assistant Manager (Mohd. Hafizzi); Letter dated: 1/7/2018.	Complied

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

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>Mill: Established as the list for Internal &amp; External Stakeholder; 1/7/2018 consist of executive &amp; staff, customer and others including authorities, vendors and local communities. No complaints/grievances recorded.</p> <p>Sedenak: Stakeholders List (Updated 1/1/2018) of Government &amp; Non-Government Agencies; Shopkeepers; Contractors; Suppliers; Estate Boundaries (Neighbours); Estate/Mill/Intrapreneurs. External Stakeholder 2018 Ulu Tiram Estate 2018; 30/9/2018.</p> <p>Communications, copied form complaints/grievances form were recorded in Enquiry Register book with latest enquiry registered on 17/9/2018 for issues brought by Renown Value Sdn. Bhd., the operator of pineapple planting on encroachment by buffalo. At Enggang Estate, latest enquiry registered on 31/7/2018 on work/employment application.</p>	Complied
<p><b>Criterion 6.3:</b>            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>System established based on documented SPO Grievance Procedure Program; Dated: 4/9/2018 as Kulim Grievance Procedure Plans and Grievance Policy (Polisi Kilanan dated 1/5/2018).</p>	Complied
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>The Enquiry Register and Housing Complaint Logbook were being used to record any request, complaints and grievances from the stakeholders. There was no any complaints recorded since last audit except for housing damages which were resolved within timeframe</p>	Complied
<p><b>Criterion 6.4:</b>            Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

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
<b>Criterion 6.5:</b> Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			

<p>6.5.1</p>	<p>Documentation of pay and conditions shall be available.          - Major compliance -</p>	<p>Documentations of pay and conditions made available at all sampled operating units based on SPO Pay and Conditions Program; Kulim Pay and Conditions Plan; Dated: 4/9/2007 as per following:          Sedenak Mill:          - Employee # 615554; Work station: General; Date joined: 17/8/2017; Nationality: Malaysia          - Employee # 615588; Work station: General; Date joined: 4/3/2018; Nationality: Malaysia          - Employee # 615567; Work station: General; Date joined: 4/8/2017; Nationality: Indonesia          - Employee # 615543; Work station: General; Date joined: 10/2/2017; Nationality: Indonesia          - Employee # 615593; Work station: General; Date joined: 15/4/2018; Nationality: Indonesia          Sedenak Estate:          - Employee # 614935; Work station: General; Date joined: 13/12/1981; Nationality: Indonesia          - Employee # 614803; Work station: General; Date joined: 14/9/2014; Nationality: Bangladesh          - Employee # 615219; Work station: General; Date joined: 15/5/2018; Nationality: Indonesia          - Employee # 615259; Work station: General; Date joined: 9/8/2018; Nationality: Indonesia          - Employee # 614965; Work station: General; Date joined: 1/3/2016; Nationality: Indonesia          Ulu Tiram Estate:          - Employee # 601112; Work station: General; Date joined: 16/3/2009; Nationality: Malaysia          - Employee # 601330; Work station: General; Date joined: 3/10/2013; Nationality: Malaysia          - Employee # 601505; Work station: Harvester; Date joined: 11/5/2017; Nationality: Indonesia</p>	<p>Complied</p>
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**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator		Assessment Findings	Compliance
		<ul style="list-style-type: none"> <li>- Employee # 601426; Work station: Harvester; Date joined: 1/4/2016; Nationality: Indonesia</li> <li>- Employee # 601439; Work station: General; Date joined: 23/2/2016; Nationality: Indonesia</li> </ul> <p>Kuala Kabong Estate:</p> <ul style="list-style-type: none"> <li>- Employee # 603146; Work station: General; Date joined: 15/1/2018; Nationality: Indonesia</li> <li>- Employee # 603105; Work station: General; Date joined: 8/8/2017; Nationality: Indonesia</li> <li>- Employee # 603203; Work station: General; Date joined: 6/8/2018; Nationality: Indonesia</li> <li>- Employee # 603001; Work station: Harvester; Date joined: 1/6/2016; Nationality: Indonesia</li> <li>- Employee # 603090; Work station: General; Date joined: 1/6/2017; Nationality: Indonesia</li> </ul>	
6.5.2	<p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>Based on SPO Pay and Conditions Program; Kulim Pay and Conditions Plan; Dated: 4/9/2007, 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. Conditions were all met accordingly.</p>	Complied

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator		Assessment Findings	Compliance
6.5.3	Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –	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 Sedenak complex. Linesite inspection was conducted on weekly basis by Hospital Assistant and twice a month together with VMO. Domestic water supplies was either from the government or own treatment with samples taken and sent for analysis to ensure compliance with drinking water standard for own treated water.	Complied
6.5.4	Growers and millers shall make demonstrable efforts to monitor and improve workers’ access to adequate, sufficient and affordable food. - Minor compliance –	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.	Complied
<b>Criterion 6.6:</b> 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



Criterion / Indicator		Assessment Findings	Compliance
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:  Mill: <i>Mesyuarat Bersama Wakil NUPW/AMESU 02/2018</i> ; Date: 4/9/2018 SDE: <i>Mesyuarat bersama pegawai NUPW; 3/9/2018 &amp; Mesyuarat NUPW 21/11/2017</i> UTE: <i>Mesyuarat Penyelerasan Cuti Tahunan (Public Holiday) Bersama Majikan</i> ; Date: 4/1/2018 KKE: <i>Mesyuarat Bersama Wakil NUPW</i> ; Date: 5/10/2018 - BIE: <i>Perjumpaan Dengan Wakil Pekerja (Union) Ladang Basir Ismail</i> ; Date: 3/9/2018; <i>Pejabat Ladang</i>	Complied
<b>Criterion 6.7:</b> Children are not employed or exploited.			
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 Sedenak Mill 2018. Estate: No, based on the list of workers (Local & Foreign) 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 07/09/2018.	Complied

Criterion / Indicator		Assessment Findings	Compliance
<b>Criterion 6.8:</b> 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. Policy has been communicated to all employees during weekly assembly and daily muster in mill and estates respectively. Policy also available publicly and displayed within office area of all operating units.	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
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
<b>Criterion 6.9:</b> There is no harassment or abuse in the work place, and reproductive rights are protected.			

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator	Assessment Findings	Compliance
<p>6.9.1</p> <p>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 -</p>	<p>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 ccommunicated in latest meetings as per records of followings:</p> <p>Sedenak: <i>Minit Mesyuarat Ahli Jawatankuasa Persatuan WOW Sedenak 01/2018; Pusat Aktiviti WOW Ladang Sedenak; 25/7/2018;</i></p> <p>Sedenak Mill: <i>Carta Organisasi WOW 2018- Minit Mesyuarat WOW 1/2018; Date: 11/4/2018; 2<sup>nd</sup> meeting on 17/8/2018; Minit Mesyuarat WOW No. 2/2018</i></p> <p>Ulu Tiram Estate: <i>Laporan Mesyuarat WOE UTE; Rumah Ayammas UTE; Date: 18/1/2017; Daily Muster Briefing Records (Muster Ground Book); Persatuan WOW Sedenak – Program J-Robik dan Jalan 1000 Langkah; Date: 14/9/2018</i></p> <p>Kuala Kabong: 01/2018 Meeting Date: 4/2/2018</p> <p>Basir Ismail: <i>Taklimat RSPO/MSPO/ISCC Kepada Ahli WOW-Ladang Basir Ismail; Surau Ladang Basir Ismail; Date: 8/10/2018. Minit Mesyuarat WOW 01/2018; Dated: 6/2/2018</i></p>	<p>Complied</p>
<p>6.9.2</p> <p>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 -</p>	<p>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 Sedenak complex. Sighted latest was done on 21/9/2018.</p>	<p>Complied</p>

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Criterion / Indicator		Assessment Findings	Compliance
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 with appointed <i>Panel Aduan Wanita; Semakan 1; 25/7/2008</i> among woman employees to receive the grievance if any for Sedenak complex.	Complied
<b>Criterion 6.10:</b> 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. The mill has displayed the FFB pricing from January to September 2018 at the weighbridge area. The pricing was according to MPOB set price. Grading guideline according to MPOB was publicly displayed at the weighbridge area. External uncertified purchased were based on Kulim's SPO fair and transparent Dealings Program; dated 04/09/2007.	Complied
6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). - Major compliance -	FFB price calculation was documented in the contract agreement signed by the FFB suppliers. The calculation is based on the monthly spot month average prices of CPO and Palm Kernel for Peninsular Malaysia declared by MPOB. The monthly payments were made in three instalments. First instalment was made on or before 15 <sup>th</sup> of the month for FFB delivered in first 10 days. Second instalment was made on or before 25 <sup>th</sup> of the month for the next 10 days crop received and the last payment was made on or before 7 <sup>th</sup> day of the following month.	Complied

Criterion / Indicator		Assessment Findings	Compliance
6.10.3	Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -	All parties understand the contractual agreements they enter into as per evidence of fair, legal and transparent contracts made available as following sample contract agreements: <ul style="list-style-type: none"> <li>- Purchase of FFB from Pertubuhan Peladang Kawasan Kulai; Date: 20/11/2017</li> <li>- Purchase of FFB from Kebun Sedenak Sdn. Bhd.; Date: 20/11/2017</li> <li>- Purchase of FFB from Pertubuhan Peladang Kawasan Kulai; Date: 20/11/2017</li> <li>- Purchase of FFB from Chandra Brosis Group Sdn. Bhd.; Date: 1/1/2018</li> </ul>	Complied
6.10.4	Agreed payments shall be made in a timely manner. - Minor compliance -	All payments were paid by head office upon received of invoices from the contractors. The payment were made within 30 days from the date of certification of submitted invoices. Interview with the contractors and suppliers confirmed that the payments were made promptly according to the contract agreement as per sample payments: <ul style="list-style-type: none"> <li>- Debit Note – Internal; Invoice # CD20180399; Customer # DA05-11; Date: 28/2/2018; Ref. # M01; FFB Purchases Feb 18-PPNJ Kulai</li> <li>- Debit Note – Internal; Invoice # CD20180399; Customer # DA05-11; Date: 28/2/2018; Ref. # M01; FFB Purchases Feb 18-Kebun Sedenak Sdn. Bhd.</li> </ul>	Complied
<b>Criterion 6.11:</b> Growers and millers contribute to local sustainable development where appropriate.			

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

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 –Sample contributions: - Memohon sumbangan untuk sukan olahraga sekolah ke-61, tahun 2018; SJK(T) Ladang Ulu Tiram; Ref. # JBD1011/KOKO/700-5/2018(8); Date: 24/6/2018 - Permohonan sumbangan untuk kontijen bola jarring MSS Kota Tinggi ke kejohanan bola jaring MSS negeri Johor 2018; Sek. Men. Keb. Tun Habab; Date: 25/6/2018 - Sumbangan Amal Ramadhan 2018 Fakir Miskin, Ibu Tunggal, OKU/Sakit Kronik - Petty Cash Voucher # 1800001 Sumbangan Sempena Maulid SK LKTP Bukit Batu; Date: 22/1/2018 - Petty Cash Voucher # 1800025 Sumbangan Ihya' Ramadhan SK LKTP Bukit Batu; Date: 29/5/2018	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 Sedenak POM certification units.	Not applicable
<b>Criterion 6.12:</b> No forms of forced or trafficked labour are used.			

Criterion / Indicator		Assessment Findings	Compliance
6.12.1	There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Kulim (M) Berhad has implemented Kulim Sustainability Handbook dated June 2007. People Policy has been developed and the management is prohibited to engage or support the use of forced labour in all of their operations and administrations. All the local and foreign workers were hold a valid identification card and passports prior to work.  Passport of the foreign workers were kept by the management where it stated in the employment contract Section 9 for safety purpose. The workers had acknowledged and agreed on the safe keeping of passport.	Complied
6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	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 as in indicator 6.5.2 above.	Complied
<b>Criterion 6.13:</b>			
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 -	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 Sedenak complex. Sighted latest was done on 20/9/2018.	Complied

Criterion / Indicator		Assessment Findings	Compliance
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
<b>Principle 7: Responsible development of new plantings</b>			
Sedenak 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.			
<b>Principle 8: Commitment to continual improvement in key areas of activity</b>			
<b>Criterion 8.1:</b> Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.			



<p>8.1.1</p>	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> <li>• Reduction in use of pesticides(Criterion 4.6);</li> <li>• Environmental impacts (Criteria 4.3, 5.1 and 5.2);</li> <li>• Waste reduction (Criterion 5.3);</li> <li>• Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);</li> <li>• Social impacts (Criterion 6.1);             <ul style="list-style-type: none"> <li>• Optimising the yield of the supply base.</li> </ul> </li> </ul> <p>- Major compliance -</p>	<p>Generally, the Sedenak 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.</p> <p>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>The Sedenak CU regularly monitor and review its activities and proactively has initiated, among others, the following continual improvement projects to ensure sustainability:</p> <p><b><u>At Sedenak POM</u></b></p> <ol style="list-style-type: none"> <li>1. Air pollution control system to meet the EQA (Clean Air) Regulation 2014</li> <li>2. Installation of CCTV for Continuous Emission Monitoring</li> <li>3. Fitting Cooling Tower at Biogas Plant</li> <li>4. Upgrading Sterilizer Valve Control System.</li> <li>5. Reduce diesel consumption – maximizing the use of steam turbine and</li> </ol> <p><b><u>At Estates</u></b></p> <ol style="list-style-type: none"> <li>1. Kulim has stopped paraquat usage since February 2015 and alternatives such as Glyphosate were used.</li> </ol>	<p>Complied</p>
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Criterion / Indicator	Assessment Findings	Compliance
	2. Planting of more beneficial plants and less dependent on use of pesticides. 3. At Sedenak Estate, constructing additional 90 Furrows at new location PO4 A/03.	

**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	Eng Lee Heng	2019
Malaysia Group	Bukit Layang Estate	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	
Sedenak Mill		Rengam	
		Sedenak	
		Basir Ismail	
		Ulu Tiram	
Sindora Mill		Kuala Kabong	
		REM/Pasak	
		Sindora	
Palong Mill		Sungai Papan	
		Sepang Loi	
		UMAC	
		Labis Bahru	
		Mungka	
		Kemedak	
	Palong		

**RSP0 Public Summary Report  
Revision 7 (Aug /2018)**

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 Sedenak 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:

- 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 Sedenak Palm Oil Mill and supply base are as following:

Emission per product	tCO <sub>2</sub> e/tProduct
CPO	1.3
PKO	0

Extraction	%
OER	20.12
KER	5.73

Production	t/yr
FFB Process	442,120
CPO Produced	88,961
PKO Produced	23,613

Land Use	Ha
OP Planted Area	44,666.03
OP Planted on peat	725.73
Conservation (forested)	-
Conservation (non-forested)	-
<b>Total</b>	<b>45,391.76</b>

**Summary of Field Emission and Sink**

	Own Crop*	Group	3 <sup>rd</sup> Party	Total				
	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e / FFB
<b>Emission</b>								
Land Conversion	86,561.17	0.41	10,836.67	0.48	149,635.69	0.61	247,033.53	1.50
CO <sub>2</sub> Emission from fertilizer	6,700.42	0.03	1,021.01	0.03	2,745.90	0.01	10,467.33	0.07
NO <sub>2</sub> Emission	17,985.93	0.08	728.21	0.02	1,621.21	0.01	20,335.35	0.11
Fuel Consumption	1,913.44	0.01	225.34	0.01	5,076.34	0.02	7,215.12	0.04
Peat Oxidation	74,292.04	0.34	-	-	-	-	74,292.04	0.34
<b>Sink</b>								
Crop Sequestration	-82,262.32	-0.39	-10,607.05	-0.46	- 133,329.84	-0.53	-226,199.21	-1.38

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

Conservation Sequestration	-134.23	-	-173.32	-0.01	-	-	-307.55	-0.01
<b>Total</b>	105,056.45	0.48	2,030.86	0.07	25,749.30	0.12	132,836.61	0.67

\*Note: Includes both estates and smallholders

**Summary of Mill Emission and Credit**

	tCO <sub>2</sub> e	tCO <sub>2</sub> e/tFFB
<b>Emission</b>		
POME	26,330.51	0.06
Fuel Consumption	1,315.01	-
Grid Electricity Utilisation	-	-
Export of Grid Electricity	-47.35	-
Sales of PKS	-14,344.92	-0.03
Sales of EFB	-	-
<b>Total</b>	<b>13,253.24</b>	<b>0.03</b>

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

Emissions	tCO <sub>2</sub> e
PK from own mill	30,643.36
PK from other source	-
Fuel Consumptions	-
<b>Total Crusher emissions</b>	<b>-</b>

\*This mill has no kernel crusher operation.

<b>Palm Oil Mill Effluent (POME) Treatment:</b>	
Divert to Compost (%)	31
Divert to anaerobic diversion (%)	69

<b>POME Diverted to Anaerobic Digestion:</b>	
Divert to anaerobic pond (%)	39
Divert to methane captured (flaring) (%)	18
Divert to methane captured (energy generation) (%)	43

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

<b>General Chain of Custody Requirements for the Supply Chain</b>			
<b>Requirement</b>		<b>Evidence</b>	<b>Compliance (Yes/No/N/A)</b> *Justification is required for N/A
<b>5.1 Applicability of the general chain of custody requirements for the supply chain</b>			
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.	Sedenak Palm Oil Mill takes legal ownership and physically handles its RSPO certified oil palm products i.e. CPO and PK.	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.	Sedenak POM is not a trading company. Therefore, this requirement is not applicable.	N/A
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.	The parent company (Johor Corporation) is the member of RSPO [membership no.: 1-0080-09-000-00] and the mill is registered in the Palm Trace system [member ID: RSPO_PO1000001264].	Yes
5.1.4	Processing aids do not need to be included within an organization’s scope of certification.	Processing aids are not used in the milling process.	N/A
<b>5.2 Supply chain model -</b>			

5.2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Sedenak POM is using the MB supply chain model since it receive the FFB from own supply bases and outside FFB suppliers. For buyer who doesn't require RSPO certified CPO or PK, downgrading can be done from certified material to non-certified material.	Yes
5.2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Sedenal POM is using the MB supply chain model since it receive the FFB from own supply bases and outside FFB suppliers.	Yes
<b>5.3. Documented Procedures</b>			
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"> <li>Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</li> </ul>	The SOP Sustainable Management System, Traceability, Doc. No: SQD/SMS/1.2 Date 9 October 2018. On the marketing side, guidance document, RSPO Supply Chain, MKD/001, dated 9/10/18 are referred to.	Yes
	<ul style="list-style-type: none"> <li>Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).</li> </ul>	The RSPO SCC training & traceability has been conducted on 3/5/2018 at Sedenak Mill attended by 6 attendants from various position such as auxiliary police, weighbridge operators, general clerk etc.	Yes
	<ul style="list-style-type: none"> <li>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.</li> </ul>	The person having overall responsibility for and authority over the implementation is Head of each operating unit for RSPO, MSPO and ISCC Certification Program, as per appointment letter SQD/ADMIN/020/2018, 30 <sup>th</sup> June 2018..	Yes
5.3.2	The site shall have a written procedure to conduct annual internal audit to determine whether the organization;	The Sustainable Management System, Internal Audit Doc. No: SQD/SMS/5.0 Date 1 July 2018 as the Internal Audit Procedure where the SCC audit shall be conducted as per Internal Audit Process which covers internal audit schedule (plan), audit report,	Yes



**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

	i) Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents.	non-conformance report, correction and corrective action, review and closing the NCR.	
	ii) Effectively implements and maintains the standard requirements within its organization.	As per SOP, the management has conducted the Internal Audit at least once within 12 months (before the expiry of the certificate). Internal audit Non-conformance Report and Internal Audit checklist dated 9 August 2018 sighted for Sedenak POM and available during the audit.	Yes
<b>5.4. Purchasing and goods in –</b>			
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"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul>	<p>When FFB delivered to the mill from the estates, the transporters presented Delivery Order (DO) to the mill weighbridge clerk in order the FFB to be received by the mill.</p> <p>E.g. of information available in the DO is as follows:</p> <ul style="list-style-type: none"> <li>• Consignment note no.</li> <li>• Estate’s names</li> <li>• Date &amp; time of delivery</li> <li>• Field No.</li> <li>• No. of bunches</li> <li>• Vehicle no.</li> <li>• Seal no.</li> </ul> <p>E.g. of information available in the mill’s weighbridge tickets is as follows:</p> <ul style="list-style-type: none"> <li>• Weighbridge ticket no.:</li> <li>• Name of estates</li> <li>• Field No.</li> <li>• Name of driver</li> <li>• Vehicle no.</li> <li>• Date &amp; time in/out</li> </ul>	Yes

		<ul style="list-style-type: none"> <li>Total bunches</li> <li>Seal no.</li> <li>Net weight</li> </ul>	
	<ul style="list-style-type: none"> <li>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).</li> </ul>	The information was available in various documents such as delivery order and weighbridge tickets.	Yes
	<ul style="list-style-type: none"> <li>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.</li> </ul>	The mill has a list of certified FFB suppliers which has the information about certificate number and validity period. This is applied to both second and third party FFB suppliers.	Yes
	<ul style="list-style-type: none"> <li>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 (<a href="http://www.rspo.org">www.rspo.org</a>) at least annually or through the RSPO IT Platform by confirmation of (shipping) announcements.</li> </ul>	A check of the validity of supply chain certification of supplier is done via the list of RSPO Supply Chain Certified sites on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ). Physical RSPO certificate for all diverted crops sent to Sedenak Mill, e.g. from Tereh, Pasir Panjang and Sindora were verified. Validity check was done prior to each FFB delivery. Certificate information verified; RSPO613086 valid until 22/1/19 (Tereh POM), RSPO 612392 valid until 22/1/19 (Sindora POM) and RSPO 657192 valid until 8/3/22 (Pasir Panjang POM)	Yes
	<ul style="list-style-type: none"> <li>The validity of license 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.</li> </ul>	NA – this part is applicable for supply chain actor after refinery.	Yes
5.4.2	The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	Addressed in the SOP clause 5.7. Based on the procedure, where there is contamination of RSPO certified material during receiving, processing, storage and dispatch. Diversion should be kept at	Yes

		similar RSPO SCC module, i.e IP mill to IP mill, MB mill to MB mill only. Diversion from external will be classified at non-certified.	
<b>5.5. Outsourcing activities –</b>			
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 independent 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>	<p>Sedenak POM has use the service of transporter to transport CPO to buyer’s site. Sampled below contractor:  Yew Tan Enterprise for Transport of CPO from Mahamurni Plantations Sdn Bhd Group Mills to Various Refineries. Contract no: MPSB/CPO 1/2016(YEWTAN), dated 25.02.2018, originally scheduled for completion on 28.02.2018 be extended to complete on 29.02.2020.</p> <p>However, outsourced activities is not included in the RSPO supply chain certificate scope</p>	Yes
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>	Not applicable. No outsourcing activity.	N/A
	<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. 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.</p>	Not applicable. No outsourcing activity.	N/A
	<p>c. The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p>	Not applicable. No outsourcing activity.	N/A

	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.	Not applicable. No outsourcing activity.	N/A
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.	Not applicable. No outsourcing activity.	N/A
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.	Not applicable. No outsourcing activity.	N/A
<b>5.6. Sales and goods out –</b>			
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"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment/ delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number of the seller;</li> <li>• A unique identification number</li> </ul>	<p>Sedenak POM ensured the required information is available in document form. Sampled contract: CPOMB-M1812, ref: VMPO-1020983 dated 22/6/18, quantity 1000 mt</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer; XXX</li> <li>• The name and address of the seller: Mahamurni Plantations Sdn Bhd, Sedenak POM</li> <li>• The loading or shipment/ delivery date; e.g. 9/8/18</li> <li>• The date on which the documents were issued: 22/6/18</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations); Crude Palm Oil (CPO) CSPO (MASS BALANCE)</li> <li>• The quantity of the products delivered; e.g. 41.50 mt</li> <li>• Any related transport documentation; e.g. Despatch note e.g. #C25400</li> <li>• Supply chain certificate number of the seller; e.g. On weighbridge ticket e.g. RSPO 537873</li> </ul>	Yes

		<ul style="list-style-type: none"> <li>A unique identification number: refer to contract no. VMPO-1020980. Shipping announcement, TR-8a98dbf3- b9e7 Available in a few forms e.g. DN no., seal no., etc.</li> </ul>	
	<ul style="list-style-type: none"> <li>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).</li> </ul>	Information is complete and available in various documents such as sales contract, mill weighbridge ticket, delivery note, transporter collection order.	Yes
	<ul style="list-style-type: none"> <li>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.</li> </ul>	Detail of transaction can be found under table ### of the report .	Yes
<b>5.7. Registration of transactions</b>			
5.7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>Are mills, traders, crushers and refineries and;</li> <li>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.</li> </ul>	The registration of Palm Trace is handled by Marketing Department. All transaction will be registered in the Palm Trace.	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"> <li>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.</li> </ul>	<p>Based on the announcement summary, all the registrations were found to be in order. Total registered transaction (extracted from Palm Trace) summarized as per below:</p> <p>CPO: 6,478.45 mt            PK: 3,822.47 mt</p> <p>Detailed transaction can be found under table ### of the report.</p>	Yes

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

	<ul style="list-style-type: none"> <li>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 with a unique traceability number. Tracing can be done in a consolidated way at least annually.</li> </ul>	Not applicable. Products are not sold beyond refinery.	N/A
	<ul style="list-style-type: none"> <li>Remove: RSPO certified volumes sold under other scheme or as conventional, or in case of underproduction, loss or damage shall be removed.</li> </ul>	Based on the quarterly mass balance accounting sheet, the removal of volumes was done correctly when the products were sold as conventional.	Yes
	<ul style="list-style-type: none"> <li>Confirm: Acknowledge the purchase of RSPO certified volume by confirming Shipping Announcements / Announcements.</li> </ul>	Based on the announcement summary, all the confirmations were found to be in order.	Yes
<b>5.8. Training</b>			
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 for 2018 were available which training for RSPO Supply Chain has been included.	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.	<p>Relevant personnel to supply chain implementation as defined by the CU are the personnel that involve in supply chain implementation such as Assistant Managers, QA, clerk, lab supervisor &amp; assistant, weighbridge operators.</p> <p>Latest training was carried out on 26/7/18</p>	Yes
<b>5.9. Record Keeping – (Auditor Hint: Verify the annual summary records to determine if there are more RSPO certified oil palm products have been claimed than purchased within the date of the audit until the previous audit.)</b>			
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.	All the sampled records related to the movements of RSPO certified materials and products were found to be accurate, complete, up-to-date and accessible.	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	As spelt out in the procedure, Control of Quality Records, SDPOM/SOP/7.6 issue: 3 dated 1/2/18 records are to be maintained minimum of three years.	Yes

	be able to confirm the certified status of raw materials or products held in stock.		
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.	Not applicable. The product of the facility is containing 100% palm oil. Forecast volume for Jan 2019 – Dec 2019: CSPO = 46,679.00 mt CSPK = 12,048.00 mt	N/A
<b>5.10. Conversion factors</b>			
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 ( <a href="http://www.rspo.org">www.rspo.org</a> ); RSPO Rules for Physical Transition of Oleochemicals and its Derivatives. This is relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleo-chemical and personal care industries.	Conversion factor of CPO and PK production is depending on the actual OER and KER.	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
<b>5.11. Claims –</b>			
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. Refer to RSPO trademark and license registered under Kulim (M) Berhad (parent company: Johor Corporation) 1-0080-09-100-00 for supply chain model (IP and MB) valid until 15/8/19	Yes
<b>General corporate communications</b>			

4.1	A corporate communication is one made by any RSPO member that highlights its membership of the RSPO and/or its commitment to the principles of the RSPO. Corporate communication is an 'off-product' claim.	No off-product claim made by Sedenak POM and verified through document and site review (notice board, business card, shipping documentation, procurement/ purchasing document and promotional material etc).	N/A
4.2	In corporate communications a member is allowed to: a. display its RSPO membership status b. display the RSPO web address (www.rspo.org) c. state that the member supports the work of the RSPO d. state the member's history with regard to the RSPO. e. Use the RSPO trademark to promote its membership of the RSPO. Additionally, where an RSPO member displays the RSPO trademark in digital format this must be accompanied by the text 'Check our progress at www.rspo.org' where the link must lead to the member's profile page.	Not applicable as no off-product claim made by Sedenak POM as to date.	N/A
4.3	In corporate communications RSPO members must not make any statement that may lead consumers to believe that RSPO membership by itself implies the selling of RSPO-certified oil palm products.	Not applicable as no off-product claim made by Sedenak POM as to date.	N/A
4.4	Members must ensure that all communication is consistent, clear and cannot mislead consumers or other stakeholders as to the certified content of oil palm products in the member's own products.	Not applicable as no off-product claim made by Sedenak POM as to date.	N/A
4.5	Members are not allowed to use the RSPO corporate logo as shown in the RSPO Rules on Market Communications & Claims document. This is for the sole use of the RSPO secretariat.	No evidence of RSPO corporate logo used by Sedenak POM and verified through document and site review (notice board, business card, shipping documentation, procurement/ purchasing document and promotional material etc).	Yes
<b>Business to business communications</b>			



**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

5.1	Business to Business communication relates to RSPO members in the supply chain selling to and/or communicating with other organizations in the supply chain about the use of certified sustainable oil palm products.	Business to business communication is demonstrated via shipping documentation and invoices to the next supply chain actor or buyer.	Yes
5.2	When confirming the sale of certified oil palm products, members must adhere to the requirements of the RSPO SCCS. This includes stating the supply chain model and certificate number under which the claim is being made.	Shipping documentation verified and conformance with the requirements of RSPO SCCS. In the weighbridge ticket, it stated that i.e product/commodity with SCC model (CSPK MASS BALANCE) and RSPO certificate number; RSPO 537873. Refer to despatch no.: K07219 dated 27/7/18. This also applies to CPO.	Yes
5.3	<p>Where a distributor or wholesaler takes title to products containing certified sustainable oil palm products, the requirements of the RSPO SCCS can follow either of two options:</p> <p>A. If the distributor or wholesaler holds only a Distributor license, it may only communicate RSPO-certified oil palm products by linking the product to the manufacturer using the manufacturer's SCCS certificate number. This covers both brand and own brand products. However, in the case of own brand products it is essential that customers are aware that the product has been made on behalf of the distributor or wholesaler, with specific evidence either through on-pack claims or documentation.</p> <p>B. If the distributor or wholesaler is supply chain-certified they should follow the requirements outlined in section 5.2.</p>	Sedenak POM is not under distributor or wholesaler category. Thus, this requirement is not applicable.	N/A
5.4	<p>A certified member can provide information to its customers detailing the presence of certified palm oil contained within a product even if it is not eligible for a product-specific under RSPO rules. The end product must not be labelled as certified or sold in such a way that implies RSPO certification.</p> <p>For example, a retailer or food service company may require a breakdown</p>	Sedenak POM is producing crude palm product and does not involved in any labelling of end product and the presence of certified palm oil contained within a product. This requirement is for the next supply chain actor and not applicable for POM.	N/A

	of all palm based ingredients within an end product and the certified status of each. This information may be provided by a certified RSPO member without constituting a product-specific claim.		
<b>Business to consumer communication</b>			
6.1	Only RSPO members that have supply chain certification are allowed to make business to consumer claims about the certified sustainable oil palm products contained within product(s), which are known as 'product-specific' claims. Product-specific claims are voluntary.	Sedenak POM did not use business to consumer communications for their products which are CPO and PK therefore, this requirement is not applicable.	N/A
6.2	Only RSPO members who have supply chain certification are authorised to use the RSPO trademark and/or RSPO label, with the exception of RSPO Credits and of retailers in accordance with 6.8 below.	Sedenak POM did not use business to consumer communications for their products which are CPO and PK therefore, this requirement is not applicable.	N/A
6.3	When on-pack claims on RSPO-certified sustainable oil palm products are used, the RSPO trademark and associated identification number must be present.	Sedenak POM did not use business to consumer communications for their products which are CPO and PK therefore, this requirement is not applicable.	N/A
6.4	Business to consumer communication shall not include information about the claimant's RSPO membership status.	Sedenak POM did not use business to consumer communications for their products which are CPO and PK therefore, this requirement is not applicable.	N/A
6.5	Members shall not communicate to consumers information about their suppliers' RSPO membership status.	Sedenak POM did not use business to consumer communications for their products which are CPO and PK therefore, this requirement is not applicable.	N/A
6.6	Use of the RSPO trademark is restricted to claims about RSPO-certified sustainable palm oil products and it is not authorised for use in relation to any other ingredient.	Sedenak POM did not use business to consumer communications for their products which are CPO and PK therefore, this requirement is not applicable.	N/A

6.7	Use of any other trademark or logo to highlight the presence of RSPO-certified sustainable oil palm products is an unauthorised product-specific claim.	Sedenak POM did not use business to consumer communications for their products which are CPO and PK therefore, this requirement is not applicable.	N/A
6.8	RSPO members who are retailers or food service companies can apply for an RSPO trademark license for use in business to consumer communications, provided they can demonstrate the validity of these claims to an RSPO-accredited certification body (CB). This will be undertaken via a remote audit, prior to the trademark use, during which the retailer or food service company will need to demonstrate that the use of the trademark is in compliance with the rules contained within this document and that the claim itself can be supported through a certified supply chain. Any other palm oil claims, including those highlighting the absence of palm oil, must be highlighted to the CB during the audit to ensure that all claims comply with the requirements of these rules. The CB will confirm the outcome of these audits, to be conducted annually, to RSPO who may continue to grant a trademark license or withdraw permission based upon the audit findings. This is in keeping with the rules applying to RSPO supply chain certified members. The guidance document for audits is available on <a href="http://www.rsपो.org">www.rsपो.org</a> .	Sedenak POM did not use business to consumer communications for their products which are CPO and PK therefore, this requirement is not applicable.	N/A
<p><b>MODULE A – IDENTITY PRESERVED &amp; SEGREGATED SPECIFIC RULES</b>  <b>Auditor Hint:</b>  This specific rules shall be audited concurrently with the relevant Module A and Module B (including Module F &amp; G) under the Supply Chain Modular Requirements</p>			
<p><b>Certified oil palm content (IP)</b></p>			
	Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the volume of non-certified	Sedenak POM is using MB SC Model.	N/A

	oil palm products must be covered by the purchase of RSPO Credits of equivalent volume.		
<b>Labelling and trademark (IP)</b>			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> <li>a. RSPO trademark which includes the tag 'CERTIFIED' or <ul style="list-style-type: none"> <li>• RSPO trademark which includes the tag 'This product contains certified sustainable palm oil'. Wherever a RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at least 4pt (1.4 mm or 0.06 inch). In on-pack communications, the RSPO trademark can be printed anywhere on the pack.</li> </ul> </li> </ul>	Sedenak POM is using MB SC Model.	N/A
<b>Messaging (IP)</b>			
	<p>Messaging ALLOWED in storytelling in product-related communications may include some or all of the following elements:</p> <ul style="list-style-type: none"> <li>• The oil palm products contained in this product have been certified to come from RSPO sources. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• By choosing this product, you are sure it contains RSPO-certified palm oil. For more information: <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• RSPO-certified sustainable oil palm products were kept apart from other oil palm products throughout the supply chain. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• Certified sustainable oil palm products can be traced back to RSPO-certified mills and plantations. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• The entire supply chain is monitored by independent, RSPO-accredited auditors. <a href="http://www.rspo.org">www.rspo.org</a></li> <li>• RSPO-certified sustainable palm oil has been produced to stringent environmental and social criteria. <a href="http://www.rspo.org">www.rspo.org</a></li> </ul>	Sedenak POM is using MB SC Model.	N/A

	<ul style="list-style-type: none"> <li>References to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown by company records.</li> </ul>		
<p><b>MODULE B – MASS BALANCE SPECIFIC RULES</b>  <b>Auditor Hint:</b>          This specific rules shall be audited concurrently with the relevant Module C (including Module F &amp; G) under the Supply Chain Modular Requirements</p>			
<p><b>Minimum Mass Balance content</b></p>			
	<p>Where there is any percentage of non-certified oil palm within the product, the reason for this must be fully justified and an action plan for moving to fully certified oil palm must be in place, in accordance with the requirements of the RSPO SCCS. In addition, the non-certified volume must be covered by equivalent volume of RSPO Credits.</p>	<p>Sedenak POM is producing crude palm products</p>	<p>Yes</p>
<p><b>Labelling and trademark (MB)</b></p>			
	<p>Members are allowed to use the RSPO label in one of the following ways:</p> <ul style="list-style-type: none"> <li>Surrounded by the text: 'Certified sustainable palm oil'.</li> <li>The RSPO label MUST contain the tag 'MIXED'. The tag MIXED designates oil palm products sourced under the Mass Balance (MB) supply chain system, which administratively balances inputs and outputs of certain palm oil volumes. The tag 'MIXED' on a product does not guarantee that the product itself contains the certified material; some or all of it may reside in a product that does not carry a claim.</li> <li>The RSPO label can also include the statement: '[The palm oil contained in this product] contributes to the production of certified sustainable palm oil'. Wherever the RSPO trademark is displayed, the applicable trademark license number must be shown immediately under or next to the trademark or the 'statement'. Font must be Calibri, font size must be at</li> </ul>	<p>Sedenak POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>Yes</p>

	<p>least 4 pt (1.4 mm or 0.06 inch). In on-pack communications, the RSPO trademark can be printed anywhere on the pack. Further guidance on use of the trademark is provided in the RSPO Trademark License Terms and Conditions and in Annex 1 of the Rules on Market Communications &amp; Claims document.</p>		
<p><b>Messaging (MB)</b></p>			
	<p>Messaging ALLOWED in storytelling in product-related communications includes:</p> <ul style="list-style-type: none"> <li>• [Oil palm products]/[palm oil]/[palm kernel oil] from RSPO-certified mills and plantations were mixed with non-certified oil palm products in the supply chain.</li> <li>• The volume of [oil palm products][palm oil]/[palm kernel oil] in this product reflects an equivalent volume of palm oil or palm kernel oil produced by RSPO certified mills and plantations. In off-product communications, reference to (or images of) particular RSPO-certified production units, if the relationship to those units can be shown in company records is allowed.</li> </ul>	<p>Sedenak POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>N/A</p>
	<p>Messaging NOT ALLOWED in storytelling in product-related communications:</p> <ul style="list-style-type: none"> <li>• Anything that can lead consumers to believe that RSPO-certified palm products are (certified to be) part of the product.</li> </ul>	<p>Sedenak POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>N/A</p>
<p><b>MODULE C – PARTIAL PRODUCT CLAIMS</b></p>			
	<p>To increase awareness among consumers of the availability of sustainable oil palm products and to help accelerate the uptake, it is permissible to make a claim on product when the percentage of the oil palm content is less than 95% certified, but only when the following conditions have been</p>	<p>Not applicable</p>	<p>N/A</p>

	<p>met:</p> <ul style="list-style-type: none"> <li>• The member making the claim is the end product manufacturer, is an RSPO member and is certified against the RSPO SCCS or is an RSPO retailer member authorized to use the trademark by the RSPO.</li> <li>• At least 50% of the oil palm content has been supplied through an RSPO certified supply chain as IP, SG or MB.</li> <li>• The remainder of the oil palm content that is not RSPO-certified is covered by the purchase of RSPO Credits to an equivalent volume. The product-specific claim is limited to only the following phrase: 'This product contributes to the production of certified sustainable palm oil'. The use of the RSPO label with this claim is mandatory and must include the tag '50% MIXED'. No other percentage is allowable within this claim.</li> </ul>		
<b>MODULE D – COMBINED SUPPLY CHAIN MODELS SPECIFIC RULES</b>			
	<p>Where a mixture of inputs supplied through different RSPO supply chain models are present in a product, the following applies:</p> <p>75% IP + 20% SG =&gt; 95% SG claim is made          65% SG + 30% MB =&gt; 95% MB claim is made          55% MB + 40% B&amp;C =&gt; 95% partial product claim can be made          45% SG + 55% B&amp;C &lt; 50% B&amp;C claim can be made</p>	<p>Sedenak POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>N/A</p>
	<p>Where one supply chain model accounts for 95% of the oil palm content, the claim for this specific model may be made:</p> <p>95% IP + 5% MB =&gt; 95% IP IP claim can be made          95% SG + 5% MB =&gt; 95% SG SG claim can be made          95% MB + 5% C =&gt; 95% MB MB claim can be made</p>	<p>Sedenak POM is producing crude palm product and does not involved in any labelling of end product.</p>	<p>N/A</p>

<b>5.12. Complaints - (Auditor Hint:</b> Procedures must include a mechanism for complaints, grievances and appeals concerning certified organizations that is open			
5.12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Complaint is handled based on Management Process Procedure, Managing Customer Feedback, SDPOM/SOP/9.4, issue:3 dated 1/2/18	Yes
<b>5.13. Management Review</b>			
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 was last conducted on 26/7/2018. The meeting was chaired by Head of Engineering Department and attended by mill management team. Frequency of meeting is on annual basis.	Yes
5.13.2	The input to management review shall include information on: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard.</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement.</li> </ul>	Based on the minutes of meeting, the following agendas were adequately recorded: <ul style="list-style-type: none"> <li>• Results of internal audits covering RSPO Supply Chain Certification Standard</li> <li>• Customer feedback.</li> <li>• Status of preventive and corrective actions.</li> <li>• Follow-up actions from management reviews.</li> <li>• Analysis of data, FFB Quality, Production Performance, External provider’s performance,</li> <li>• Changes that could affect the management system.</li> <li>• Recommendations for improvement (human resource, equipment and workplace planning)</li> </ul>	Yes
5.13.3	The output from the management review shall include any decisions and actions related to: <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes</li> <li>• Resource needs.</li> </ul>	Discussion about the improvement of the effectiveness of the management system and its processes, and any resource needs were found to be included in the meeting minute.	Yes



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

Requirements	Compliance	Compliance
<b>E.1 Definition</b>		
<p>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 3<sup>rd</sup> 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.</p>	<p>Sedenak Palm Oil Mill receives and process certified and non- certified FFB. Therefore, it uses the Mass Balance supply chain system and module. During this recertification assessment, the audit team verified the volumes and sources of certified and non-certified FFB entering the mill, the implementation of processing controls and sales volume of RSPO certified palm products through RSPO IT System.</p>	<p>Yes</p>
<b>E.2 Explanation</b>		
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&amp;C certification report. For an independent mill, the estimated tonnage of CPO and PK products shall 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.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report. Actual production recorded under table 10</p>	<p>Yes</p>
<p>E.2.2 The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim) under Palm trace ID (Palm Trace ID: RSPO_PO1000000019</p>	<p>Yes</p>
<b>E.3 Documented procedures</b>		

<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p> <p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</p>	<p>Latest written documented procedures, Sustainable Management System, Traceability, SQD/SMS/1.2, issue: 1 dated 1st July 2018 for the chain of custody with Mass Balance (MB) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified and noncertified FFB. This developed based on the RSPO SCCS June 2017. The mill manager has the responsibility to ensure implementation assisted by the on-site compliance executive. The MB model is used because certified and non-certified FFB is received and processed at Sedenak Palm Oil Mill.</p>	<p>Yes</p>
<p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site procedures for the implementation of this standard.</p>	<p>The mill manager and assistant manager have awareness of the supply chain system. Refer to appointment letter, ref SQD/ADMIN/021/2018 dated 30<sup>th</sup> June 2018 signed by Head of Plantation, Kulim (M) Berhad. Head of operating unit, the manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements.</p>	<p>Yes</p>
<p>E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Sedenak Palm Oil Mill has documented procedures for the incoming FFB, processing and outgoing palm products (CPO and PK). System available to make marking/ID on the receiving documents to differentiate the certified and non-certified FFB received</p>	<p>Yes</p>
<p><b>E.4 Purchasing and goods in</b></p>		
<p>E.4.1 The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Diversion of FFB recorded for the period of October 2017 – September 2018. Records verified by internal and external audit.</p>	<p>Yes</p>
<p>E.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>Overproduction recorded which due to diversion crop from other certified certification units (Sindora, Tereh and Pasir Panjang Certification Unit). Thus, a major was raised.</p>	<p>Major nonconformance</p>
<p><b>E.5 Record keeping</b></p>		

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

<p>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.</p>	<p>Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the certified and non-certified FFB. Computerized system in place. Records verified by internal and external audit.</p>	<p>Yes</p>
<p>(b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p>	<p>Computerized system in place with the delivery deducted accordingly.</p>	<p>Yes</p>
<p>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.(ie product can be sold before it is in stock.)</p>	<p>c) Site only delivers mass balance sales from positive stock. No short sell recorded as to date based on mass balance sheet.</p>	<p>Yes</p>

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

**Supply Chain Declaration** *(Applicable For Appendix E)*

<b>A. Monthly Records of Certified and Uncertified FFB Received since the last audit</b>				
<b>No.</b>	<b>Month - Year</b>	<b>Volume of FFB from certified supply bases (mt)</b>	<b>Volume of FFB from uncertified supply bases (mt)</b>	<b>Total FFB/Month (mt)</b>
1	Oct 2017	23,381.19	22,257.61	45,638.80
2	Nov 2017	23,508.14	21,648.70	45,156.84
3	Dec 2017	23,234.65	16,163.50	39,398.15
4	Jan 2018	21,623.99	15,731.05	37,355.04
5	Feb 2018	11,679.52	17,683.23	29,362.75
6	March 2018	12,464.09	25,406.37	37,870.46
7	April 2018	11,877.51	25,167.75	37,045.26
8	May 2018	14,673.78	20,848.54	35,522.32
9	June 2018	13,386.17	20,246.81	33,632.98
10	July 2018	13,970.69	29,159.47	43,130.16
11	August 2018	15,665.05	20,915.35	36,580.40
12	September 2018	21,752.20	22,546.80	44,299.00
	<b>Total</b>	207,216.98	257,775.18	464,992.16

<b>A. Monthly Records of Certified CPO &amp; PK since the last audit</b>			
<b>No.</b>	<b>Month - Year</b>	<b>Certified CPO (mt)</b>	<b>Certified PK (mt)</b>
1	Oct 2017	4,158.10	1,064.97
2	Nov 2017	4,075.12	1,164.10
3	Dec 2017	3,588.65	986.17
4	Jan 2018	3,248.37	959.77
5	Feb 2018	2,742.49	701.49
6	March 2018	3,584.56	930.78
7	April 2018	3,402.93	944.23
8	May 2018	3,198.45	839.61
9	June 2018	3,001.81	788.19
10	July 2018	3,789.33	1,023.94
11	August 2018	3,358.12	935.47
12	September 2018	4,027.57	978.99
	<b>Total</b>	42,175.50	11,259.74

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

<b>A. Records of Certified CPO &amp; PK Sold under PalmTrace to Buyers since the last audit (if any)</b>				
<b>No.</b>	<b>Buyers Name</b>	<b>Palmtrace Trading License Number</b>	<b>Certified CPO Sold (mt)</b>	<b>Certified PK Sold (mt)</b>
1	Buyer A	TR-5ed13059-b83e	110.56	-
2	Buyer B	TR-1b53bdb6-576c	354.53	-
3	Buyer B	TR-8a98dbf3-b9e7	756.98	-
4	Buyer B	TR-31331f57-e417	217.23	-
5	Buyer B	TR-a8998147-5cdf	481.62	-
6	Buyer B	TR-3987f7e7-884e	783.38	-
7	Buyer B	TR-976c1f36-0936	439.53	-
8	Buyer B	TR-7a858944-d6f5	321.54	-
9	Buyer B	TR-8310977c-17ee	127.66	-
10	Buyer B	TR-e30ac4f6-a2a4	560.21	-
11	Buyer C	TR-ad526611-1df3	376.62	-
12	Buyer D	TR-fdb338c0-a3f5	117.5	-
13	Buyer B	TR-c8c030c5-a8c2	818.15	-
14	Buyer B	TR-ef3d10c6-a7aa	22.23	-
15	Buyer B	TR-20984b7a-00ab	289.72	-
16	Buyer B	TR-ca6d95d7-0f93	700.99	-
17	Buyer E	TR-c30564c2-fd86	-	129.42
18	Buyer E	TR-17972cb5-bdd4	-	112.31
19	Buyer E	TR-ecf4f313-7d5b	-	181.84
20	Buyer E	TR-c35c7965-2b27	-	77.79
21	Buyer E	TR-39d4d3bb-679a	-	186.4
22	Buyer E	TR-4cc4c092-8fa2	-	3.2
23	Buyer E	TR-f9cc4dcb-d012	-	131.24
24	Buyer E	TR-050f7ad3-8f91	-	106.2
25	Buyer E	TR-1548217c-de8a	-	284.25
26	Buyer E	TR-05eaa3ea-1fd8	-	314.77
27	Buyer F	TR-b9ee6bab-e4ed	-	292.58
28	Buyer E	TR-9471f75f-b73c	-	152.77
29	Buyer F	TR-48515891-2183	-	78.2
30	Buyer E	TR-86921976-badd	-	340.69
31	Buyer F	TR-52108af4-db0a	-	115.89
32	Buyer F	TR-e2727924-a995	-	66.09

**RSPO Public Summary Report**  
**Revision 7 (Aug /2018)**

33	Buyer E	TR-eacd07e1-99a6	-	254.4
34	Buyer F	TR-5508136c-f81c	-	100.06
35	Buyer E	TR-27288fc6-0ca9	-	301.34
36	Buyer E	TR-ab07a73e-ba46	-	103.08
37	Buyer E	TR-8b3982aa-deee	-	151.48
38	Buyer E	TR-a493cb4e-b67c	-	77.45
39	Buyer E	TR-27288fc6-0ca9	-	261.02
Total			6,478.45	3,822.47

**A. 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	11469	-

**A. 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	65,304.02	19,288.33

**B. Records of Certified CPO Sold under RSPO Credits to Buyers since the last audit (if any)**

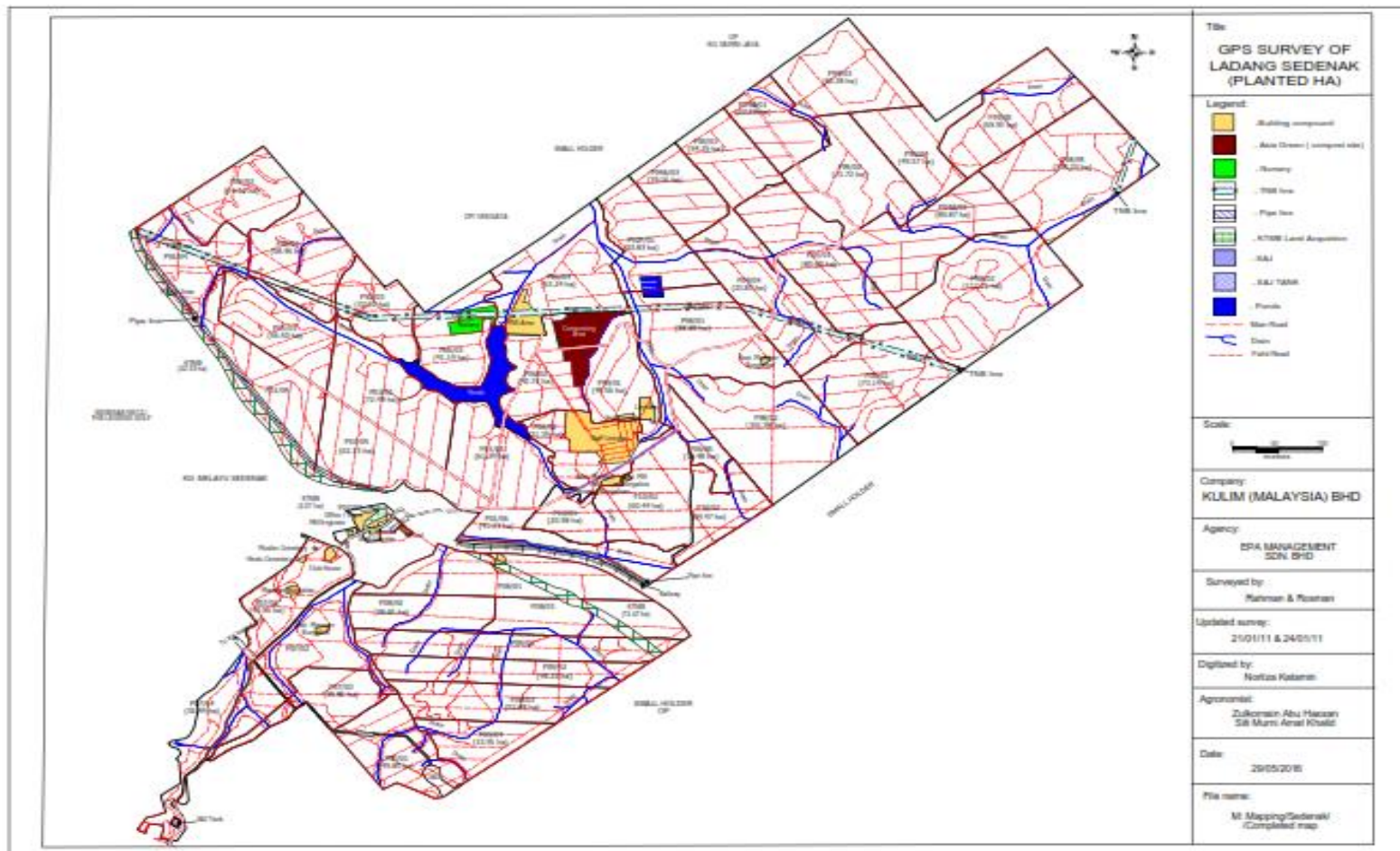
No.	Buyers Name	PalmTrace Trading License Number	RSPO Credits of Certified CPO Sold (mt)
Nil	n/a	n/a	n/a

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



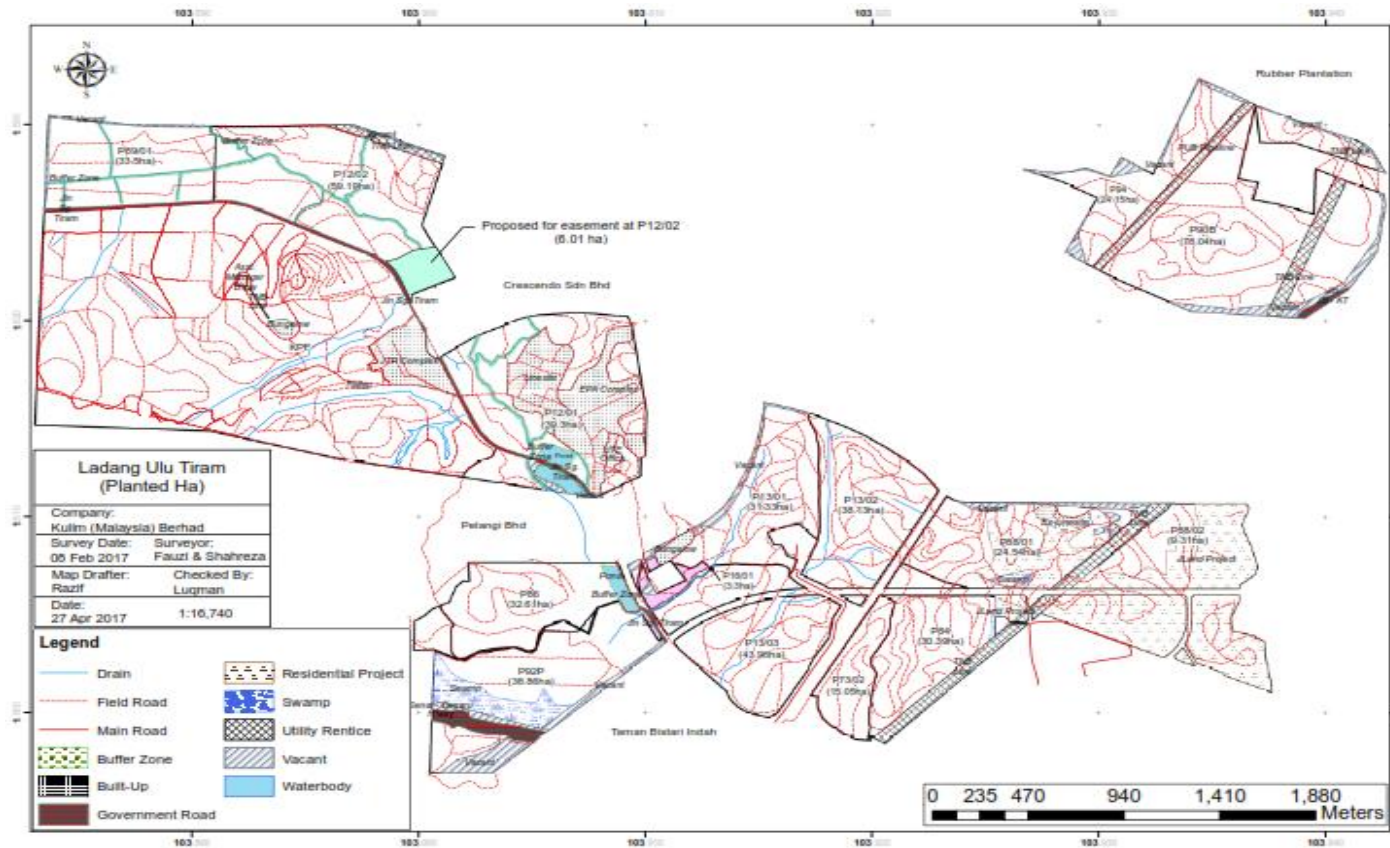


**Appendix G: Sedenak Estate Field Map**

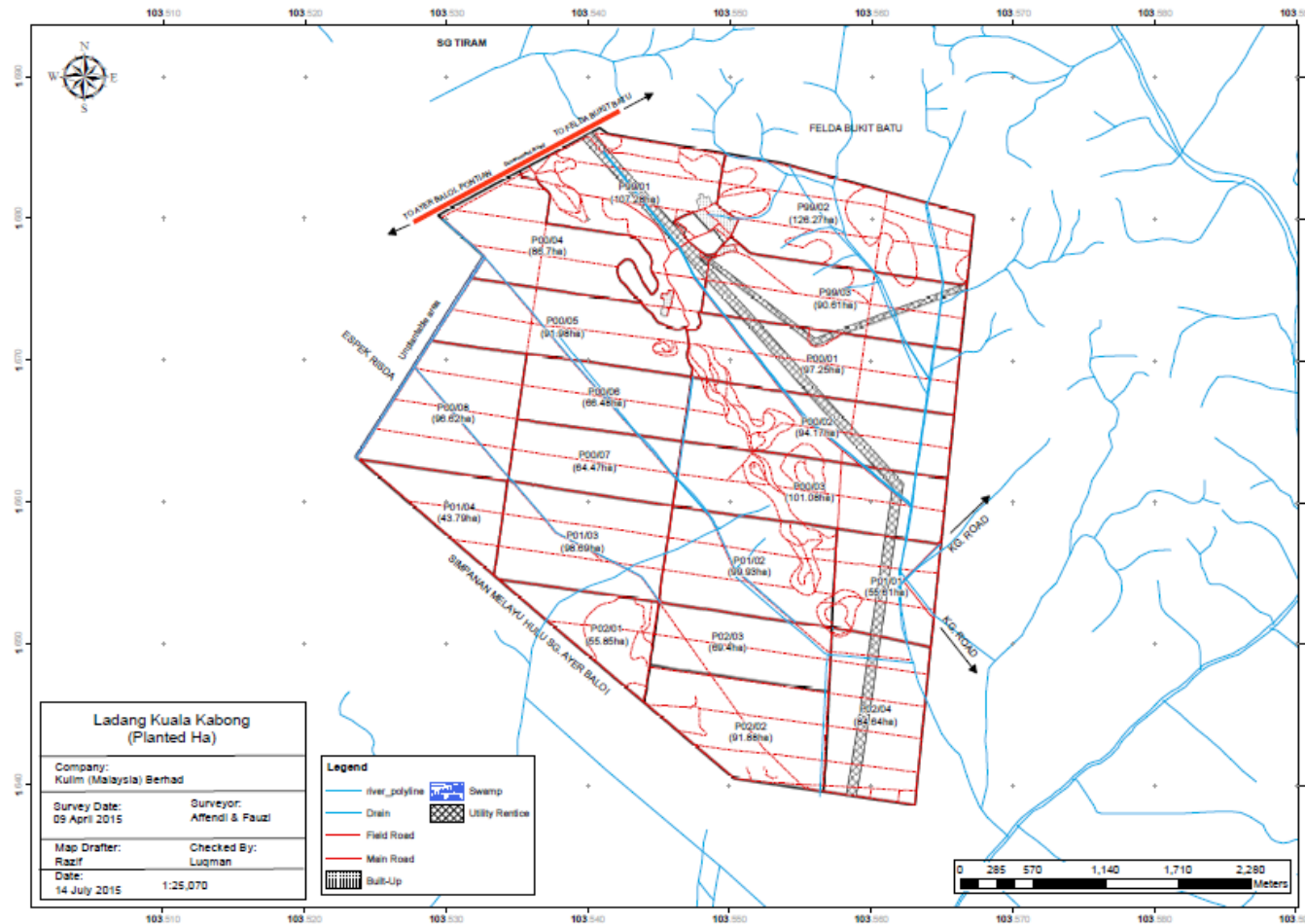




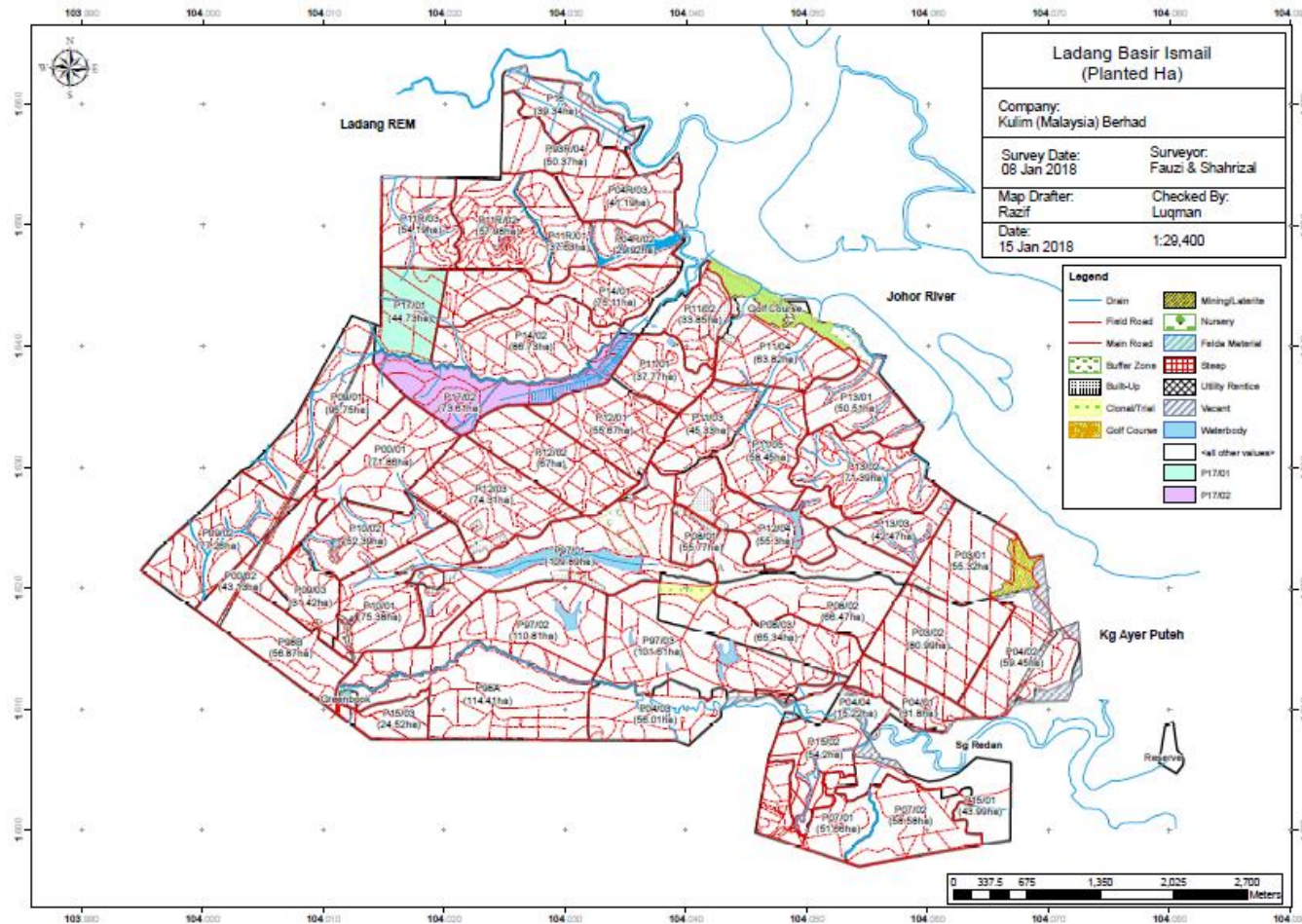
**Appendix H: Ulu Tiram Estate Field Map**



**Appendix I: Kuala Kabong Estate Field Map**



**Appendix J: Basir Ismail Estate Field Map**



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

Not applicable.

## Appendix L: 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
FASSB	Felda Agricultural Services Sdn Bhd
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