

RSPO PRINCIPLES & CRITERIA

PUBLIC SUMMARY REPORT

ANNUAL SURVEILLANCE ASSESSMENT 1

Malaysia
KEKAYAAN PALM OIL MILL
Kuala Lumpur-Kepong Berhad
2017

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PART 1: SCOPE OF THE CERTIFICATION ASSESSMENT AUDIT

1.1 Company and Contact Details

Company Name:	Kuala Lumpur Kepong Berhad
Business Address:	1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak.
Contact Person:	Mr. Sin Chuan Eng
Office Telephone:	+6089-887240
E-Mail:	ce.sin@klk.com.my
Web Site:	www.klk.com.my
Other Certifications Held:	RSPO SCCS, ISCC

1.2 RSPO Membership & Certification Details

RSPO Membership Number:	1-0014-04-000-00
Registered Client Name:	Kuala Lumpur Kepong Berhad
Certificate Number:	CU-RSPO-816254
Start Date Of Certificate:	27 October 2016
End Date Of Certificate:	26 October 2021
Date Of Original Certification:	27 October 2011
Scope:	Certification of the Palm Oil Mill and Supply Bases
Type Of Certification:	Single site <input checked="" type="checkbox"/>
Duration Of Certificate:	5 Years from date of certification

1.3 Annual Surveillance Assessment Details

Dates Of This Audit:	14 th Aug. 2017– 18 th Aug. 2017
Audit Number:	Annual Surveillance Audit 1 (ASA 1)

1.4 Assessment Type

This assessment was conducted against the National Interpretation of RSPO Principles and Criteria [MYNI 2015] - Endorsed by the RSPO Board of Governors on 06th March 2015 (RSPO P&C) - for the Sustainable Palm Oil Production and RSPO supply chain system & standard 21st November 2014

1.5 Location of the Palm Oil Mill

Name Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location	GPS Reference	
		Address	Longitude	Latitude
Kekayaan POM	120	K/B 110, 86609 Paloh, Kluang, Johor, Malaysia.	E 103°16'14.6"	N 2°11'46"

1.6 Palm Oil Mill Output and Approximate Tonnages Certified

Figures below are from:

- Only from certified supply bases (Y/N). **YES**
- Combining certified with uncertified supply bases (Y/N). **NO**
- If the Mill is receiving FFB from uncertified supply bases outside the audit scope, such uncertified sources is highlighted under the following sections as seen applicable:
 - a. PART 1, Section 1.7 – General Description of Supply Base,
 - b. PART 2: Partial Certification, Section 2.4 – Uncertified Units or Holdings,
 - c. PART 5: RSPO Supply Chain Certification of this report

KLK (S) Jeram Padang POM	Projected Production from the last 12 Months (MT) July'16 to Jun'17			Actual Production for this Audit Year 2015/2016 (MT) July'16 to Jun'17			Projected 12 Months (MT) Forecast Certified in this Report July'17 to Jun'18		
	Item	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO
"Own Certificate Estate"	434,816	96,099	21,914	415,817	88,411	19,701	440,825	96,976	22,043
"Others Certified Estate"	-	-	-	-	-	-	-	-	-

1.7 General Description of Supply Base

Kekayaan Palm Oil Mill which operates on IP Model received 100% FFBs from its own certified estates. No changes have been introduced in the supply base since previous assessment and this audit has carried out to ensure full compliance with RSPO requirement.

1.7.1 Location of the Supply Base

OPP	Oil Palm Plantation	Location	GPS reference		Area Summary (Ha)	
	Name	Address	Longitude	Latitude	Total	Mature
OPP 1	Kekayaan Estate	K/B 103, KM11, Jalan Paloh, 86609 Paloh, Johor	E 103°16'54"	N 2°11'1"	4,276	4,276
OPP 2	Landak Estate	K/B No 108, 86609 Paloh, Johor	E 103°23'24"	N2°24'09"	4,316	4,296
OPP 3	Paloh Estate	K/B 106, KM 11 , Jalan Paloh, 86609 Paloh, Johor	E 103°11.985'	N 2°12.091'	1,886	1,583
OPP 4	Fraser Estate	KB102, KM7, Jalan Inas, 81000 Kulai Johor	E103°36'2"	N1°42'34"	2,798	2,148
OPP 5	New Pogoh Estate	K/B 505, 85009 Segamat, Johor.	E 102°54'14"	N 2°26'573"	1101	1101
OPP 6	Ban Heng Estate	Ladang Ban Heng, K/B No. 102, 84600 Pagoh, Johor	E 102°49'17"	N 2°12'51"	631	566
OPP 7	Sg Bekok Estate	KM2.5, Jalan Haji Eskanin, 86500 Bekok, Johor.	E 103°07'28"	N 2°19'11"	620	620
OPP 8	See Sun Estate	K/B 108, KM4 Rengam, 86300 Rengam, Johor.	E 103°38'	N 1°55'	577	467
OPP 9	Sg Penggeli Estate	K/B 108, KM32 Kulai, 81440 Kulai, Johor.	E 103°58'	N 1°54'	920	547
OPP 10	Voules Estate	KB 506, 85009 Segamat, Johor	E 102.95380°	N 2.45736°	2,969	1,255
TOTAL					20,094	16,859

1.7.2 Statistics of the Supply Base and Estimated Tonnes of FFB produced per year				
OPP	Oil Palm Plantation	Estimated FFB/Year (MT) July'17 to Jun'18	Planting Years	Cycle (Years)
OPP 1	Kekayaan Estate	123,340	1998, 1999, 2000, 2001, 2002, 2003, 2004, 2008, 2009, 2011	25
OPP 2	Landak Estate	115,113	1998, 1999, 2000, 2001, 2002, 2003, 2004, 2008, 2009, 2010, 2015	25
OPP 3	Paloh Estate	41,003	1992, 1993, 1994, 1996, 1997, 1998, 1999, 2001, 2002, 2003, 2004, 2005, 2010, 2011, 2013, 2014	25
OPP 4	Fraser Estate	52,653	1989, 1991, 1992, 1993, 1994, 1996, 1997, 2000, 2001, 2003, 2004, 2005, 2009, 2010, 2011, 2012, 2013	28
OPP 5	New Pogoh Estate	26151	1996, 1997, 1998, 1999, 2000, 2001, 2003, 2004, 2005, 2007, 2010	25
OPP 6	Ban Heng Estate	13,643	1990, 1991, 1992, 2000, 2002, 2003, 2006, 2007, 2010, 2016	25
OPP 7	Sg Bekok Estate	15,695	1993, 1994, 1995, 1996, 1997, 1998, 2003, 2004, 2008	25
OPP 8	See Sun Estate	10,759	1989, 1990, 1998, 1999, 2002, 2006, 2007, 2012, 2015, 2017	25
OPP 9	Sg Peggeli Estate	10,166	1990	25
OPP 10	Voules Estate	32,302	1998-2010	25
TOTAL		440,825		

1.7.2 (b) Non-Certified Tonnage of FFB (outside supplier – Excluded from Certificate)			
Item	Tonnage / Year		
	Estimated (July'16 – June '17)	Actual (July'16 – June '17)	Forecast (July'17 – June '18)
Independent FFB Supplier	-	-	-
TOTAL	-	-	-

1.7.2 (c) Non-Certified Tonnage of CPO (outside supplier – Excluded from Certificate)			
Item	Tonnage / Year		
	Estimated (July'16 – June '17)	Actual (July'16 – June '17)	Forecast (July'17 – June '18)
Independent FFB Supplier	-	-	-
TOTAL	-	-	-

1.7.2 (d) Non-Certified Tonnage of PK (outside supplier – Excluded from Certificate)			
Item	Tonnage / Year		
	Estimated (July'16 – June '17)	Actual (July'16 – June '17)	Forecast (July'17 – June '18)
Independent FFB Supplier	-	-	-
TOTAL	-	-	-

1.7.3 Conservation and HCV Area (Ha)				
OPP	Oil Palm Plantation	Conservation Area (Ha)	HCV Area (Ha)	* HCV part of Conservation
OPP 1	Kekayaan Estate	44	-	-
OPP 2	Landak Estate	5	-	No
OPP 3	Paloh Estate	39	-	-
OPP 4	Fraser Estate	5	-	-
OPP 5	New Pogoh Estate	6	-	No
OPP 6	Ban Heng Estate	0.5	-	-
OPP 7	Sg Bekok Estate	3	-	No
OPP 8	See Sun Estate	-	-	-
OPP 9	Sg Peggeli Estate	-	-	-
OPP 10	Voules Estate	11.5	-	No
TOTAL		114	0	-

* Indicate if HCV area is part of the Conservation Area. If the HCV area is part of the Conservation Area, then "YES" otherwise, "No"

1.7.4 Percentage of Planted Oil Palm by different Age Ranges								
CU Code	Planting Years by 5 year Ranges (%)							Total (Ha)
	1986-1990	1991-1995	1996-2000	2001-2005	2006-2010	2011-2016	2016	
OPP 1	-	-	1,490 (34.8%)	2,349 (54.9%)	432 (10.1%)	5 (0.1%)	-	4,276
OPP 2	-	-	1,663 (38.5%)	2,020 (46.8%)	613 (14.2%)	20 (0.5%)	-	4,316
OPP 3	-	389 (21.6%)	615 (34.1%)	342 (19%)	100 (5.5%)	288 (16%)	68 (3.8%)	1,802
OPP 4	48 (1.7%)	404 (14.4%)	335 (12%)	417 (14.9%)	305 (10.9%)	1,029 (36.8%)	260 (9.3%)	2,798
OPP 5	-	-	631 (57.3%)	369 (33.5%)	101 (9.2%)	-	-	1,101
OPP 6	38 (6.1%)	79 (12.7%)	72 (11.6%)	196 (31.6%)	181 (29.1%)	55 (8.9%)	-	621
OPP 7	-	180 (29%)	196 (31.6%)	156 (25.2%)	88 (14.2%)	-	-	620
OPP 8	118 (23.2%)	-	171 (33.6%)	67 (13.2%)	68 (13.4%)	85 (16.7%)	-	509
OPP 9	547 (100%)	-	-	-	-	-	-	547
OPP 10	-	-	545 (41.4%)	563 (42.7%)	147 (11.2%)	-	63 (4.8%)	1,318
Total	751	1,052	5,718	6,479	2,035	1,482	391	17,908

1.7.4 Calculation of the Number of Production Units (N) to Sample for the Mill			
N = 0.8vY, where "Y" is the number of units, with the result always to be rounded "up" to the next whole integer. Where only a sample of the supply base is assessed, units not previously assessed, or assessed earlier in the certification program, are to be preferred over those more recently assessed			
For the Mill, how many units make up the production base?			
Owned estates (Y)	N = 0.8vY	Smallholders (Z)	N = 0.8vZ
10	3	NA	NA
Explanation as to the selection of estates sampled			
Kekayaan Estate, Landak Estate and Fraser Estate were selected in this audit.			

1.8 Progress of associated Smallholders or Out-growers, if applicable to this assessment

Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3 years implementation plan, if applicable to this assessment

There is no associated smallholder or out grower.

1.9 Location Map for this Certification Unit (See Appendix 1)

PART 2: PARTIAL CERTIFICATION

The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules.

2.1 Management Structure

Section	Criteria	Yes/No	If "Yes"	If "No"
2.1.1	Is the certified operation (POM and supply base as detailed above) a stand-alone operation and there are no other plantations or mills owned by the same company?	No	Section 2 is N/A	Go to 2.1.2
2.1.2	Is the certified operation part of a simple structure of operations owned by one company?	Yes	Go to 2.1.5	Go to 2.1.3
2.1.3	Are there statements of the ultimate controlling shareholders and directors in the managing agency company/companies:	-	Go to 2.1.4	Go to 2.2.1
	a. Explaining the legal relationship and the management arrangements with the subsidiary companies and / or with any operating groups?			
2.1.4	b. A statement of commitment to complying with the spirit of the RSPO for all companies and subsidiaries involved with the growing of oil palm and for the production of palm oil?	-	Go to 2.4	Go to 2.2.2
2.1.5	Is there a time bound plan in place for all subsidiaries, estates and palm oil mills?	Yes	Go to 2.3	2.2.3
2.1.6	Is the parent company or one of its majority owned and / or managed subsidiaries a member of RSPO?	Yes		

2.2 Non-compliance Identified with 2.1 Above

Section	Non-compliance findings	NC raised	Category
2.2.1	There is no explanation as to the company's structure and therefore it is not possible to conduct an effective audit against the rules for partial certification.	-	Major
2.2.2	There is no statement of commitment to complying with the spirit of the RSPO for all companies within the company structure.	-	Major
2.2.3	There is no time bound plan in place for the certification for all subsidiaries, estates and mills.	-	Major
2.2.4	No applicable membership of the RSPO.	-	Major

2.3 Summary of the Time Bound Plan

Section	Requirement	Findings and any action required	Compliance
2.3.1	Does the plan include all subsidiaries, estates and mills?	Yes, the time bound plan does include of the subsidiaries, mills and estates owns by KLK. The Paloh Palm Oil Mill in Johor and Mill 1 in Sabah are not part of the time bound plan as it meant for out growers and smallholder group. This has been	Yes

		communicated with RSPO in 2015. For the Sumatra Utara, Gohor Lama and Padang Bharang mills been merged and named as Stabat mill.	
2.3.2	Is the time bound plan challenging? ➤ Age of plantations. ➤ Location. ➤ Mill development. ➤ Infrastructure. ➤ Compliance with applicable law.	The plan is achievable unless otherwise with unforeseen circumstances. The risk involves varies from: • To engage certification bodies and their availability. • Laws and regulations in Indonesia – a lot uncertainty. • In Indonesia, ISPO precede other certification standards. • In Indonesia, it finds mobilizing the internal resources to different geographical locations.	Yes
2.3.3	Have there been any changes since the last audit? Are they justified?	The latest time bound plan dated on 22/04/2016 was reviewed and changes were discussed during verification. In Kaltim, Jabontara POM had been newly included. Both Jabontara and Berau mill target to be certified by 2017 which a year delay [2016] than planned. This was due to RSPO Compensation Scheme [Compensations Concept Note was submitted to RSPO].	Yes
2.3.4	If there have been changes, what circumstances have occurred?	New inclusion of mill and supply base. No changes on the targeted time line.	Yes
2.3.5	Have there been any stakeholder comments?	On PT Menteng Jaya Sawit Perdana IUP for 7,400 Ha approval no: 525.26/153/II/EKBANG/2007 dated on 13 February 2007 and Izin Lokasi (IL) is renewed and documented no: 188.45/359/HUK-BPN/2013 dated: 1 st August 2013 which includes an approval clause 1a that this IL will remain in force until land swap process is finalised and as at now, the land / boundary survey on-going.	Yes
2.3.6	Have there been any newly acquired subsidiaries?	No.	Yes
2.3.7	Have there been any isolated lapses in the implementation of the plan?	No lapses.	Yes
2.3.8	Has there been any systematic failure to proceed with the implementation of the plan?	No.	Yes
2.3.9	General statement as to progress made since the last audit?	The target to certify all the units within year 2017 remain same.	Yes

2.4 Un-Certified Units or Holdings

NOTE:	Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills)		
Section	Requirement	Findings and any action required	Compliance
2.4.1	Did the company conduct an internal audit? If so, has	Since all the facilities in Malaysia were certified, therefore the facilities in Indonesia monitor by the Pak	Yes

	a positive assurance statement been produced?	Stephen and once in a 3 month, a review with Sustainability Head will be done in KLK HQ in Ipoh. The internal control points have included all the requirements to validate the compliance against uncertified units or holdings as per partial. Joint venture in Liberia does not required internal audit as it is part of EPO as their stand-alone entity.	
2.4.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> Primary forest. Any area identified as containing High Conservation Values (HCVs). Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	There will either be a moratorium on development or for new areas to be developed the HCS Approach method will be employed until the exercise of convergence is completed.	Yes
2.4.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	There is no NPP applicable. There will either be a moratorium on development or for new areas to be developed the HCS Approach method will be employed until the exercise of convergence is completed.	Yes
2.4.4	Any land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	PT Adei Plantation land conflicts around 2,544 Ha are still in progress of negotiation and the land area been enclave.	Yes
2.4.5	Any Labor disputes are being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.	None noted. No stakeholder comments or complaints received.	Yes
2.4.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	None noted. No stakeholder comments or complaints received.	Yes

TIME BOUND PLAN FORECAST FOR RSPO CERTIFICATION OF ALL PALM OIL MILLS & SUPPLY BASES						
s/n	Palm Oil Mill	Country	Supply Bases (estates, plantations, associations)	Area [Ha]	Targeted RSPO Certification Year	Current Certification Status as per this Audit
1	Batu Lintang	Kulim, Kedah, Malaysia	Pelam Estate*	2,960	2013	Certified
		Serdang, Kedah,	Batu Lintang Estate*	1,808		

		Malaysia	Buntar Estate	899		
		Batu Kurau, Perak Malaysia	Subur Estate	1,290		
2	Kekayaan	Paloh, Johor, Malaysia	Landak Estate	4,451	Oct 2011	Certified
			Kekayaan Estate	4,436		
			Paloh Estate	2,029		
		Tenang, Johor, Malaysia	Voules Estate*	2,969		
			New Pogoh Estate*	1,545		
		Kulai, Johor, Malaysia	Fraser Estate	2,928		
		Bekok, Johor, Malaysia	Sg Bekok Estate	625		
		Pagoh, Johor, Malaysia	Ban Heng Estate	631		
Renggam, Johor, Malaysia	See Sun Estate	589				
Bandar Tenggara, Johor, Malaysia	Sg Penggeli Estate	942				
3	Jeram Padang	Bahau, Negeri Sembilan, Malaysia	Ayer Hitam Estate	2,640	Sept 2012	Certified
			Jeram Padang Estate*	2,114		
		Telemong, Pahang, Malaysia	Renjok Estate*	1,578		
			Tuan Estate*	1,353		
		Lanchang, Pahang, Malaysia	Sg Kawang Estate*	1,889		
		Rompin, Negeri Sembilan, Malaysia	Batang Jelai Estate*	2,148		
		Simpang Durian, Negeri Sembilan, Malaysia	Gunung Pertanian Estate*	686		
Pedas, Negeri Sembilan, Malaysia	Ulu Pedas Estate*	922				
Rantau, Negeri Sembilan, Malaysia	Kombok Estate*	1,915				
4	Tanjong Malim	Tanjung Malim, Perak, Malaysia	Changkat Asa Estate*	1,716	2013	Certified
		Kerling, Selangor, Malaysia	Kerling Estate*	619		
		Serendah, Selangor,	Sg Gapi Estate			

		Malaysia		603		
5	Tuan Mee	Sungai Buloh, Selangor, Malaysia	Tuan Mee Estate	1,556	2013	Certified
6	Kuala Pertang	Kuala Krai, Kelantan, Malaysia	Pasir Gajah Estate	2,107	By 2014	Certified by SGS in 2014, currently engaging new CAB.
		Tanah Merah, Kelantan, Malaysia	Kerilla Estate* Sg Sokor Estate*	2,176 1,603		
7	Mill 2	Tawau, Sabah, Malaysia	Pang Burong Estate Sri Kunak Estate Tundong Estate Ringlet Estate	2,548 2,770 2,155 1,834	March 2009	Certified
8	Pinang	Tawau, Sabah, Malaysia	Jatika Estate Sigalong Estate Pangeran Estate Pinang Estate	3,508 2,864 2,855 2,420	March 2009	Certified
9	Lungmanis	Lahad Datu, Sabah, Malaysia	Tungku Estate Bukit Tabin Estate Lungmanis Estate	3,418 2,916 1,656	July 2010	Certified
10	Rimmer	Lahad Datu, Sabah, Malaysia	Rimmer Estate Sg. Sibalukan	2,730 2,654	July 2010	Certified
11	Bornion	Kinabatangan, Sabah, Malaysia	Bornion Estate Segar Usaha Estate	3,233 2,792	July 2010	Certified
12	Changkat Chermin	Manjung, Perak, Malaysia	Lekir Estate	3,313	2013	Certified
			Changkat Chermin Estate	2,530		
			Raja Hitam Estate	1,497		
		Parit, Perak, Malaysia	Glenealy Estate* Serapoh Estate*	1,059 936		
Padang Rengas, Perak, Malaysia	Kuala Kangsar Estate*	843				
Trong, Perak, Malaysia	Allagar Estate	805				

Note: Above marked * is combination of total rubber and palm oil area within stated plantation where the exact certified or under certification of each plantation will be according to the respective public summary report.

With reference to time bound plan, the following issues were reviewed openly with the Control Union audit team during the assessment and which may be in conflict with the rules for partial certification, if applicable

Name of Mill or Plantation	*Area of concern (See examples below)
N/A	N/A

Include any known concerns, media reports and major issues both present and from the past covering, for example:

- Replacement of primary forest or any area containing HCV's since November 2005.
- Evidence of non-compliance with the law
- Legal issues
- Compensation payments
- Social relations
- Burning
- Labor disputes

2.5 Summary of the findings for Partial Certification

The audit team assessed compliance with the above requirements during this audit. Failure to address any non-compliance identified may lead to certification suspension.

This verification was attended by Mr. Sin Chuan Eng and Ms. Lee Kuan Yee from the Sustainability Department. On behalf of CUC, Mr. Simon [Certifier], Ms. Mozhi [Program Manager], Mr. Jamal [Auditor] and Mr. Mahas [Auditor] were involved. The verification was found satisfactory with documented evidences of latest time bound plan, detail discussions on NPP and the challenges in meeting the time bound plan. There were no non-conformities found and as at 01/04/2016, below is the status of land bank owned by KLK [*certified and none*].

Country	Region	Name of POM	Area [Ha]
Malaysia	Peninsular Malaysia	Batu Lintang	61,508
		Tanjung Malim	
		Kekayaan	
		Tuan Mee	
		Paloh	
		Changkat Chermin	
		Jeram Padang	
	Sabah	Mill 1	40,353
		Mill 2	
		Rimmer	
		Bornion	
Indonesia	Kaltim	Berau	32,056
		Jabontara	
	Riau	Mandau	35,259
		Nilo 1	
		Nilo 2	
	Belitung	Tapung Kanan	20,391
		Parit Sembada	
	Sumatera Utara	Steelindo Wahana Perkasa	21,372
		Gohor Lama	
	Kalteng	Padang Brahrang	28,097
MAP			
Total			239,036

2.6 Partial Certification Audit Agenda		
Date	Location	Agenda
22/04/2016	KLK Wisma Taiko, Ipoh	Documentation review

PART 3: AUDIT PROCESS

3.1 About the Certification Body

Control Union Certifications is a member of the Control Union World Group – an international inspection and certification body. CUC performs Audits and certification in many agricultural based fields such as FSC, RSPO, MSPO, ISCC, Organic Production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP and GTP.

CUC is accredited by the Dutch Council of Accreditation (RVA) on the European quality standard EN 45011 for the inspection and certification of CUC Organic program (according to the EU regulation 2092/91) and EUREPGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.

Control Union (Malaysia) Sdn Bhd is a registered affiliate member of RSPO and is a private limited company owned by the Control Union World Group based in Malaysia. Control Union (Malaysia) Sdn Bhd is authorized to conduct and issue certification on behalf of RSPO and Control Union Certifications.

3.2 Audit Team

Lead auditor:	Muhammad Faizul b. Yusoff
Team member 1:	Mr. Fadly Bin Ahmad
Team member 2:	Mohd Farul b. Rosli
Team member 3:	Razaleigh b. Mohamad

3.2.1 Qualifications of the Lead Auditor

Requirement	Qualifications
A minimum of post high school (post-secondary school) training in either agriculture/forestry, environmental science or social sciences;	A Diploma of Agriculture Science and Bachelor of Applied Chemistry holders which involved in MSPO, ISCC & ISO 9001 audit since 2014/15. Has undergone the necessary RSPO Lead Auditor Course for both P&C as well as the Supply Chain Certification System (SCCS). Also as a qualified auditor for MPOB Codes of Practice (Nurseries, Estates, Palm Oil Mills, Refineries, Bulking Station and Kernel Crushers Plant).
At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science);	Possesses more than 7 years working experiences in palm oil plantation management and 3rd party auditing (ISO & Palm Oil Sustainability Standard). Fully trained in similar agriculture certification programs such as ISCC, MSPO, SCCS and MPOB CoP.
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Involved in MSPO, ISCC & ISO 9001 audit since 2014/15. Member of CUC RSPO audit team since 2017 and involved in RSPO audits conducted in Malaysia, Indonesia, PNG and Sri Lanka.
Successfully completion of an ISO 9000:19011 lead auditors course;	Successfully completed ISO 9001:2008, ISO 9001:2015, RSPO LA, SCCS LA, MSPO LA, ISCC LA and MPOB CoP LA Course.
Training in the practical application of RSPO certification systems.	Involved in RSPO assessment since 2017. Member of CUC RSPO audit team. Involved in audits conducted in Malaysia, Indonesia, PNG and Sri Lanka.
A supervised period of training in practical auditing against the RSPO criteria or similar sustainability	Involved in audits conducted in for many different companies in Malaysia, Indonesia, PNG and Sri Lanka.

standards, with a minimum of 15 days audit experience and at least 3 audits at different organizations.	
RSPO endorsed lead auditors course.	Attended and successfully completed RSPO Lead Auditor Course.
Signed code of conduct.	Yes
General knowledge of:	
• RSPO P&C standards.	Yes
• CUC organizational structure.	Yes
• CUC quality systems.	Yes
• Lead auditor role.	Yes
• Report writing.	Yes
• Stakeholder consultation.	Yes
• Certification decision process.	Yes
• RSPO SCCS program manual.	Yes
• CUC filing systems.	Yes
• Correct use of RSPO trademarks.	Yes
• History and objectives of RSPO.	Yes
• CV available.	Yes
• Completion of CUC RSPO lead auditor training.	Yes

3.2.2 Qualifications of the Assessment Team		
RSPO Requirement	Team Member Name	Qualifications
Fluent in main local languages and English.	Mohd Fadzli bin Bistamam	Fluent in both English and Bahasa Malaysia
	Mohd Farul b. Rosli	Fluent in both English and Bahasa Malaysia
	Razaleigh b. Mohamad	Fluent in both English and Bahasa Malaysia
Field working experience in the palm oil sector, or a demonstrable equivalent.	Fadly Bin Ahmad	Graduated from University Technology Mara (UiTM) in Bachelor (Sc) in Plantation Management & Technology. Experiences more than 5 years in palm oil industry and qualified auditor for GlobalGAP and Organic certification.
	Mohd Farul b. Rosli	Diploma in Mechanical Engineering. Involved in RSPO auditing since 2012 (1 st party audit). Working experiences as Sustainability and Safety Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor course for RSPO, ISO 9001:2015, MSPO standard.
	Razaleigh b. Mohamad	Graduated from University Technology Mara (UiTM) in Bachelor (Sc) in Plantation Management & Technology. Experiences more than 5 years in palm oil industry and qualified auditor for GlobalGAP and Organic certification.
Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.	Fadly Bin Ahmad	Involved in RSPO auditing since 2017. Been part of CUC RSPO P&C team in Malaysia and Indonesia. Trained and completed the Lead Auditor course for ISO 14001:2015.
	Mohd Farul b. Rosli	Working experiences as Sustainability and Safety Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor

		course for RSPO, ISO 9001:2015, MSPO standard.
	Razaleigh b. Mohamad	Involved in RSPO auditing since 2017. Been part of CUC RSPO P&C team in Malaysia, Indonesia and Ivory Coast. Trained and completed the lead auditor course for ISO 14001:2015.
Health and Safety auditing on the farm and in processing facilities. (For example, OHSAS 18001 or occupational. Health and safety assurance system).	Fadly Bin Ahmad	Involved in RSPO auditing since 2017. Been part of CUC RSPO P&C team in Malaysia and Indonesia. Trained and completed the Lead Auditor course for ISO 14001:2015.
	Mohd Farul b. Rosli	Working experiences as Sustainability and Safety Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor course for RSPO, ISO 9001:2015, MSPO standard.
	Razaleigh b. Mohamad	Involved in RSPO auditing since 2017. Been part of CUC RSPO P&C team in Malaysia, Indonesia and Ivory Coast. Trained and completed the lead auditor course for ISO 14001:2015.
Workers welfare issues and social auditing experience. (For example, with SA8000 or related social or ethical accountability codes).	Fadly Bin Ahmad	Involved in RSPO auditing since 2017. Been part of CUC RSPO P&C team in Malaysia and Indonesia. Trained and completed the Lead Auditor course for ISO 14001:2015.
	Mohd Farul b. Rosli	Working experiences as Sustainability and Safety Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor course for RSPO, ISO 9001:2015, MSPO standard.
	Razaleigh b. Mohamad	Involved in RSPO auditing since 2017. Been part of CUC RSPO P&C team in Malaysia, Indonesia and Ivory Coast. Trained and completed the lead auditor course for ISO 14001:2015.
Environmental and ecological auditing. (For example, experience with organic agriculture, ISO 14001 or environmental management systems).	Fadly Bin Ahmad	Involved in RSPO auditing since 2017. Been part of CUC RSPO P&C team in Malaysia and Indonesia. Trained and completed the Lead Auditor course for ISO 14001:2015.
	Mohd Farul b. Rosli	Working experiences as Sustainability and Safety Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor course for RSPO, ISO 9001:2015, MSPO standard.
	Razaleigh b. Mohamad	Involved in RSPO auditing since 2017. Been part of CUC RSPO P&C team in Malaysia, Indonesia and Ivory Coast. Trained and completed the lead auditor course for ISO 14001:2015.
Economic issues.	Fadly Bin Ahmad	Involved in RSPO auditing since 2017. Been part of CUC RSPO P&C team in Malaysia and Indonesia. Trained and completed the Lead Auditor course for ISO 14001:2015.
	Mohd Farul b. Rosli	Working experiences as Sustainability and Safety

		Officer in Oil Palm industry for more than 5 years. Trained and completed the Lead Auditor course for RSPO, ISO 9001:2015, MSPO standard.
	Razaleigh b. Mohamad	Involved in RSPO auditing since 2017. Been part of CUC RSPO P&C team in Malaysia, Indonesia and Ivory Coast. Trained and completed the lead auditor course for ISO 14001:2015.

3.3 Audit Methodology

3.3.1 General Overview

The Audit was carried out in conformity with the procedures as laid down in the CUC Procedure Manual and the RSPO Program Manual for the auditors and Certifier. During the Audit, the qualified CUC auditors used the RSPO standard as endorsed for the country in which the audit took place and recorded their findings.

Workers and local communities were interviewed and evidence sought to confirm ongoing compliance to include:

- **Chemical stores.** Storage, MSDS leaflets, Herbicide mixing areas, PPE, Ventilation, Security.
- **Field inspections.** Herbicide application programs. Harvesting sites and efficiency. Fertilizing operations. SOP's. Soil maps. Land preparation. Ground cover. IPM. First aiders and boxes. Ground cover. Soil erosion. Field observations of all operations.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts. Child labor. First aid. Awareness.
- **Re-planting sites.** Zero burn.
- **HCV's.** Identification. Management plans. Environmental Impact Assessments. Implementation.
- **Riparian zones.** Width. Current and future management. Non-maintenance regimes.
- **Water management.** Water courses. Water monitoring.
- **Road maintenance.** Run off.
- **Social amenities.** Social Impact Audits.
- **Local communities.** Contributions made. Employment opportunities. Social impacts. Complaints procedures.
- **Workshops.** Oil traps. Safe working environment. PPE. Diesel tanks. Environmental waste management.
- **Line sites.** Interviews with householders. Inspection of water discharge points. Water improvement plans. Waste disposal.
- **Documentation review.**

The Palm Oil Mill audit verification included the following activities:

- **Mill and workshop inspections.** Documentation review & worker interviews.
- **Mill.** SOP's. Safe working environment. Gen sets. Walk ways. Signs. EFB. POME treatment. Emissions. Mass balance. Diesel tanks. PPE. Fire extinguishers. First aiders and boxes. Fuel and water usage.
- **OSH.** Training. Management structure. First aiders.
- **Full document review.** Completion of the checklist. Review and documentation of evidence. All aspects of RSPO P&C's applicable.
- **Worker interviews.** OSH. Sexual, religious, racial harassment. Pay and contracts.
- **Compliance against the RSPO SCCS certification scheme.**

Verification:

Verification of implementation was done through field observations, workshop and chemical store inspections, worker and community interviews and mill inspections as summarized above.

3.3.2 Assessment agenda for this Audit		
Date	Location	Main activities
14 th Aug. 2017 (Monday)	CUC Office	<p>06.30 – 09.30: Travelling from CUC Office (Klang) – Transport for auditors to be arranged by client</p> <ul style="list-style-type: none"> • Faizul/ Farul/ Razaliegh/ Fadli
	<p>Kekayaan Estate</p> <p>Faizul/Farul/ Razaliegh/ Fadli</p>	<p>10:00 – 10:30: Opening meeting</p> <ul style="list-style-type: none"> • Introduction by Team leader <p>10:30 – 17:00 : Document review – RSPO P&C</p> <ul style="list-style-type: none"> • Document review [SOP, EIA, SIA, CIP, Management Plan, Business Plan etc] • Complaint mechanism / Request & Respond • Best agricultural practices • Safety and Health, Environment, Social issues etc <p>10:30 – 12:30: Site verification (Estate)</p> <ul style="list-style-type: none"> • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Chemical / Pesticide / Fertilizer Stores • Workers interview • Worker’s facilities (housing, pay, etc) • Stakeholder consultation if required. <p>13:00 – 14:00 : Lunch Break</p>
15 th Aug. 2017 (Tuesday)	Kekayaan POM	<p>08.30 – 17:30: SCCS Document review</p> <p>Supply Chain Certification Assessment of the POM (RSPO SCCS)</p> <ul style="list-style-type: none"> • Demonstration of legal entity • Roles and responsibility • Procedures/manual/SOP • Record of purchase – RSPO certified product • Record of sales– RSPO certified product • RSPO logo & claims
	<p>Faizul</p> <p>Farul/ Razaliegh/ Fadli</p>	<p>08:30 – 17:30: Document review – RSPO P&C</p> <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism / Request & respond • Best milling practices • Safety and Health, Environment, Social issues etc <p>09:30 – 12:30 : Site verification (Palm Oil Mill)</p> <ul style="list-style-type: none"> • Mill inspection • Workshops • Stores • POM application • Safety and Health / PPE / Signage • Waste Management / Environment • Workers interview • Stakeholder consultation if required. <p>13:00 – 14:00 : Lunch Break</p>

<p>16th Aug 2017 (Wednesday)</p>	<p>Landak Estate</p> <p>Faizul/Farul/ Razaliegh/ Fadli</p>	<p>08:30 – 17:30 : Document review – RSPO P&C</p> <ul style="list-style-type: none"> • Document review [SOP, EIA, SIA, CIP, Management Plan, Business Plan etc] • Complaint mechanism / Request & Respond • Best agricultural practices • Safety and Health, Environment, Social issues etc <p>09:30 – 12:30: Site verification (Estate)</p> <ul style="list-style-type: none"> • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Chemical / Pesticide / Fertilizer Stores • Workers interview • Worker’s facilities (housing, pay, etc) • Stakeholder consultation if required. <p>13:00 – 14:00 : Lunch Break</p>
<p>17th Aug 2017 (Thursday)</p>	<p>Fraser Estate</p> <p>Faizul/Farul/ Razaliegh/ Fadli</p>	<p>08:30 – 17:30 : Document review – RSPO P&C</p> <ul style="list-style-type: none"> • Document review [SOP, EIA, SIA, CIP, Management Plan, Business Plan etc] • Complaint mechanism / Request & Respond • Best agricultural practices • Safety and Health, Environment, Social issues etc <p>09:30 – 12:30: Site verification (Estate)</p> <ul style="list-style-type: none"> • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Chemical / Pesticide / Fertilizer Stores • Workers interview • Worker’s facilities (housing, pay, etc) • Stakeholder consultation if required. <p>13:00 – 14:00: Lunch Break</p>
<p>18th Aug 2017 (Friday)</p>	<p>Sg Penggeli Estate</p> <p>Faizul/Farul/ Razaliegh/ Fadli</p>	<p>09:00 – 10:30: Preparation for closing meeting</p> <p>Additional field visits and meetings with managers as necessary</p> <p>10:30: Closing meeting</p> <ul style="list-style-type: none"> • Presentation of findings by the audit team • NC closure dateline (if any) • Questions and answers • Final summary by team leader <p>End of assessment</p>

PART 4 ASSESSMENT FINDINGS

4.1 Lead Assessor's Summary and Recommendation for Certification

The mill and supply bases visited (as per the above Tables 1.5 and 1.7.1) were assessed at field, office, facilities, stores and a document review was carried out in accordance to the RSPO principles and criteria. The subscribed RSPO management system's documentations seen with minor changes that due to internal external influenced factors that in relation to scope of certification.

During the audit process, the auditors had extensive interviews session with Estate Managers, Mill Manager, members of workers' union and committee took place in both formal and informal environments and worker interviews were conducted at the supply base and the mill. The management is highly committed in maintaining the RSPO system by adopting continuous improvement programs.

There were a few suggestions or feedbacks received during the audit or during the stakeholders meeting, see Part 4.4 below. Under partial certification rules, there is a time-bound plan established. For further clarification on Partial Certification, see PART 2 above.

There was no significant complaint received during the audit or during the field assessment when interviewing with the external stakeholders. The management continually monitoring the established KPI / objectives that significantly rules the achievement of company's corporate policy on RSPO. The mill is fully verified for RSPO SCCS system verification and it is found to be in full compliance. See PART 5 below.

Summary of Non-Conformance and Current Status

There are 2 Minor Non-Conformity and 5 Observations raised to this complex for this Annual Surveillance audit. Minor non-conformities are usually closed out at the next surveillance visit. Failure to do so will result in the NC being elevated to a Major NC and 60 days given to close it. In the case of any non-conformity raised against any facility/unit, the non-conformity assigned is/are applicable to the whole of the complex (POM & Supply Base). Therefore, implementation plan should cover all units specified in the scope. Observation are raised by CUC auditor for the client consideration and it is non-obligatory. See PART 4.3 below.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is maintained.



Name: Muhammad Faizul b. Yusoff
Date: 16th Oct. 2017

4.2 Summary of the findings by Principles and Criteria

- Over the 5 years period of the life of the certificate, there will be 4 annual surveillance audits
- Identified Non-Conformities and noteworthy Positive and Negative Observations.
- The RSPO require that this report contain findings by each principle and some example criteria. Please see table below.

Principle 1: Commitment to Transparency

Criterion by Audit	Summary	Requests made by stakeholder were responded to and all these are well documented. Adequate information available for confidential information that being listed as publicly available. The company is in full compliance to Principal 1 for this complex.
ASA 1	1.1	The company has established procedure titled - Standard Operating Procedures (SOP) for Stakeholders Engagement/Negotiation-SOP No.1 (Rev.01) date on 01/06/2015. The policy has identified mechanism for Request and Respond, Consultation & Meeting and Complaint & Grievances. Mill and estate are update and maintain a list of stakeholders with specific

		<p>details info. It consists Government/Statutory Bodies, NGO, local community, FFB Suppliers and etc. There is evidence that this mill and estates provides adequate information on issues relevant to RSPO Criteria to relevant stakeholders that participate with this complex. Stakeholder logbook is used to keep requests from stakeholder and being maintained in place.</p> <p>Kekayaan POM and its supply base continued to maintain a comprehensive system with respect to this criterion. Request & Responses Logbook for their stakeholders or other interested party who had viewed / obtained document related to RSPO were well maintained.</p> <p>Requests are recorded and being provided in appropriate languages and forms. Once completed, stakeholders shall then acknowledge the completed action and response. As evidence in Stakeholder Logbook (Request & Response/ Consultation & Communication / Complaint & Grievance) for all operating units effectively responded by the manager.</p>
ASA 1	1.2	<p>The company has developed SOP 9 - Control of documents & Records - Issue/rev: 1/0; dated on 01/06/2015. Stated management must provide adequate information to other stakeholders on environmental, social and legal issue. The publicly available document in the mill and estate offices are as per below:</p> <ul style="list-style-type: none"> • Land titles / user rights • Safety and health plan • Plans and impact assessments relating to environmental and social impacts • Pollution prevention plans • Details of complaints and grievances • Negotiation procedures • Continuous improvement plan <p>All these documents were sighted in the mill and estate offices. Requests for official documents through the estate or mill offices will have to go through the mill or estate managers/assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.</p> <p>EIA and SIA being update based on stakeholder's participation during stakeholder meeting. The negative environmental and social impacts have been identified and its mitigating measures identified. All activities in operation has been assessed includes maintenance of field, up keeping, line site, transport, replanting works, etc. Plan objective is to avoid the pollution and mitigation measure.</p>
ASA 1	1.3	<p>The written policy committing to a code of ethical conduct and integrity in all operations and transactions was documented and effectively communicated to all levels of the workforce and operations.</p>
Principle 2: Compliance with Applicable Laws and Regulations		
Criterion by Audit	Summary	<p>The mill and estates have demonstrated compliance to all applicable local, national and international laws. Legal ownership of land and its land use is clearly demonstrated through the respective land titles. Boundaries have been clearly demarcated. There have been no land disputes or claims involving the mill and estate.</p>
ASA 1	2.1	<p>The mill and estates have a register of all applicable laws and regulations and</p>

		<p>some of applicable laws sighted includes:</p> <ul style="list-style-type: none"> • OSHA and regulations 1994 (Act 514) • Factories and Machinery Act with regulations (Act 139) • Poison Act and Regulations 1952 (Act 366) • Kementerian Perdagangan. • MPOB Act • Road Transport Act 1987 (Act 333) • Employees Social Security Act and Regulations (Act 4) • Industrial Relations Act and Regulations (Act 177) • Trade Union Act and Regulations • Employees Provident Fund Act 1991 <p>They are also responsible for the tracking of the changes in the laws and regulations. SOP No. 2.0 titled “Legal Compliance” Issue 1/0, dated 01/06/2015 has stated to carry out periodic review and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and update, through the following manner:</p> <ul style="list-style-type: none"> • Enquiring the laws books publisher • Communication with law/enforcement officers • Website
ASA 1	2.2	<p>The mill and estates have demonstrated legal ownership of their land by having legal land titles to the land. All land titles demonstrate the right to use the land. The land titles are kept in the estate office and were sighted during the audit.</p> <p>The estate boundary is well demarcated with boundary stones surrounding the land. The boundary stone clearly states the GPS coordinate of that particular point. Maps clearly showing the estate boundary were also sighted in the estate office.</p>
ASA 1	2.3	<p>There is no customary land in or surrounding all the estates. There are also no land disputes or claims involving these estates. Company has SOP 3.0 titled “Responsible Development for New Planting” dated 01/05/2016. This policy has identified FPIC process for acquiring land and disputes management under Attachment 2.0. Land Acquisition (For OP Planting) in case of any disputes arise.</p>
Principle 3: Commitment to Long-Term Economic and Financial Viability		
Criterion by Audit	Summary	A documented business plan (3 years) available both at mill and estate. The annual budget includes of FFB yield/ha, OER, CPO yield/ha and cost of production. Seen the top management able to demonstrate attention to economic and financial viability through long-term management planning. There is no replanting programme for both estate. Basically, the company fully complied with Principal 3 for this complex.
ASA 1	3.1	<p>It was noted that Kekayaan POM and its supply base continued to commit to long-term economic and financial viability. The annual budgets are prepared on an annual basis before the end of financial year.</p> <p>The yearly budget and projections where the cost of production was reviewed annually and compared against expenditure for each year was an on-going process. The parameters monitored remained essentially unchanged and included Capital (CAPEX) and Operating costs. The operating expenditure included expenditure for Replanting, Mature and Immature Oil Palm upkeep, Administration cost, Housing and Machinery upkeep, allocation for sustainability implementation (environmental, social, occupational safety and</p>

		health), infra-structure development (roads, etc.), and training, etc.
Principle 4: Use of Appropriate Best Practices by Growers and Millers		
Criterion by Audit	Summary	
ASA 1	4.1	<p>The mill and estates have a complete set of GAP, POD and SOP which is being strictly adhered to and continuously monitored. Soil fertility is being maintained in the fields and IPM is being implemented in all the estates. The use of chemicals are in accordance with the regulations. There is a comprehensive OSH policy and is being implemented throughout the all operating units. Improvement sighted in the identification and assessment with HIRARC. Trainings are being carried out as per the Annual Training Plan. However, 1 Minor Non-Conformity and 2 Observations was raised for this complex for this area of audit.</p> <p>KLK Berhad has developed SOPs for mill and estates. Seen the Standard Operation Procedure on Sustainability and Standard Operating Procedures and Safety Operation Procedure document for mill was maintained and well implemented. For estate, sighted the Good Agricultural Practices (GAP) Policy, Standard Operation Procedure on Sustainability and Standard Operating Procedures and Safety Operation Procedure. All the SOPs are established and controlled by Head Quarters. The daily monitoring records are well maintained for the past 12 months. All SOP and procedures are kept and will be updated periodically.</p> <p>The mechanism to ensure the consistency of implementation sighted through internal audit. Sighted record of the internal audit for mill and estates during the audit. The purpose of the internal audit is to verify records and procedure against specific requirement and relevant standards requirements</p> <p>1 Minor Non-Conformity was raised for this complex for this area of audit.</p> <p>According to company internal procedure;</p> <ul style="list-style-type: none"> a) OSH Manual-SOP 3.7: Procedure for Chemical Storage; Before start work, wear proper PPE before entering chemical store. b) OSH Manual-TM 5: Procedure for Chemical Spraying; Ensure workers are not sent to the field together with chemical, send chemical separately. <p>However, during site visit;</p> <ul style="list-style-type: none"> a) Landak Estate – it was observed, Store Clerk were not wearing proper PPE and also not provided PPE for auditor before entering chemical store. b) Fraser Estate - observed that 2 tractors were carrying chemical containers together with workers in the same trailer.
ASA 1	4.2	<p>Sighted the SOPs for Good Agricultural Practices in managing soil fertility is available in SOP 4.0: Soil Erosion & Fertility and Road Maintenance dated on 01/06/2016. The GAP starts from the survey by Agronomist with recommendation for fertilizer application. Soil improvement plan includes in fertilizer based on soil and foliar sampling annually.</p> <p>The operating unit is utilizing nutrient recycling for all waste generated in the mill operation. The estates are also applying EFB as per recommendation from Agronomist. EFB and Decanter application record is evident in Estate Application Record.</p>
ASA 1	4.3	<p>Seen the soil maps for all estate. It is evident that there are no fragile soils exist in the estate. The production unit has established management strategy for plantings on slopes. The procedure for planting on slopes is clearly</p>

		<p>explained in GP/AGRIC/OP7: Conservation 4, The method for construction of planting platform for planting on slope area.</p> <p>The management only spot spray large woodies and conserved as much ground vegetation as possible to protect the topsoil. No peat areas and problematic soil sighted from site visit and verified through estate Soil series map for every estate.</p> <p>During the field visit, it was noted road conditions were satisfactory and accessibility were made possible by regular maintenance guided by its road maintenance programmes which consist of road resurfacing, grading & compacting and culvert maintenance.</p>
ASA 1	4.4	<p>Water management plan for the mill and estates is evident in Water Management Plan 2016. Water management plan done as per SOP: 5.0; Date: 1st June 2015.</p> <p>Protection of water courses and wetlands is covered in SOP 5.0 Surface & Groundwater Management Issue/Rev 1/0 dated 01/06/2015.</p> <p>Analysis parameters were BOD, COD, Suspended solid, Oil and grease, dissolved oxygen, ammonia cal Nitrogen, E. Coli, PH and etc. Seen the daily record of the rainfall. Water consumption record per ton FFB ratio has been maintained for every year to measure the performance of the mill. The mill's record shows the water consumption by monthly basis and accumulated per intended period.</p>
ASA 1	4.5	<p>Implementation of IPM is based on the SOP 7.0 Integrated Pest Management dated 01/06/2015 contains information regarding the implementation of IPM. The procedure indicates information regarding the implementation of IPM including Spraying, Trunk injection and Rat baiting.</p> <p>The planting of beneficial plant was sighted along the main road of the estate. There are programme to expand the planting of beneficial plant. The planting of beneficial plants includes Tunera Subulata, Antigonon Leptopus and Cassia Cobanesis as a biological control for pest such as bagworms and needle caterpillar. Records of pesticides used by area, quantity used, hectares applied and ai/Ha from 2011 were made available for verification.</p> <p>All staffs and workers involved in the IPM implementation has been trained by the estate management. As evidence, seen the training for workers from spraying and manuring operation are done. Training records was available.</p>
ASA 1	4.6	<p>The mill and estates maintain a chemical register detailing the chemicals used, its purpose and classification as per the Classification, packaging and labeling requirements as per the Register of Chemicals Hazardous to Health stipulated in the USECHH 2000 regulations (regulation 5). All pesticides used are in accordance with the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A) and in accordance with USECHH Regulations (2000).</p> <p>Sighted the chemical usage for year 2016/17 and Herbicide application records done for circle spraying. Record of pesticides used including the information of active ingredients used, area treated, and amount of active ingredients per hectare is evident.</p> <p>Application of any chemical products in the mill and estate is under controlled and only can be carried out by qualified workers which have attended certain</p>

		<p>training. All sprayers are provided with proper PPE such as mask, apron, gloves and rubber boot. Mixing of the chemicals was done at mixing area under control and secure environment. During field visit, spraying gang was using the proper equipment and well maintained. All chemical activities are accordance to the company procedure and good agriculture practices.</p>
ASA 1	4.7	<p>The mill and estate is in compliance to health and safety plan set by the company. The company has established Occupational Safety & Health Policy signed by Mr. Roy Lim Kiam Chye (Group Plantations Director) dated 07/11/2014 is circulated and maintained in place. The policy is written in Bahasa and English language that can be easily understood by all levels of its employees.</p> <p>This policy is displayed in all the offices and on notice boards. It is this policy that is being adhered to with regards to the implementation of (OSH) requirements within the company. The mill has also updated HIRARC for all activities in the mill operations. The HIRARC has been updated in accordance to the latest accident recorded. Observation; Risk assessment was established and reviewed annually for all activities in the estate. However, better to ensure establishment of HIRARC aligned with the current and relevant practices (ALARP).</p> <p>All Managers for this complex are responsible person for Health and Safety issue. The OSH meeting has been conducted every 3 months to discuss all issues regarding worker's safety and health. All issues raised and discussed during conducted meeting has been resolve and taken action by estate management with proper action and target date cited in the minute meeting. Observation; Noted that mill management, planned to send part of workers who involved with the confined space activity for competency and medical checkup. It is good if management can ensure all workers involved with confined space activity complete with competency and medical checkup.</p> <p>The ERP has clearly justified procedures when dealing with chemical spillage, accident and others. Emergency response plan include the emergency contact number and available in local language (Malay and English). The ERP has been explained to all workers and staffs during training which has been conducted. All workers have been provided with medical and accident insurance. With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.</p>
ASA 1	4.8	<p>The mill & estates have developed a training programme for year 2016/17, which includes work stations in the mill and each task in the estate. Trainings are conducted to improve or develop skills. The training records of each individual was sighted which records training information and trainer's name and followed by competency assessment of the trainee. Records of training for each employee are maintained at all operating units as evident in Attendance & Evaluation Forms (SOP No.: 8.0; Appendix 1; Dated: 01 June 2015).</p>
Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity		
Criterion by Audit	Summary	<p>Environmental Impact Assessment has been carried out by the mill and estate. A comprehensive identification of all waste has been recorded and disposal of scheduled waste has been carried out by an approved and registered collector. Monitoring and analysis of waste is carried out regularly. Generally, the company is in full compliance to Principal 5 for this operating unit. 1 Minor Non-Conformity and 1 Observation was raised for this complex</p>

for this area of audit.		
ASA 1	5.1	<p>KLK Berhad has established SOP for Environmental Impact Assessment Procedure titled “Environmental Impact Assessment” SOP # 10.0 dated 01/06/2015. Based on the SOP 10, the mill and estates have to conducted, reviewed and updated environmental impact assessment (EIA) for their activities. Aspect Impact were identified. As evidence in mill, the file last updated on January 2016 by Mill Assistant Manager (Mr. Prakash) and approved by Sr. Mill Manager (S. Kathiresan).</p> <p>Environmental management plan was made available for each environment impacts identified in the EAIA 2017. Management control plan includes actions, responsible personnel with target dates to complete and the present status. It was observed that management actions proposed in the plan are implemented and continual monitoring done.</p>
ASA 1	5.2	<p>The mill and estates uses its sustainability department’s SOP 11.0 titled “High Conservation Value (HCV)/Conservation Area management” procedure dated 01/06/2015 for HCV assessment.</p> <p>There is no rare, threatened or endangered (RTE) species, or HCVs identified for the mill and estates. The estate has established management plan for RTE species. The management plan includes erect warning signages such as “No Hunting”, “No tress passing” and “No Fishing”. The management has annual training plan to educate the estate workforce on about the status RTE species. It has been scheduled in the estate’s training plan.</p>
ASA 1	5.3	<p>Sighted SOP 12.0 titled “Waste Management & Energy Use” dated 01/06/2015 Issue/Rev 1/0 that applicable for both mill and estates. The mill and estates have identified and documented type of waste that generated from its operation in a waste management plan titled “Identification of all waste products and operational plan to reduce pollution”. The waste management plan has also identified source of pollution, mitigation measures, target, person responsible, and status.</p> <p>Observation; During audit at Landak Estate and Fraser Estate, noted the management has established inventory for schedule waste and empty chemical store. However, there is no evidence that estates have proper monitoring on amount of waste add on or issued out to the storage since the amount of waste only been measured once in a month.</p> <p>Scheduled wastes generated from mill and estate are send to DOE approved contractor for disposed. Scheduled waste was disposed in accordance with scheduled waste requirements and regulation. The SW materials are placed in the schedule waste store.</p> <p>Practice of open fires not evident within both estate. Monitoring is done weekly in both domestic waste collection areas and in landfill sites.</p> <p>One minor NC:</p> <p>According to KLK Standard Operating Procedure, Waste Management and Energy Used (SOP 12.0 dated 1st June 2015) stated that:</p> <ol style="list-style-type: none"> a. Ensure all wastes are handled/ disposed effectively and monitored b. To promote recycling activities by providing recycling bin at strategic locations

		<ul style="list-style-type: none"> c. To ensure general waste collected periodically in the dustbin at designated location and disposed at the Estate's landfill area d. Burning waste is strictly not allowed e. Empty pesticides must be triple rinsed and pierced before being disposed f. An inventory of the following must be updated timely – SW generated and disposed. <p>However, during site visit at the line site;</p> <ul style="list-style-type: none"> a. Kekayaan Estate <ul style="list-style-type: none"> - Found that empty chemical containers have been used for other purposes and can be found everywhere at the labour quarters. - There are lack of evidences that the general waste has been manage properly since sighted waste not been thrown in the dustbin and contradict with KLK procedure. b. Landak Estate- found that empty chemical containers have been reused for other purposes and empty chemical containers were thrown everywhere. Used battery also found at one of the labour quarters. c. Fraser Estate- found that empty chemical containers have been reused for other purposes. General waste also not well managed. d. Kekayaan POM- Empty lubricants found at one of the labour quarters.
ASA 1	5.4	Company has established SOP 12 – “Waste Management & Energy Use”; date on 01/06/2015. In mill, the management monitors fossil fuel usage tabulated in Appendix 3 of SOP 12 Scheduled Waste Management Rev. 1/0. Mill continuously monitor the fuel consumption of generator and vehicles in terms of litter/FFB produced.
ASA 1	5.5	<p>Estate has adopted Policy of Zero burning dated 1st Jan.2014 by Regional Director Mr The Sar Moh Ne well implemented. There is no open burning noticed during the plant visit.</p> <p>Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to all employee and stakeholder. There is replanting in estate area. During replanting process, the old palm to be felled, chipped and pulverised and been remained in the field for self-composed.</p>
ASA 1	5.6	<p>The polluting activities has been assessed during environmental aspect and impact assessment. The EIA assessment findings including list of polluting sources are recorded in document titled “Environmental Aspect and Impact Identification and Risk Assessment”.Mitigation measures are identified for in the aspect-impact register to prevent or minimize pollution.</p> <p>Boiler stack emissions is monitored and test report was available for both stacks. Average dust emission loads are below the permissible level 0.400 g/Nm³;</p>

Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers		
Criterion by Audit	Summary	
ASA 1	6.1	<p>The mill and estate have conducted the social impact assessment. The relevant policies are in place and are fully implemented across the board. Communication and consultation as well complaints and grievances procedure are well communicated and adhered to. There are evidences of workers not been discriminated against in any way and all are being paid their fair wages. 2 Observations raised for this area.</p> <p>SOP # 13.0, Social Impact Assessment (SIA) procedure has been established by KLK Sustainability department on 01/06/2015 under the title “In-house Social Impact Assessment” which is available at mill office. Appendix 1 of the SOP has identified the format to record the assessment. The “In-house Social Impact Assessment” format has identified columns such as Flow, Hazards, Level of social impact, Mitigation measures, Person in charge and status.</p> <p>Sighted the latest SIA conducted in year 2017 for mill and estates operation as following the SOP 13 In-house Social Impact Assessment dated 01/06/2015.</p> <p>This purpose of internal SIA conducted is to measure and to understand both positive and negative social impacts of the mill and estates operations towards the local population and communities surrounding the premises. The response obtained, provided information on the negative and positive social impacts of the operations.</p>
ASA 1	6.2	<p>SOP 1.0 Stakeholder Engagement/ Negotiation Issue/Rev 1/0 dated 01/06/2015 was established as the consultation and communication procedures to relevant stakeholders. SOP has outlined the request & response, consultation & communication and complaint & grievance mechanism in order to handle issues highlighted by stakeholders.</p> <p>Sighted list of stakeholders for mill and estates. The list was updated and covering mill and estate government/statutory, NGO’s local communities, FFB Suppliers and etc. are available and sighted in the mill and estate offices</p> <p>Stakeholder logbook is a mechanism used by mill and estates in order to compile any request from affected stakeholders. Stakeholders form can be filled to address request & response, consultation & communication and complaint & grievance. Sighted records of all communication and actions taken in response to input from stakeholders maintained effectively in stakeholder’s logbook.</p>
ASA 1	6.3	<p>KLK Berhad has establish SOP 01 entitled Stakeholders Engagement and Negotiation. Last issued in 01st June 2015 is shown at the process of complaints & grievance.</p> <p>SOP outlined the method of handling requests, complaints and grievances, identified and registered all stakeholders, record of request and response, resolving consultation, resolving communication and complaint and grievance.</p> <p>For private and confidentiality, protection of whistle blower is stated in KLK Sustainability Policy Issue/Rev. 1/0 approved by Tan Sri Dato’ Sri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 Clause 3.2 (xii) where the group shall provide a confidential means for all personnel to report illicit (unethical or illegal) activities.</p>

		<p>All the complaints and grievances were handled by all managers or assistant in charge. Training were provided to ensure they understand about delivering complaints and grievances.</p> <p>There is complaint book placed in the mill and estates office. The book is open to all. Action was taken by responsible person and will acknowledge to the complainer back. No complaint registered and all request has been attended promptly. Request is being requested through stakeholder logbook form.</p> <p>During site visit and stakeholder's consultation, workers/stakeholders who were interviewed confirmed that they are aware of the complaints and grievances procedure and how to channel their grievances. Complaint and Grievances record in Stakeholder Logbook was maintained. No grievance registered as per this audit period.</p>
ASA 1	6.4	<p>Company's SOP 3.0 titled "Responsible Development for New Planting" dated 01/05/2016 has identified process for acquiring land and disputes management under Attachment 2.0. Land Acquisition (For OP Planting). No negotiations concerning compensation for loss of legal or customary rights as this land belong to KLK Kepong Sdn Bhd.</p>
ASA 1	6.5	<p>Sighted payment records for all workers and contractors. The contract of works is available and verified. Contract is signed by both employee and management indicating hours of work, amendments to annual leave, medical leave, pay, overtime etc. Interview with both mill & estates workers, confirmed that they understand the terms and conditions of their employment.</p> <p>Observation; during the documentation review, it was sighted at Fraser Estate where estate management have stop deducting workers for buffaloes ownership due to not having permit from labour department. Sum of money for buffalo's deduction however management did not returned back to the workers eventhough the company already stop deducting it and in process of applying new permit.</p> <p>The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made.</p> <p>All local and foreign workers are provided with proper and adequate housing facilities. Electricity is produced by own gen-set while water for domestic used is from estate water catchment. Inspection to the housing areas is being done once a week by the estate staff and verified by the assistant manager as documented in Estate Linesite Checklist.</p> <p>Observation: during the line site inspection, it was sighted at Kekayaan Estate, Landak Estate & Fraser Estate - Linesite inspection carried out once a week basis along with the specified cheklist. However, it was noted the line site condition was not clean even though regular monitoring has been carried out</p>
ASA 1	6.6	<p>The 'KLK Sustainability Policy' approved by Tan Sri Dato' Sri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 which under clause 3.2 (v) indicates Freedom of Association and Right to Collective Bargaining where workers are allowed to join collective association.</p>

		This policy is displayed in the mill and estates. Interviews with workers confirmed that policy has been communicated to all workers and staff and the understanding of policy is satisfactory.
ASA 1	6.7	<p>Children are not employed or exploited. Minimum age indicated at 18 years old. In the organization child policy stated in 'KLK Sustainability Policy dated 01/06/15; clause (3.2)(ii) 'No Child Labour' where company outlined the commitment to comply with national law in regards to minimum age requirement.</p> <p>In mill and estates, recently appointed new worker is above 18 years old. The data of workers is available, monitor and checked by the auditor. Interviews with workers and staff confirmed that there is no child labor employed neither in mill and estates.</p>
ASA 1	6.8	<p>Sighted 'KLK Sustainability Policy approved by Tan Sri Dato' Sri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 Clause 3.2(ix)-Equal Employment Opportunities' described company's policy with regards to equal opportunities and no discrimination practice among employed worker. Local employees are given 1st priority for employment (Positive).</p> <p>This policy are available in English and Malay displayed at the mill and estate office wall and notice boards. Policy stated that employment of either local or foreign workers will not practice any discrimination regardless race, religion and gender. Verified through interview with workers, they are treated equally regardless their origin and gender. Opportunities are given to all level of workforce without being discriminated.</p> <p>The practice of equal opportunities is implemented as sighted the job advertisement displayed at road junction nearby complex entrance.</p> <p>The company has established SOP for employment of new workers as documented in <i>SOP14.0: Employment of Workers/Staffs</i>. The procedure clearly stated that workers need to attend for medical check-up prior to employment.</p>
ASA 1	6.9	<p>A policy protection against sexual harassment stated in KLK Sustainability Policy issue/rev 1/0 dated 01/06/2015 approved by KLK CEO Tan Sri Dato' Seri Lee Oi Hian dated 01/12/2014 clause 3.2 (xi) Harassment and violence stated the group and its supplier/contractor shall not tolerate any type of harassment or violence. Also sighted 'Polisi Hak Reproduksi Pekerja' approved by Mr. Mah Fak Chin (Regional Director) dated 01/04/2017.</p> <p>Gender committee has been established in the mill and estates as evident in the Organization Chart. Gender committee meeting is being conducted every 3 months. Welfare of female workers were discussed. Minutes meeting available and there are evidence on matters regarding sexual harassment, violent, breastfeeding and pregnant lady being discussed during the meeting.</p> <p>The company has outlined flow chart on handling sexual harassment complaints in Policy No: GP/OSH12 OSH Mgt. System-4 issued 01/07/2010 attachment: 5 stated way to handle allegation of sexual harassment when received.</p> <p>Workers interviewed were aware of the policy against sexual harassment and violence. The establishment of the gender committee at every operating unit and the specific grievance mechanism. No cases of sexual harassment or violence against female workers reported.</p>

ASA 1	6.10	KLK has developed SOP for FFB Pricing mechanism, SOP no 17 Issue/Rev 1/0 dated 01/06/2015. At this moment, the mill only received 100% FFBs from their own estates.
ASA 1	6.11	Company are committed and have contributed to local development. Regular consultations with the local internal and external communities had assisted the company in its efforts to contribute to local development such as providing more jobs and improved amenities such as school bus, hostel for staffs' and workers' children, clinic and etc.
ASA 1	6.12	<p>The company strictly prohibit the use of any form of forced or traffic labour in employment of workers or staff. This is stated in KLK Sustainability Policy SOP 14: Employment of Workers/Staffs dated 01/06/2015. SOP 14 clearly outlined the restriction to practice force or trafficked labour.</p> <p>Foreign workers are having legal identification such as valid permit and passport and have legality to work in estate operational activity. All employees are employed legally where foreigner workers are having valid permit and passport and local having identity card as the valid residential card.</p> <p>There is no evidence of forced labour during interviewing workers at site. Workers enter into employment contracts with the company on their free will. Letter of offer for local employees and employment contract for foreign workers are available where duly signed by both parties.</p> <p>The company has established 'KLK Sustainability Policy approved by Tan Sri Dato' Sri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 Clause 3.2(ix)-Equal Employment Opportunities' described company's policy with regards to equal opportunities and no discrimination practice among employed worker.</p>
ASA 1	6.13	<p>The 'KLK Sustainable Policy' in clause 3. Drive Positive Socio-Economic Impact for People and Communities, has described company's policy regards to respect human right in the statement "KLK respects, supports and upholds fundamental human rights, and does not engage in discrimination based on race, religion or gender". This policy was approved by Chief Executive Officer - Tan Sri Dato' Seri Lee Oi Hian</p> <p>Respect human right aspect of the 'KLK sustainable policy' has been explained to all estate employees by the Assistant Manager. The "KLK Sustainability Policy" is displayed in notice boards inside the office as well as outside the office. The policy also publicly available through the official website : http://www.klk.com.my</p>

Principle 7: Responsible Development of New Plantings

Criterion by Audit	Summary	
		There were no new plantings carried out. Not applicable to this complex.
ASA 1	7.1	There were no new plantings involving forest land.
ASA 1	7.2	There is no new land surveyed for the growing of oil palm. However, there are sufficient SOPs available for the soil and land type that being implemented at all operating units. A general soil map, slope classes map and elevation map, to provide a general recommendation for soil and water management practices to overcome soil limitations are available.
ASA 1	7.3	No HCV area within the area.
ASA 1	7.4	The company has prepared soil maps. SOPs are in place to protect fragile and marginal soils. Terracing implemented above 15° as per the topographic map. Field inspection confirmed on the implementations.

ASA 1	7.5	SIAs and EIAs developed with participation from affected parties and include an analysis of both positive and negative impacts.
ASA 1	7.6	SIAs and EIAs developed with participation from affected parties and include an analysis of both positive and negative impacts.
ASA 1	7.7	The company has a zero burning policy for preparing land for planting and has a procedure in place to respond to land burning on neighboring properties.
ASA 1	7.8	Not applicable

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

Criterion by Audit	Summary	Sighted continuous monitoring, review of activities and development are implemented along with action plans that allow demonstrable continual improvement in key operations such as in minimizing use of certain pesticides, environmental impacts, pollution prevention plans and working conditions.
ASA 1	8.1	Continuous improvement plan seen documented in SOP 16.0 dated 01/06/2015. Seen the CIP format includes of activity, process area, PIC and status of action taken.

4.3 Non-conformity Raised During this Audit and Any from the Previous Year, if applicable

This section gives an over view of new or revised non-conformities raised during this audit and of action taken to close out non-conformities raised during the previous audits, if applicable

- If a minor-non-conformity raised at the last audit, is not closed out, then this will be raised to Major status and the company given 60 days to close this out.
- The NC number is comprised of 2 parts to include the year in which the NC was raised as well as a sequential number.

4.3.1 Non-Conformities Identified during this Audit

The following NC's was raised for this audit.

NC number:	NC-01		
Client name:	KLK Kekayaan POM		
Date raised:	18th August 2017		
Major or Minor:	Minor	Site :	Landak Estate & Fraser Estate
Raised by:	Mohd Farul b. Rosli	Deadline :	Next ASA

Aspect of standard:

Clause 4.1.2 (Min): A mechanism to check consistent implementation of procedures shall be in place

Evidence of non-conformity:

According to company internal procedure;

- OSH Manual-SOP 3.7: Procedure for Chemical Storage; Before start work, wear proper PPE before entering chemical store.
- OSH Manual-TM 5: Procedure for Chemical Spraying; Ensure workers are not sent to the field together with chemical, send chemical separately.

However, during site visit;

- Landak Estate – it was observed, Store Clerk were not wearing proper PPE and also not provided PPE for auditor before entering chemical store.
- Fraser Estate - observed that 2 tractors were carrying chemical containers together with workers in the same trailer.

	
Muhammad Faizul b. Yusoff Lead Auditor Date: 18 th August 2017	
Root Cause Analysis and extent: (To be filled by Auditee)	
Corrective/Preventive Actions: (To be filled by Auditee)	
Evidence of Conformity:	
Review of evidences submitted to CUC:	
Conclusion by CUC:	
NC Status: Yes <input type="checkbox"/> (CLOSED) No <input checked="" type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Lead Assessor signature:	Date:

NC number:	NC-02		
Client name:	KLK Kekayaan POM		
Date raised:	18/08/2017		
Major or Minor:	Minor	Site:	All sites
Raised by:	Mohd Razaleigh b. Mohamad	Deadline:	Next ASA
Aspect of standard:			
Clause 5.3.3 (Min): A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented			
Evidence of non-conformity:			
According to KLK Standard Operating Procedure, Waste Management and Energy Used (SOP 12.0 dated 1 st June 2015) stated that:			
<ul style="list-style-type: none"> g. Ensure all wastes are handled/ disposed effectively and monitored h. To promote recycling activities by providing recycling bin at strategic locations i. To ensure general waste collected periodically in the dustbin at designated location and disposed at the Estate`s landfill area j. Burning waste is strictly not allowed k. Empty pesticides must be triple rinsed and pierced before being disposed l. An inventory of the following must be updated timely – SW generated and disposed. 			
However, during site visit at the line site;			

- a. Kekayaan Estate
 - Found that empty chemical containers have been used for other purposes and can be found everywhere at the labour quarters.
 - There are lack of evidences that the general waste has been manage properly since sighted waste not been thrown in the dustbin and contradict with KLK procedure.
- b. Landak Estate- found that empty chemical containers have been reused for other purposes and empty chemical containers were thrown everywhere. Used battery also found at one of the labour quarters.
- c. Fraser Estate- found that empty chemical containers have been reused for other purposes. General waste also not well managed.
- d. Kekayaan POM- Empty lubricants found at one of the labour quarters.



Muhammad Faizul b. Yusoff
Lead Auditor
Date: 18th August 2017

Root Cause Analysis and extent: (To be filled by Auditee)

Corrective/Preventive Actions: (To be filled by Auditee)

Evidence of Conformity:

Review of evidences submitted to CUC:

Conclusion by CUC:

NC Status: Yes (CLOSED) No (OPEN)
ON SITE VERIFICATION REQUIRED Yes No

Lead Assessor signature:

Date:

4.3.2 Non-Conformity Identified during the last ASA, not applicable for MA

The following NC's were raised during the last audit and the status was reviewed as indicated below.

Non-conformity number: 01/2016

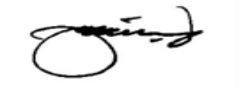

Project No: 816254

Site: KLK Berhad - Kekayaan Complex (Sg. Penggeli Estate)



Date: 13th May 2016

Part of scope: Principle 4


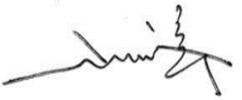
Requirement reference: 4.7.3 (Major)			
All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.			
Type of Non-conformity:		Verification by Lead Auditor:	
Major	<input checked="" type="checkbox"/>		
Minor	<input type="checkbox"/>		
Time Line to Close the Non-conformity		Pre-Conditioned: Main/Re-Assessment:	
12 th July 2016		Yes <input type="checkbox"/> No <input type="checkbox"/>	
		Annual Surveillance:	
		Major (60 days): <input checked="" type="checkbox"/>	
		Minor (365 days) : <input type="checkbox"/>	
Non-conformance (objective observation and statement of non-conformance):			
PPE distribution sighted in "Rekod Penyerahan Alatan PPE". However there is no assessment conducted whether adequate and appropriate protective equipment [PPE] are available at the workplace to cover all potentially hazardous operations, such as person exposed to pesticide application.			
During site visit, seen one spraying gang worn inappropriate face mask which is not in line with the PPE recommended (N95-minimum) in the Chemical Health Risk Assessment (CHRA) that was done on 04th June 2013 by Procoma Environmental (M) Sdn. Bhd.			
Root Cause Analysis and extent: (To be filled by Auditee)			
<ol style="list-style-type: none"> Lack of awareness on appropriate PPE among workers who exposed to pesticide. Evaluation of worker's understanding on appropriate Personal Protective Equipment (PPE) needs to be conducted in a timely manner. 			
Corrections: Kindly provide the extent (To be filled by Auditee)			
<ol style="list-style-type: none"> Appropriate PPE i.e. N95 face mask was distributed to all workers who exposed to pesticide which in line with the PPE recommended in Chemical Health Risk Assessment (CHRA) dated 04th June 2013. (Refer to Appendix 1 - Issuance Record of PPE for Sprayers). Training on SOP and appropriate PPE was conducted to all workers who exposed to pesticide on 14th May 2016. (Refer to Appendix 2 - Evidence of Training on PPE) 			
Corrective/Preventive Actions: (To be filled by Auditee)			
<ol style="list-style-type: none"> Adequate and appropriate PPE was made available for all workers involved in pesticide application. (Refer to Appendix 3 – Evidence of Sprayers Equipped with Appropriate PPE) Evaluation of worker's understanding on SOP and appropriate Personal Protective Equipment (PPE) was conducted on 14th May 2016. In addition, training on PPE will be conducted concurrently with evaluation in annual basis. (Refer to Appendix 4 – Evaluation Checklist for Sprayers) 			
Review of evidences submitted to CUC:			
Seen the evidence that prepared by estate. Estate issued the face mask which is in line with the PPE recommended (N95-minimum) in the Chemical Health Risk Assessment (CHRA). Estate also give training regarding SOP and PPE Training for all sprayers. Sighted the evaluation checklist for sprayers.			

Conclusion by CUC: The verification audit assessment carry out is evident and therefore this major non-compliance is closed within 60 days.	
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Lead Auditors' Name: Muhammad Syafiq  Signature:	Date: 13 th May 2016
Company's Representative Acceptance: Name: Mr. Sin Chuan Eng  Signature:	Date: 13 th May 2016

Non-conformity number: 02/2016	
Project No: 816254	
Site: KLK Berhad - Kekayaan Complex (Sg. Penggeli Estate)	
Date: 13 th May 2016	
Part of scope: Principle 1	
Requirement reference: 1.1.1 (Minor) 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.	
Type of Non-conformity: Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/>	Verification by Lead Auditor:
Time Line to Close the Non-conformity 12 th May 2017	Pre-Conditioned: Main/Re-Assessment: Yes <input type="checkbox"/> No <input type="checkbox"/> Annual Surveillance: Major (60 days): <input type="checkbox"/> Minor (365 days) : <input checked="" type="checkbox"/>
Non-conformance (objective observation and statement of non-conformance): There is list of stakeholders in the estate. However, the list has not included Tenaga Nasional Berhad which has power transmission and power cable that runs across the estate land. The estate also has a Vegetable Farm which has been rented to Mr. Kew See Heng through an agreement signed by both parties. However, the agreement has not clearly spelled out on any of the RSPO requirements that the tenant need to comply. No evidence that estate provide information on the RSPO mechanisms for his involvement, including information on his rights and responsibilities. Also the farmer not clearly understand about the RSPO.	
Root Cause Analysis and extent: (To be filled by Auditee) Lack of knowledge on RSPO specific requirement (Stakeholders Engagement)	
Corrections: Kindly provide the extent (To be filled by Auditee) <ul style="list-style-type: none"> Updated list of stakeholders Updated contract agreement 	

<ul style="list-style-type: none"> Briefing on RSPO requirement to stakeholders involved 	
Corrective/Preventive Actions: (To be filled by Auditee) Training given to Estate Management on the RSPO P&C requirement (Stakeholders Engagement)	
Review of evidences submitted to CUC: Seen the evidences prepared by estate and well explanation on issues raised.	
Conclusion by CUC: NC closed	
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Lead Auditors' Name: Muhammad Faizul b. Yusoff  Signature:	Date: 18 th August 2017
Company's Representative Acceptance: Name: Mr. Sin Chuan Eng  Signature:	Date: 13 th May 2016

Non-conformity number: 03/2016	
Project No: 816254	
Site: KLK Berhad - Kekayaan Complex (Paloh Estate, See Sun Estate & Sg. Penggeli Estate)	
Date: 13 th May 2016	
Part of scope: Principle 2	
Requirement reference: 2.2.2 (Minor) There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.	
Type of Non-conformity: Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/>	Verification by Lead Auditor:
Time Line to Close the Non-conformity 12 th May 2017	Pre-Conditioned: Main/Re-Assessment: Yes <input type="checkbox"/> No <input type="checkbox"/> Annual Surveillance: Major (60 days): <input type="checkbox"/> Minor (365 days) : <input checked="" type="checkbox"/>
Non-conformance (objective observation and statement of non-conformance): Boundary markers are available. However estates are unable to verify whether the boundary markers are located along its' legal boundaries as the initial legal boundary stones are no longer available.	
Root Cause Analysis and extent: (To be filled by Auditee) Lack of knowledge on RSPO specific requirement (Boundary Marking)	

Corrections: Kindly provide the extent (To be filled by Auditee)	
<ul style="list-style-type: none"> Marking the boundary according to RSPO & internal SOP requirement Updated the boundary marking map 	
Corrective/Preventive Actions: (To be filled by Auditee)	
<ul style="list-style-type: none"> Training to Estate Management on the RSPO P&C requirement Routine check on boundary marker along the estate boundary 	
Review of evidences submitted to CUC:	
Seen the evidences during site visit and well explanation on issues raised.	
Conclusion by CUC:	
NC closed	
NC Status: Yes <input checked="" type="checkbox"/> (CLOSED) No <input type="checkbox"/> (OPEN) ON SITE VERIFICATION REQUIRED Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>	
Lead Auditors' Name: Muhammad Faizul b. Yusoff	Date: 18 th August 2017
Signature: 	
Company's Representative Acceptance: Name: Mr. Sin Chuan Eng	Date: 13 th May 2016
Signature: 	
Non-conformity number: 04/2016	
Project No: 816254	
Site: KLK Berhad - Kekayaan Complex (Sg. Penggeli Estate)	
Date: 13 th May 2016	
Part of scope: Principle 4	
Requirement reference: 4.7.5 (Minor)	
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.	
Type of Non-conformity:	Verification by Lead Auditor:
Major <input type="checkbox"/>	
Minor <input checked="" type="checkbox"/>	
Time Line to Close the Non-conformity	Pre-Conditioned: Main/Re-Assessment:
12 th May 2017	Yes <input type="checkbox"/> No <input type="checkbox"/>
	Annual Surveillance:
	Major (60 days): <input type="checkbox"/>
	Minor (365 days): <input checked="" type="checkbox"/>
Non-conformance (objective observation and statement of non-conformance):	

During site visit, first aid equipment are available at worksites. However, there are issues noted on 2 first aid box checked by auditors. Details as per below:

- a. Azizan
No checklist in his first aid box. However, one of the item (Dettol) already expired on April 2016.
- b. Nasir
There is checklist in his first aid box. However, two of the items – Eye Drops and triangular bandage were not in first aid box.

Root Cause Analysis and extent: (To be filled by Auditee)

Lack of knowledge on RSPO and legal specific requirement (First Aid Box)

Corrections: Kindly provide the extent (To be filled by Auditee)

- Checklist and 1st Aid Box has been updated

Corrective/Preventive Actions: (To be filled by Auditee)

- Training on 1st Aid provided to workers involved
- Routine check by Person In Charged (PIC)

Review of evidences submitted to CUC:

Objectives evidences provided. Auditor satisfied with the evidences given during the on-site visit. There is no repeated case observed.

Conclusion by CUC:

NC closed

NC Status: Yes (CLOSED) No (OPEN) ON SITE VERIFICATION REQUIRED Yes No

Lead Auditors' Name: Muhammad Faizul b. Yusoff

Date: 18th August 2017

Signature:

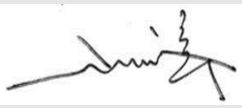


Company's Representative Acceptance:

Date: 13th May 2016


Name: Mr. Sin Chuan Eng


Signature:





4.3.3 Observations Raised During this Audit


5 observations raised during this audit.

Client name:	KLK Kekayaan POM (Landak Estate and Fraser Estate)		
Date raised:	18 th August 2017		
Raised by:	Mohd. Razaleigh		
Indicator 5.3.3: A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. During audit at Landak Estate and Fraser Estate, noted the management has established inventory for schedule waste and empty chemical store. However, there is no evidence that estates have proper monitoring on amount of waste add on or issued out to the storage since the amount of waste only been measured once in a month.			
Assessors Signature		Date	18 th August 2017

Client name:	KLK Kekayaan POM (Fraser Estate)		
Date raised:	18 th August 2017		
Raised by:	Fadly Ahmad		
<p>Criteria 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.</p> <p>The unauthorized deduction of buffaloes was not returned back to the workers. During the documentation review, it was sighted:</p> <p>a) Fraser Estate - Estate management have stop deducting workers for buffaloes ownership due to not having permit from labour department. Sum of money for buffaloes deduction however did not returned back to the workers eventhough the company already stop deducting it and in process of applying new permit.</p>			
Assessors Signature		Date	18 th August 2017

Client name:	KLK Kekayaan POM (Kekayaan Estate, Landak Estate & Fraser Estate)		
Date raised:	18 th August 2017		
Raised by:	Fadly Ahmad		
<p>Indicator 6.5.3: Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders).</p> <p>The line site condition was not clean even though regular monitoring has been carried out. During the line site inspection, it was sighted:</p> <p>Kekayaan Estate, Landak Estate & Fraser Estate - Linesite inspection carried out once a week basis along with the specified cheklist. However, it was noted the line site condition was not clean even though regular monitoring has been carried out.</p>			
Assessors Signature		Date	18 th August 2017

Client name:	KLK Kekayaan POM (Fraser Estate)		
Date raised:	18 th August 2017		
Raised by:	Mohd Farul Rosli		
<p>Clause 4.7.2: All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>Risk assessment was established and reviewed annually for all activities in the estate. However, better to ensure establishment of HIRARC aligned with the current and relevant practices (ALARP).</p>			
Assessors Signature		Date	18 th August 2017

Client name:	KLK Kekayaan POM - Mill		
Date raised:	18 th August 2017		
Raised by:	Mohd Farul Rosli		
<p>Clause 4.7.3: All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p>Noted that mill management, planned to send part of workers who involved with the confined space activity for competency and medical check-up. It's good if management can ensure all workers involved with confined space activity complete with competency and medical check-up.</p>			
Assessors Signature		Date	18 th August 2017

4.4 Issues that were raised during the Stakeholder Consultation, if any

Stakeholders that are likely to have information relevant for the evaluation was identified during the evaluation planning process.

- For Main and Re-Assessments, a 30 days Stakeholder consultation announcement is published on the RSPO website prior to the audit. The same announcement is circulated by the client and independently by the Control Union prior to the audit.
- For subsequent Annual Assessments, it is based on stakeholders reading the approved public summary reports available on the RSPO website, the client's procedures in receiving on-going feedback or if feedback was sent directly to Control Union prior to an audit or thorough RSPO complaints procedures.

Prior to and during all assessments (Main and annual), the audit team will seek to gather evidence about all relevant principles and criteria directly from stakeholders including statutory bodies, indigenous peoples, local communities (including displaced communities, if any), workers and workers' organizations [including migrant workers], smallholders, and local and national NGOs.

During each assessment, the audit team will review the company's implemented procedures in receiving feedback and will execute field visits and interviews. Not limited to the following questions, any feedback received is reviewed and summarized in this summary report for either Part 2 – Partial Certification or Part 4 – Assessment Findings above or noted below, if applicable:

1. Do you have any remarks on the RSPO standard?
2. What is your relation with the applicant?
3. Are there any plantation or mill management practices that affect you?
4. Do you consider any management is in conflict with the RSPO principles and criteria?
5. Do you have any suggestions for management?
6. Are you aware of any HCV in the plantations or in adjacent land?
7. Are you aware of any endangered or rare species?
8. Are there any adverse (or positive) effects on local communities?
9. Additional comments?
11. Do you have any comments about the assessment team and would you like to meet with them?
12. Do you have any comments for the client's management of any other plantations?

RSPO Principle	Stakeholder comment	CUC response [In case this has resulted in an NC, make reference to the NC number]
1 – Commitment To Transparency	<p>This stakeholder comments are including all 8 main principles complied with RSPO Principles & Criteria assessed during consultation. Below are the cited responses gained during consultation:</p> <ul style="list-style-type: none"> • Company give good commitment in maintaining relationship with stakeholder. Stakeholder are being invited to the annual consultation with company’s management. Sighted list of stakeholder and minutes meeting held on 04/04/2017. • Business relationship with contractors are going on well without any dispute. Contractors are being paid after conducting the respective works required. Reviewed the payment documents on contract work. • The safety of workers at working place and housing area is guaranteed. PPE are provided free of charge by estate and mill management. Interviewed Amat Razali estate worker during line site inspection. • Workers have no major concern and happy with KLK management especially with the 70% school bus subsidy provided by the company. Interviewed Pn Adibah Idayu - bunch counter at Kekayaan Estate with 7 years working experience. • With the implementation of RSPO, workers gained benefits in a lot of aspects such as in term of welfare, safety, wages etc. Interviewed Thevi A/P Manivela Rajah – Secretary of Gender Committee. 	<p>Most are positive findings</p>
2 - Compliance With Applicable Laws And Regulations		
3 - Commitment To Long-Term Economic And Financial Viability		
4 - Use Of Appropriate Best Practices By Growers And Millers		
5 - Environmental Responsibility And Conservation Of Natural Resources And Biodiversity		
6 – Responsible Consideration Of Employees, And Of Individuals And Communitis Affected By Growers And Mills		
7 - Responsible Development Of New Plantings		
8 - Commitment To Continuous Improvement In Key Areas Of Activities		

PART 5: RSPO SUPPLY CHAIN CERTIFICATION

The palm mill mentioned in the scope of the audit was audited against the requirements of the following:
RSPO Supply Chain Certification Systems. November 2014
RSPO Supply Chain Certification Standard. November 2014

5.1 POM Included In The Scope Of The Audit

Name of Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location Address	Supply Chain Model (IP or MB)
Kekayaan POM	120	K/B 110, 86609 Paloh, Kluang, Johor, Malaysia.	IP

5.2 Confirmation Of The Company's Summary Of Annual Certified Volume Of RSPO Certified Palm Oil And Palm Kernel Over A Specified Period

Product CU Code	CPO (MT)	PK (MT)	Specified 12 month period
POM 1	88,411	19,701	Volumes between 01/08/2016 to 31/07/2017.

5.3 Summary Report Including A Brief Description Of The Scope Of Certification

KLK Kekayaan POM is running under approved capacity of 120 MT/Hour to process FFB received from own estates only. RSPO certified FFB received are converted into RSPO certified CPO and PK under CPO-Mills: Identity Preserve (IP) model. For FY 2016/17, the mill has recorded 21.13 % Oil Extraction Rate (OER) from the production.

Actual quantities of certified FFB delivered to the mill are entered into a central computer system and the actual quantities of CPO and PK produced are also entered and the OER is known. The quantities of certified CPO and PK are shown in real time and summarized each day on a spreadsheet.

Sales of CPO and PK are made in real time and the quantity of sales never exceeds that shown in the spreadsheet. A full RSPO SCCS certification audit was used during this annual assessment and the findings support the certification based on supply chain model listed above.

5.4 Monthly Records of Certified and Uncertified FFB Received since the Last Audit In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual FFB production on monthly basis

No	MONTH-YEAR	Certified Supply Bases (MT)	Uncertified Supply Bases (MT), if any	Total (MT)
1	Aug 2016	34944.530	-	34944.530
2	Sept 2016	39724.510	-	39724.510
3	Oct 2016	38980.990	-	38980.990
4	Nov 2016	42372.290	-	42372.290
5	Dec 2016	37980.920	-	37980.920
6	Jan 2017	33157.790	-	33157.790
7	Feb 2017	32482.480	-	32482.480
8	Mar 2017	29858.460	-	29858.460
9	April 2017	35156.340	-	35156.340
10	May 2017	30711.900	-	30711.900
11	June 2017	26327.840	-	26327.840
12	July 2017	34118.820	-	34118.820
	TOTAL	415816.870		415816.870

5.5 Monthly Records of Certified CPO and PK Since the Last Audit

In case of Main Assessment, it shall be the last 12 month figure.

Figure are actual CPO and PK production on monthly basis

No	MONTH-YEAR	Certified CPO (MT)	Certified PK (MT)
1	Aug 2016	7653.645	1747.447
2	Sept 2016	8674.079	1997.996
3	Oct 2016	8575.206	1849.858
4	Nov 2016	8783.106	1836.571
5	Dec 2016	8079.896	1721.201
6	Jan 2017	6975.668	1584.012
7	Feb 2017	6837.290	1534.092
8	Mar 2017	6299.115	1580.216
9	April 2017	7557.593	1666.706
10	May 2017	6461.675	1390.654
11	June 2017	5493.593	1225.340
12	July 2017	7020.058	1566.699
	TOTAL	88,410.924	19,700.792

5.6 Records of Certified CPO & PK Sold under GreenPlam to Buyers since the Last Audit, if Any

In case of Main Assessment, it shall be the last 12 months figure.

Figure are actual Certified CPO & PK Sold under GreenPlam to Buyers on monthly basis

No	Buyers Name	GreenPalm Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
-	-	-	-	-

5.7 Records of Certified CPO & PK Sold under UTZ eTrace to Buyers since the Last Audit, if Any

In case of Main Assessment, it shall be the last 12 months figure.

If this is an Annual Surveillance Assessment, the figures used are since the last audit.

The transactions were sighted form the clients registered UTZ eTrace Account.

No	Buyers Name	UTZ eTrace Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
-	-	-	-	-

5.8 Non-Conformities Identified during this Audit

Timeline for compliance:

1. All non-conformances observed during an audit shall be classified as 'major' since all requirements for Supply Chain certification have to be met before granting certification.
2. For Main Assessments, all non-conformances shall be addressed satisfactorily by the operation before certification may be granted by the certification body. If non-conformances are not addressed within three (3) months of the audit, a full re-audit shall be required. The certification body shall assess the effectiveness of the corrective and/or preventive actions taken before closing out the non-conformances.
3. For Annual Surveillance Assessments, non-conformances raised after the certification are serious (i.e. must be considered as a major) and the integrity of the RSPO Supply Chain Certification is at risk. A maximum of one month is to be given to the certified client to satisfactorily address the non-conformance. The certification body shall assess the effectiveness of the corrective and/or or preventive actions taken. Should the nonconformance not be addressed within the one-month maximum timeframe, a suspension or withdrawal of the certificate and a full re-audit may be necessary.
4. If no non-conformances are observed at an audit or when the corrective action plan has satisfactorily addressed raised non-conformance(s), the client shall be recommended for (re-) certification.

Non-were raised during this audit.

NC Number:	Not Applicable
Date:	-
Reference to standard:	-
Standard requirement:	-
Evidence of non-compliance:	-

5.9 Description of the Organizational Management Systems

Including organizations, management and operational systems to ensure compliance with the RSPO Supply Chain Certification Systems and Standards as detailed above

This palm oil mill and its supply bases were audited against RSPO SCCS. The mill processing capacity is 55 tonne FFB per hour. The mill is capable of handling IP supply chain model.

5.10 Final Certification decision by Control Union for the RSPO SCCS Audit of the POM

Recommendations made:	Yes
Summary of non-compliances:	No NC was raised during the audit.
Certification status of client:	<p>The POM included in the scope of this audit demonstrated full compliance with the RSPO SCCS.</p> <p>With effect from the certification date given in the RSPO P&C certificate, this POM mentioned in the scope of this report is considered to be certified in accordance with the RSPO SCCS.</p>

PART 6: CERTIFIED ORGANISATION'S ACKNOWLEDGEMENT OF INTERNAL RESPONSIBILITY

6.1 Date of next ASA

The provisional date for the next ASA is: Aug. 2018

6.2 Date for Closure of Non-Conformities

See sections above for details of NC's, if any

- All major NCs to be closed by: 60 days from the issuance date
- All minor NCs to be closed by: Before next surveillance audit

6.3 Signing by the Client

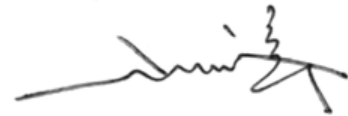
I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document.

I also confirm:

- Acceptance of liability in execution of the instructions given.
- That this company was made aware that the findings of the audit team are tentative; pending review and decision making by the duly designated representatives of Control Union Certifications.
- That during the closing meeting all agenda items was covered by the Lead Auditor.

Acknowledged by:

Name: Sin Chuan Eng
Position: Head of Sustainability (Plantations)
Date: 23/10/2017



Signature

6.4 Signing by the Lead Auditor

I the undersigned, being the Lead Auditor, confirm that this report is an accurate record of the findings and of the closing meeting. I further confirm that the summary of the findings as presented in this report are a true representation of the actual findings of the audit team.

Acknowledged by:

Name: Muhammad Faizul b. Yusoff
Position: Lead Auditor
Date: 16.10.2017



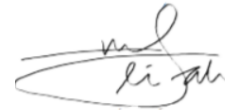
Signature

6.5 Signing by the Certifier

I the undersigned, being the Certifier, confirm that the information and conclusions included in this report have been prepared in good faith and that the certification decision has been based upon this information.

Acknowledged by:

Name: Nor Atiqah
Position: Certifier
Date: 23/10/2017

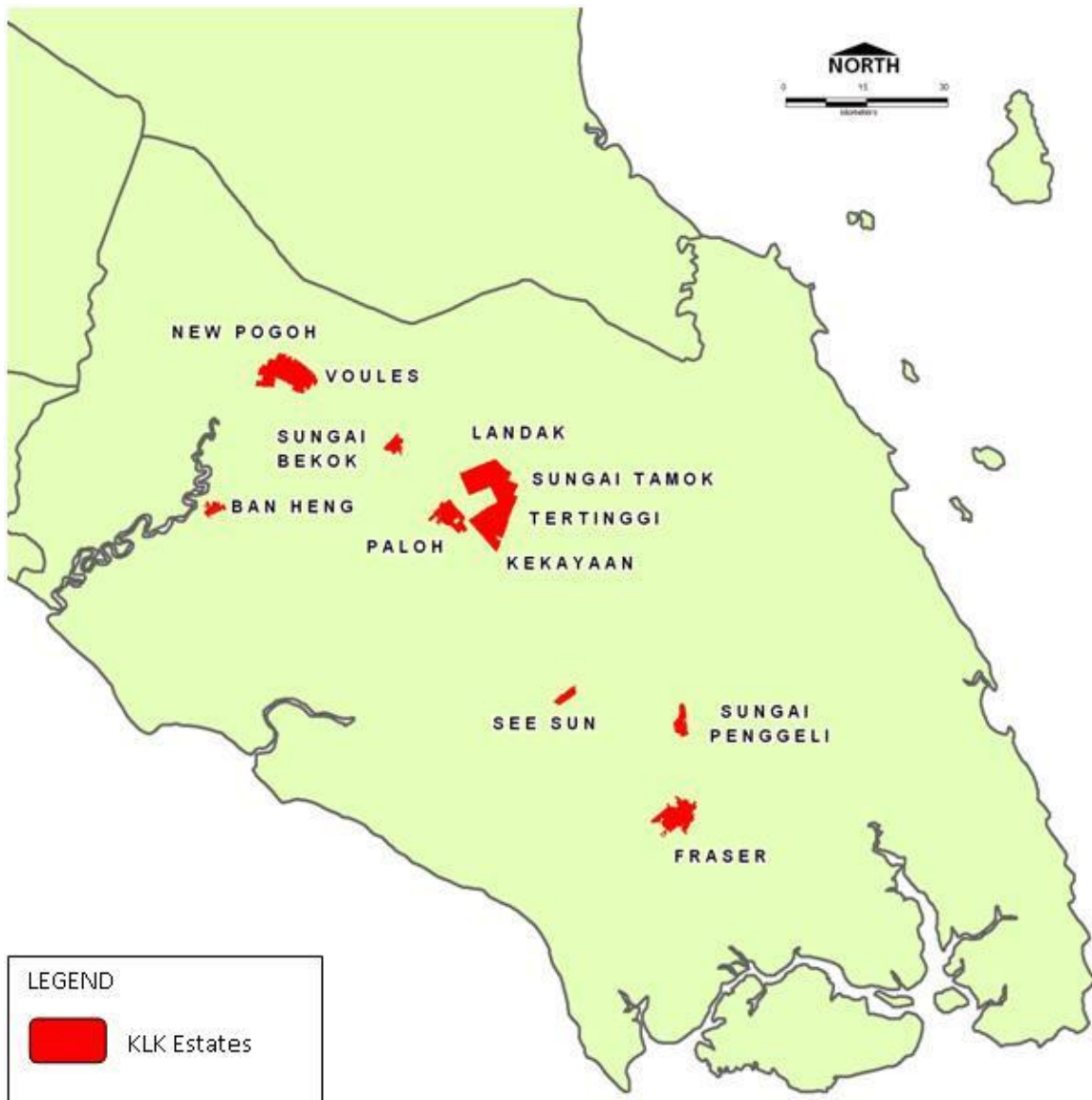


Signature

PART 7: APPENDICIES

Appendix 1: Location Map for this Certification Unit

From 1.9, the location map(s)



Appendix 2: Summary of GHG Emissions
Summary of Net GHG Emissions

Emissions per Product	tCO ₂ e/tProduct
CPO	0.66
PK	0.66

Extraction	%
OER	21.48
KER	4.72

Production	t/yr
FFB processed	414909.02
CPO Produced	89106.19

Land use	ha
OP planted area	18630.5
OP planted on peat	0
Conservation (forested)	56.5
Conservation (non forested)	21
Total	18708

Summary of Field Emissions and Sinks

	Own Crop		Group		3rd Party		Total	
	tCO ₂ e	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /tFFB
Emissions	-	-	-	-	-	-	-	-
Land Conversion	167294.45	0.4	0	0	0	0	167294.45	0.4
*CO ₂ Emissions from Fertiliser	23268.73	0.06	0	0	0	0	23268.73	0.06
**N ₂ O Emissions	19734.68	0.05	0	0	0	0	19734.68	0.05
Fuel Consumption	1733.52	0	0	0	0	0	1733.52	0
Peat Oxidation	0	0	0	0	0	0	0	0
Sinks	-	-	-	-	-	-	-	-
Crop Sequestration	-158198.46	-0.38	0	0	0	0	-158198.46	-0.38
Conservation Sequestration	0	0	0	0	0	0	0	0
Total	53832.92	0.13	0	0	0	0	53832.92	0.13

Summary of Mill Emissions and Credits

tCO ₂ e	tCo ₂ e/tFFB
Emissions	-
POME	0.04
Fuel Consumption	0
Grid Electricity Utilisation	0
Credits	-
Export of Grid Electricity	0
Sales of PKS	0
Sales of EFB	0

<i>Total</i>	0.04
--------------	------

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0%
Divert to anaerobic digestion	100%

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	11%
Divert to methane capture (flaring)	0%
Divert to methane capture (electricity generation)	89%

Appendix 3: GHG assessment for new plantings

Not applicable

Appendix 4: List of Abbreviations	
BRC	British Retail Consortium
CHRA	Chemical Health Risk Assessment
CoC	Chain of Custody
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
CU	Control Union
CUC	Control Union Certifications
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
ERT	Endangered Rare or Threatened species
EU	European Union
FFB	Fresh Fruit Bunch
FSC	Forest Stewardship Council
FSC COC	Forest Stewardship Council Chain of Custody
FSC FM	Forest Stewardship Council Forest Management
GGL	Green Gold Label
GMP	Good Manufacturing Practice
GOTS	Global Organic Textile Standard
GTP	Good Trading Practice
GPS	Global Positioning System
HACCP	Hazard Analysis and Critical Control Point
HCV	High Conservation Value
HCVF	High Conservation Value Forest
IPM	Integrated Pest Management
JAS	Japanese Agricultural Standard
MDC	MDC Publishers Sdn Bhd (Company Name)
MSDS	Material Safety Data Sheet
NC	Non Conformity
OE	Organic Exchange
OSH	Occupational Safety and Health
OSHAS	Occupational Safety and Health Assessment Scheme
P&C	Principle and Criteria
PEFC	Programme for the Endorsement of Forest Certification
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
RSPO NI	Roundtable on Sustainable Palm Oil National Interpretation
SA8000	Social Accountability 8000
Sdn Bhd	Sendirian Berhad
SIA	Social Impact Assessment
SOCISO	Social Security Organisation
SOP	Standard Operating Procedure
USDA/NOP	United States Department of Agriculture – National Organic Program
MT	Metric Tonnes
WHO	World Health Organization