

# RSPO PRINCIPLES & CRITERIA

## PUBLIC SUMMARY REPORT

### ANNUAL SURVEILLANCE ASSESSMENT 4

Malaysia  
**MILL 2 POM**  
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:	+605 2417844
E-Mail:	<a href="mailto:ce.sin@klk.com.my">ce.sin@klk.com.my</a>
Web Site:	<a href="http://www.klk.com.my">www.klk.com.my</a>
Other Certifications Held:	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-819969
Start Date Of Certificate:	04/03/2014
End Date Of Certificate:	03/03/2019
Date Of Original Certification:	04/03/2009
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:	13 <sup>rd</sup> Dec. 2017– 15 <sup>th</sup> Dec. 2017
Audit Number:	ASA 4

### 1.4 Assessment Type

This is a RSPO Principles & Criteria Compliance assessment of the palm oil mill and its respective supply bases as listed in this report below.

### 1.5 Location of the Palm Oil Mill

Name Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location	GPS Reference	
		Address	Longitude	Latitude
KLK (S) MILL 2	50	MILE 42, TAWAU – SEMPORNA HIGHWAY, TAWAU, SABAH.	118° 13' 25.77"E	4° 27' 18.31"N

### 1.6 Palm Oil Mill Output and Approximate Tonnages Certified

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:

- PART 1, Section 1.7 – General Description of Supply Base,
- PART 2: Partial Certification, Section 2.4 – Uncertified Units or Holdings,
- PART 5: RSPO Supply Chain Certification of this report

Projected Production from the last 12 Months (MT) Oct'16 to Sep'17			Actual Production for this Audit Oct'16 to Sep'17			Projected 12 Months (MT) Forecast Certified in this Report Oct'17 to Sep'18		
FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
195,128	50,733	6,829	179,354	42,927	5,665	200,580	50,146	7,021

Note : Refer to part 5.2 for Palmtrace certified volume

### 1.7 General Description of Supply Base

The supply bases are the 4 estates located near Tawau in Sabah, East Malaysia. All supplying estates listed below are owned by KL-Kepong Berhad and no FFB is sourced from independent suppliers.

#### 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	Ldg. Pang Burong	KM 60, Jalan Tawau – Semporna	118°12'33.27"E	4°26'47.86"N	2,359	2,305
OPP 2	Ldg. Ringlet	KM 60, Jalan Tawau – Semporna	118°27'7.57"E	4°26'16.80"N	1,800	1,187
OPP 3	Ldg. Sri Kunak	KM 60, Jalan Tawau – Semporna	118°11'45.14"E	4°29'35.28"N	2,538	2,464
OPP 4	Ldg. Tundong	KM 60, Jalan Tawau – Semporna	118°13'56.13"E	4°27'31.79"N	2,044	1,748
<b>TOTAL</b>					<b>8,741</b>	<b>7,704</b>

#### 1.7.2 Statistics of the Supply Base and Estimated Tonnes of FFB produced per year

OPP	Oil Palm Plantation	Estimated FFB/Year (MT)	Planting Years	Cycle (Years)
OPP 1	Ldg. Pang Burong	59,474	1995 – 2010	30 max
OPP 2	Ldg. Ringlet	31,752	1998 – 2008	30 max
OPP 3	Ldg. Sri Kunak	64,395	1991 – 2014	30 max
OPP 4	Ldg. Tundong	44,959	2006 – 2014	30 max
<b>TOTAL</b>		<b>200,580</b>		

Only use data from 1.7.3 in the eTrace Summary

#### 1.7.3 Conservation and HCV Area (Ha)

OPP	Oil Palm Plantation	Conservation Area (Ha)	HCV Area (Ha)	* HCV part of Conservation
OPP 1	Ldg. Pang Burong	72	0	No
OPP 2	Ldg. Ringlet	9	0	No
OPP 3	Ldg. Sri Kunak	87	0	No
OPP 4	Ldg. Tundong	0	0	No
<b>TOTAL</b>		<b>168</b>	<b>0</b>	

\* 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

OPP	Planting Years by 5-year Ranges						Total
	1991-1995	1996-2000	2001-2005	2006 – 2010	2011-2015	2016-2018	
OPP 1	27 (1.14%)	758 (32.13%)	655 (27.76%)	865 (36.67%)	0 (0%)	54 (2.29%)	2,359
OPP 2	0	677 (37.6%)	447 (24.8%)	63 (3.5%)	95 (5.28%)	518 (28.78%)	1,800
OPP 3	52 (2.05%)	393 (15.48%)	522 (20.57%)	894 (35.22%)	603 (23.76%)	74 (2.92%)	2,538
OPP 4	0	0	0	945 (46.23%)	1,086 (53.13%)	13 (0.63%)	2,044
<b>Total</b>	79 (0.90%)	1,828 (20.91%)	1,624 (18.58%)	2,767 (31.66%)	1,784 (20.41%)	659 (7.54%)	8,741

1.7.5 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
4	2		
Explanation as to the selection of estates sampled			
2 Estates were selected (Ringlet Estate and Sri Kunak Estate) were selected for this assessment. The other two estates were selected during last 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
No smallholder under the mill or supplying FFB to this mill.

### 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: a. Explaining the legal relationship and the management arrangements with the subsidiary companies and / or with any operating groups?	-	Go to 2.1.4	Go to 2.2.1
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?	The time bound plan does include of the subsidiaries, mills and estates owns by KLK. The Paloh Palm Oil Mill in Johor (currently running alternatively and under consideration on top management to shutdown) and Mill 1 in Sabah are not part of the time bound plan as it meant for out growers and smallholder group. The status is independent mill which is received 100% FFB from independent smallholders.  This has been communicated with RSPO in 2015.	Yes
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: <ul style="list-style-type: none"> <li>• To engage certification bodies and their availability.</li> <li>• Laws and regulations in Indonesia –a lot uncertainty.</li> <li>• In Indonesia ISPO precede other certification standards.</li> <li>• In Indonesia, it finds mobilizing the internal resources to different geographical locations.</li> <li>• Land compensation process with RSPO.</li> </ul>	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 <sup>st</sup> 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.  3,509 Ha has been approved to spend for Hutan Tanaman Rakyat (SK.659/Menlhk/Setjen/PLA.2/8/2016) 26 Aug 2016.	Yes
2.3.6	Have there been any newly acquired subsidiaries?	Refer below time bound plan.	Yes
2.3.7	Have there been any isolated lapses in the implementation of the plan?	No lapses  Lapses found been justified from land compensation process with RSPO.	Yes
2.3.8	Has there been any systematic failure	No	Yes

	to proceed with the implementation of the plan?		
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			
Section	Requirement	Findings and any action required	Compliance
<b>NOTE:</b>	Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills)		
2.4.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	<p>Since all the facilities in Malaysia were certified, therefore the facilities in Indonesia monitor by the Pak Steven and once in 3 months, 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.</p> <p>Joint venture in Liberia does not required internal audit as it is part of EPO as stand-alone entity.</p> <p>However, starting from 2017 Liberia units has been included in this year time bound plan as starting this year, all communication related to EPO will be under KLK. Sighted email communication on March 2017 with RSPO.</p>	Yes
2.4.2	<p>No replacement after dates defined in NIs Criterion 7.3 of:</p> <ul style="list-style-type: none"> <li>• Primary forest.</li> <li>• Any area identified as containing High Conservation Values (HCVs).</li> <li>• Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3.</li> </ul>	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 <sup>st</sup> 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	<p>PT Adei Plantation land conflicts around 2,544 Ha are still in progress of negotiation and the land area been enclave.</p> <p>Process completed with all 2,544 Ha land has been enclave to Masyarakat Sakai Melayu/Jiat and Tanah Putih and been taken</p>	Yes



	procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	out from PT. Adei HGU. Sighted email evidence from the GM dated on 9 Aug 2017.	
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 through central complaint record in HQ. All uncertified units in Indonesia has passed the Stage 1 audit for ISPO. In Liberia units, any complaint also will come through central complaint procedure.  Further, complaint procedure available in respective units and internally been verified during company internal audit.	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 legal non-compliance.	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, Malaysia	Batu Lintang Estate* Buntar Estate	1,808 899		
		Batu Kurau, Perak Malaysia	Subur Estate	1,290		
2	Kekayaan	Paloh, Johor, Malaysia	Landak Estate Kekayaan Estate Paloh Estate	4,451 4,436 2,029	Oct 2011	Certified
		Tenang, Johor, Malaysia	Voules Estate* New Pogoh Estate*	2,969 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 Jeram Padang Estate*	2,640 2,114	Sept 2012	Certified

		Telemong, Pahang, Malaysia	Renjok Estate* Tuan Estate*	1,578 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, Malaysia	Sg Gapi Estate	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
		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 Raja Hitam Estate	2,530 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		
13	Berau	Berau, Kaltim, Indonesia	Kebun Malindomas Perkebunan, Kebun Hutan Hijau Mas, Kebun Anugrah Surya Mandiri	7,971 [2006] 7,317 [2006] 2,682	By 2017 2018 (Pending compensation process from RSP0)	Pending
14	Jabontara	Berau, Kaltim, Indonesia	Kebun Jabontara Eka Karsa	14,086 [2007]	By 2017	Audited in March
15	Steelindo Wahana Perkasa	Belitung, Indonesia	Kebun Steelindo Wahana Perkasa	14,065	By 2013	Certified (2015)
16	Parit Sembada	Belitung, Indonesia	Kebun Parit Sembada	3,990	By 2015	Certified
			Kebun Alam Karya Sejahtera	2,336 [2009]	By 2018 (Under review consignment note for compensation)	
17	Mandau	Riau, Sumatera, Indonesia	Kebun Mandau*	14,799	Oct 2012	Certified
18	Nilo 1	Riau, Sumatera, Indonesia	Kebun Nilo Timur	12,860	By 2013	Certified (2014)
			Kebun Nilo Barat		By 2013	Certified (2014)
19	Nilo 2	Riau, Sumatera, Indonesia	Kebun Mutiara	1,400 [2005]	By 2018 (Stage 1 – pre-assessment done Feb 2017)	Pending
20	Tapung Kanan	Riau, Sumatera, Indonesia	Kebun Sekarbumi Alamlestari	6,200	By 2013	Certified
21	Stabat Mill (PT. Langkat Nusantara Kepong)	Langkat, Sumatera Utara, Indonesia	Kebun Basilam*	2,697 [2001]	By 2017	Certified on August
			Kebun Gohor Lama*	3,323 [1992]		
			Kebun Tanjung Beringin	3,936 [2000]		
		Langkat, Sumatera Utara, Indonesia	Kebun Padang Brahrang	1,949 [1979]	By 2017	Certified on August
Kebun Bukit Lawang	1,377 [1995]					
Kebun Tanjung Keliling	2,407 [2407]					
				2,979		

			Kebun Bekiun	[1984]		
			Kebun Maryke	2,704 [2007]		
22	MAP	Mentaya Hulu, Kalteng Indonesia	Kebun Karya Makmur Abadi	13,148 9397 Ha (HGU 73/HGU/K EM- ATR/BPN/ 2016 dated 28 Oct 2016) 3406 Ha (in progress of HGU) [2008]	By 2017	Pending
		Kebun Mulia Agro Permai, Baamang, Kalteng Indonesia	Kebun MAP	9,056 [2006]		
		Kebun Menteng Jaya Sawit Perdana, Mentaya Hilir, Kalteng Indonesia	Kebun Menteng Jaya Sawit Perdana	5,893 [2009]		
23	Equatorial Palm Oil	Palm Bay Estate	County Bassa	13,007 [2013]	2022	Pending
		Butaw Estate	Sinoe County	8,011 [2013]		

**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: <ul style="list-style-type: none"> <li>• Replacement of primary forest or any area containing HCV's since November 2005.</li> <li>• Evidence of non-compliance with the law</li> <li>• Legal issues</li> <li>• Compensation payments</li> <li>• Social relations</li> <li>• Burning</li> <li>• Labor disputes</li> </ul>	

## 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 2017 verification was attended by Mr. Sin Chuan Eng and Ms. Lee Kuan Yee from the Sustainability Department. On behalf of CUC, Supun Sachithra Nigamuni [General Manager] Muhd Jamalul Arif [Scheme Coordinator], Nor Atiqah [Certifier], Mr. Izzat [Planner] 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, 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	
		Kuala Pertang	
	Sabah	Mill 1	40,353
		Mill 2	
		Rimmer	
		Bornion	
		Lungmanis	
	Pinang		
Indonesia	Kaltim	Berau	32,056
		Jabontara	
	Riau	Mandau	35,259
		Nilo 1	
		Nilo 2	
		Tapung Kanan	
	Belitung	Parit Sembada	20,391
		Steelindo Wahana Perkasa	
	Sumatera Utara	Gohor Lama	21,372
		Padang Brahrang	
Kalteng	MAP	28,097	
<b>Total</b>			<b>27,751 (KMA)</b> <b>239,036</b>

## 2.6 Partial Certification Audit Agenda

Date	Location	Agenda
28/08/2017	KLK Wisma Taiko, Ipoh	Documentation review and interview.

## 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, and 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

<b>Lead auditor:</b>	Mr. Muhammad Faizul b. Yusoff
Team member 1:	Mr. Mohd Ezani B. Abd Aziz
Team member 2:	Ms. Nor Ashikin Shafinaz
Team member 3:	Mr. Mohd Farul B. Rosli

#### 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, Singapore and Sri Lanka.
Successfully completion of an ISO 9000:19011 lead auditors course;	Successfully completed ISO 9001:2008, ISO 9001:2015, RSPO P&C LA, RSPO 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, Singapore and Sri Lanka.
A supervised period of training in practical auditing against the RSPO criteria or similar sustainability standards, with a minimum of 15 days audit experience and at least 3 audits at different organizations.	Involved in audits conducted in for many different companies in Malaysia, Indonesia, PNG, Singapore and Sri Lanka.
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 Ezani B. Abd Aziz	Fluent in both English and Malay
	Nor Ashikin Shafinaz	Fluent in both English and Malay
	Mohd Farul B. Rosli	Fluent in both English and Malay
Field working experience in the palm oil sector, or a demonstrable equivalent.	Mohd Ezani B. Abd Aziz	Graduated from University Putra Malaysia in 2005 and held a Bachelor Degree in Biological & Agricultural Engineering majoring in Biosystems.  A member of Incorporated Society of Planters since 2015. With more than 10 years working experience in various plantation company. Involved in RSPO assessments since 2010. Trained and completed the lead auditor course for ISO 9001:2015, RSPO P&C, MSPO. Member of CUC RSPO audit team. Fluent in English and Bahasa Malaysia/Indonesia.
	Nor Ashikin Shafinaz	Graduated from Universiti Kebangsaan Malaysia in Chemical Engineering. Been part of RSPO P&C and SCC team member during audits in Malaysia and Indonesia as well as Certifier for SCC. Trained on ISO 9001 and GAP. Fluent in English and Bahasa Malaysia/Indonesia.
	Mohd Farul B. Rosli	Diploma in Mechanical Engineering. Involved in RSPO auditing since 2012 (1 <sup>st</sup> 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, OHSAS 18001 standard.
Good agricultural practices (GAP), integrated pest management (IPM),	Mohd Ezani B. Abd Aziz	10 years working experience in various plantation company. Trained and completed the Lead Auditor course for ISO 9001:2015, RSPO P&C, MSPO. Member of CUC RSPO audit team. A member of Incorporated Society of Planters since

pesticide and fertilizer use.		2015. Fluent in English and Bahasa Malaysia/Indonesia.
	Nor Ashikin Shafinaz	Been part of RSPO P&C and SCC team member during audits in Malaysia and Indonesia as well as Certifier for SCC. Trained on ISO 9001 and GAP. Fluent in English and Bahasa Malaysia/Indonesia.
	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, OHSAS 18001 standard.
Health and Safety auditing on the farm and in processing facilities. (For example OHSAS 18001 or occupational. Health and safety assurance system).	Mohd Ezani B. Abd Aziz	10 years working experience in various plantation company. Trained and completed the Lead Auditor course for ISO 9001:2015, RSPO P&C, MSPO. Member of CUC RSPO audit team. A member of Incorporated Society of Planters since 2015. Fluent in English and Bahasa Malaysia/Indonesia.
	Nor Ashikin Shafinaz	Been part of RSPO P&C and SCC team member during audits in Malaysia and Indonesia as well as Certifier for SCC. Trained on ISO 9001 and GAP. Fluent in English and Bahasa Malaysia/Indonesia.
	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, OHSAS 18001 standard.
Workers welfare issues and social auditing experience. (For example with SA8000 or related social or ethical accountability codes).	Mohd Ezani B. Abd Aziz	10 years working experience in various plantation company. Trained and completed the Lead Auditor course for ISO 9001:2015, RSPO P&C, MSPO. Member of CUC RSPO audit team. A member of Incorporated Society of Planters since 2015. Fluent in English and Bahasa Malaysia/Indonesia.
	Nor Ashikin Shafinaz	Been part of RSPO P&C and SCC team member during audits in Malaysia and Indonesia as well as Certifier for SCC. Trained on ISO 9001 and GAP. Fluent in English and Bahasa Malaysia/Indonesia.
	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, OHSAS 18001 standard.
Environmental and ecological auditing. (For example experience with organic agriculture, ISO 14001 or environmental management systems).	Mohd Ezani B. Abd Aziz	10 years working experience in various plantation company. Trained and completed the Lead Auditor course for ISO 9001:2015, RSPO P&C, MSPO. Member of CUC RSPO audit team. A member of Incorporated Society of Planters since 2015. Fluent in English and Bahasa Malaysia/Indonesia.



	Nor Ashikin Shafinaz	Been part of RSPO P&C and SCC team member during audits in Malaysia and Indonesia as well as Certifier for SCC. Trained on ISO 9001 and GAP. Fluent in English and Bahasa Malaysia/Indonesia.
	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, OHSAS 18001 standard.
Economic issues.	Nor Ashikin Shafinaz	10 years working experience in various plantation company. Trained and completed the Lead Auditor course for ISO 9001:2015, RSPO P&C, MSPO. Member of CUC RSPO audit team. A member of Incorporated Society of Planters since 2015. Fluent in English and Bahasa Malaysia/Indonesia.
	Mohd Ezani B. Abd Aziz	Been part of RSPO P&C and SCC team member during audits in Malaysia and Indonesia as well as Certifier for SCC. Trained on ISO 9001 and GAP. Fluent in English and Bahasa Malaysia/Indonesia.
	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, OHSAS 18001 standard.

### 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. Firstaiders.
  - **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
13 <sup>rd</sup> Dec. 2017 (Wednesday)	Mill 2 POM	<b>08:30 – 09:00: Opening meeting</b> <ul style="list-style-type: none"> <li>• Introduction by Team leader</li> </ul>
	Faizul  Farul/ Ezani/ Shikin	<b>09:00 – 17:30: SCCS Document review</b> <b>Supply Chain Certification Assessment of the POM (RSPO SCCS)</b> <ul style="list-style-type: none"> <li>• Demonstration of legal entity</li> <li>• Roles and responsibility</li> <li>• Procedures/manual/SOP</li> <li>• Record of purchase– RSPO certified product</li> <li>• Record of sales–RSPO certified product</li> <li>• RSPO logo &amp; claims</li> </ul> <b>09:00 – 17:30 : Document review – RSPO P&amp;C</b> <ul style="list-style-type: none"> <li>• Document review [SOP, EIA, SIA, CIP, Management Plan, Business Plan etc]</li> <li>• Complaint mechanism/ Request &amp; Respond</li> <li>• Best agricultural practices</li> <li>• Safety and Health, Environment, Social issues etc</li> </ul> <b>10:30 – 12:30: Site verification (Mill)</b> <ul style="list-style-type: none"> <li>• Mill inspection</li> <li>• Workshops</li> <li>• Stores</li> <li>• POM application</li> <li>• Safety and Health / PPE / Signage</li> <li>• Waste Management / Environment</li> <li>• Workers interview</li> </ul>
		<b>13:00 – 14:00 : Lunch Break</b>
14 <sup>th</sup> Dec. 2017 (Thursday)	Sri Kunak Estate  Faizul Farul/ Ezani/ Shikin	<b>08:30 – 17:30 : Document review – RSPO P&amp;C</b> <ul style="list-style-type: none"> <li>• Document review [SOP, EIA, SIA, CIP, Management Plan, Business Plan etc]</li> <li>• Complaint mechanism/ Request &amp; Respond</li> <li>• Best agricultural practices</li> <li>• Safety and Health, Environment, Social issues etc</li> </ul> <b>10:30 – 12:30: Site verification (Estate)</b> <ul style="list-style-type: none"> <li>• Best agricultural practices</li> <li>• Manuring, Spraying, Harvesting,</li> <li>• HCV / Conservation Area</li> </ul>

		<ul style="list-style-type: none"> <li>• Legal compliance / boundary</li> <li>• Chemical / Pesticide / Fertilizer Stores</li> <li>• Workers interview</li> <li>• Worker's facilities (housing, pay, etc)</li> </ul>
		<b>15:00 – 16:00 : Stakeholders Consultation Session</b>
		<b>13:00 – 14:00 : Lunch Break</b>
<b>15<sup>th</sup> Dec 2017 (Friday)</b>	<b>Ringlet Estate</b>	<p><b>08:30 – 15:30 : Document review – RSPO P&amp;C</b></p> <ul style="list-style-type: none"> <li>• Document review [SOP, EIA, SIA, CIP, Management Plan, Business Plan etc]</li> <li>• Complaint mechanism / Request &amp; Respond</li> <li>• Best agricultural practices</li> <li>• Safety and Health, Environment, Social issues etc</li> </ul>
	<b>Faizul Farul/ Ezani/ Shikin</b>	<p><b>10:30 – 12:30: Site verification (Estate)</b></p> <ul style="list-style-type: none"> <li>• Best agricultural practices</li> <li>• Manuring, Spraying, Harvesting,</li> <li>• HCV / Conservation Area</li> <li>• Legal compliance / boundary</li> <li>• Chemical / Pesticide / Fertilizer Stores</li> <li>• Workers interview</li> <li>• Worker's facilities (housing, pay, etc)</li> </ul>
		<p><b>15:30 – 16:30: Preparation for closing meeting</b> Additional field visits and meetings with managers as necessary</p>
		<b>16:30: Closing meeting</b>
		<b>End of Assessment</b>
		<b>13:00 – 14:00 : Lunch Break</b>

## PART 4 ASSESSMENT FINDINGS

### 4.1 Lead Assessor's Summary and Recommendation for Certification

The mill and supply base are as per the above table 1.5 and 1.7.1 visited was assessed at field, office, facilities, stores and document review carried out in accordance to the RSPO principles and criteria. Partial Requirements audit were conducted for all KLK subsidiaries. Please refer to whole of Part 2 for more details. Common systems were identified and specific evidence was recorded for individual estate and mill.

Interviews with Estate Managers, Mill Manager, and members of workers representatives took place in both formal and informal environments and worker interviews were conducted in all estates and in the mill. Subsequent to the stakeholders' interview, the surrounding communities were visited so as to capture more feedback from the stakeholders.


There were no significant complaints received during the field assessment and during interview with the external stakeholders. Up to the time of writing this report, there were neither feedbacks nor comments received from the other external stakeholders and community leaders. Since the RSPO certification, the management adequately practicing the respect of human rights and as evidence, there isn't discrimination of workers at work place and no land disputes and issues with local communities.

The mill is fully verified for RSPO SCCS system verification and it is found to be in full compliance. Refer the whole of Part 5.

### Summary of Non-Conformance and Current Status

There is no non-conformance raised for RSP0 P&C audit.  
It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is maintained.



Name: Muhammad Faizul b. Yusoff  
Date: 15-12-2017

**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 RSP0 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 is made available to public. Company's policies are well communicated and understood by all level employees. Generally, the company is in full compliance to Principal 1 for this complex.
ASA4	1.1	<p>Company has established procedure SOP 1.0 Stakeholder Engagement/Negotiation Issue/Rev 1/0 dated 01/06/2015 as a guidance document for consultation and communication to relevant stakeholders. SOP has outlined the request &amp; response, consultation &amp; communication and complaint &amp; grievance mechanism in order to handle issues highlighted by stakeholders.</p> <p>Stakeholder consultation: <u>Mill 2 POM</u> Stakeholders are given information via consultation. Verified minute of meeting, Stakeholder Consultation Minute (1<sup>st</sup> consultation for 2017), operating center: Mill 2 dated 05/04/2017 prepared by Mr. Khairul Azwan (Secretary). The agenda of stakeholder socialized:</p> <ul style="list-style-type: none"> <li>• Stakeholder response toward complaint and grievance system</li> <li>• EIA impact</li> <li>• Feedback from stakeholder</li> </ul> <p>No pending issues is recorded during consultation.</p> <p><u>Sri Kunak Estate</u> Stakeholder consultation for 2017 was conducted on 09/10/2017. The consultation was attended by 9 participants from the external stakeholder. Verified minute of meeting, 'Minit Mesyuarat Konsultasi Stakeholders 2017' prepared by Ms. Hisah Carima and verified by Mr. Syafiq Ho. The meeting agenda socialized:</p> <ul style="list-style-type: none"> <li>• Raised issues such as pollution caused from estate activities, security, waste disposal, scheduled waste</li> <li>• KLK Sustainability Policy</li> <li>• KLK Code of Ethical Conduct</li> </ul>

		<p><u>Ringlet Estate</u> Stakeholder consultation last conducted on 10/11/2017 by 9 representatives from management and 5 stakeholders. Discussion had circulated about MSPO policy, mechanism form request and response, complaint and grievance, consultation and communication and issues raised by stakeholder. No pending issues has been identified. Verified Stakeholder Consultation Minute OC: Ladang Ringlet prepared by Mr. Arifin (Secretary) and checked by Mr. Paduka Rasna (EM)</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 &amp; Response/ Consultation &amp; Communication / Complaint &amp; Grievance) for all operating units effectively responded by the manager.</p>
ASA4	1.2	<p>Publicly available documents are listed in SOP 9.0 Appendix 1B, Master List of Documents as sighted below:</p> <ul style="list-style-type: none"> <li>• Legal documents: Sabah Biodiversity Enactment 2000, Sabah Water Resources Enactment, Factories and Machinery act with Regulations</li> <li>• OSH documents: Management review, Safety and Health committee, SDS and chemical register</li> <li>• DOE documents: Correspondent, DOE officer visit, renewal of license</li> <li>• MPOB documents: License 1&amp;2, monthly report, seminar/training</li> <li>• Management document: weekly production report, FFB grading, FFB intake</li> <li>• Government document: 'Jabatan Perangkaan Malaysia', JTK, JPJ</li> </ul>
ASA4	1.3	<p>The commitment of the ethical conduct in business is outlined in the KLK Sustainability Policy, signed by Tan Sri Dato' Seri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 which covers all requirements mentioned in this criterion.</p> <p><u>Mill 2 POM</u> Training was done annually latest on 27/01/2017 attended by 83 workers during muster call. Mr. Khairul (Asst. Manager) is responsible to brief the material of the policy. Verified training record KLK (S) Mill 2 RSPO &amp; ISCC Policy Code of Conduct.</p> <p><u>Sri Kunak Estate</u> Training was done to contractor's workers for housing construction based on policy document: GP/P&amp;G classification: SOP 6.6 issued: 01/07/2010. Sighted training record given by Mr. Azizul to 5 contract workers dated 11/01/2016. Training assessment is also done to determine effectiveness of the training as verified 'Senarai Semak Penilaian Latihan'. The training to be conducted for all activities and operations based on 2 years interval.</p> <p><u>Ringlet Estate</u> Summary of Training, Ladang Ringlet dated 11/10/2017 to 174 workers is available. Training socialized Sustainability Policy and code of ethical conduct was given by Mr. Arifin Taking (Sing-sing Div.), Mr. Baco Wonni (Home Div.) and Mr. Jainuddin Dueng (Sri Gading Div.)</p>
<b>Principle 2: Compliance with Applicable Laws and Regulations</b>		
Criterion by Audit	Summary	The mill and estates have demonstrated compliance to all its applicable legal requirements. 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. Basically, the company fully complied with Principal 2 for this complex.																								
ASA4	2.1	<p>The complete list of legal requirements is available at the mill and estate. The mill has established the list of legal requirements in SOP no 2.0 under title of Legal Compliance.</p> <p>Sample:</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Permit/License</th> <th>Reference no:</th> <th>Expiry date</th> </tr> </thead> <tbody> <tr> <td>Quit Rent</td> <td>105101406</td> <td>6.1.18</td> </tr> <tr> <td>Land Cess</td> <td></td> <td>14.1.18</td> </tr> <tr> <td>Sterilizer no 1</td> <td>PMT40429</td> <td>7.6.18</td> </tr> <tr> <td>Air compressor</td> <td>SB PMT9623</td> <td>7.6.18</td> </tr> <tr> <td>Diesel (KPDNKK)</td> <td>S010308</td> <td>26.9.18</td> </tr> <tr> <td>Weighbridge</td> <td>B 1039332</td> <td>13.12.17</td> </tr> <tr> <td>Diesel/petrol</td> <td>S010310</td> <td>27.9.17 to 26.9.18</td> </tr> </tbody> </table> <p>The operating units also have identified person responsible for legal compliance. The HQ will conduct the renewal of the listed license and permit. The operating units will notify HQ before it expires. The mill/estate office will receive notification email from HQ informing any changes of legal requirement. The email derives the information from the government website for any changes and amendments.</p>	Permit/License	Reference no:	Expiry date	Quit Rent	105101406	6.1.18	Land Cess		14.1.18	Sterilizer no 1	PMT40429	7.6.18	Air compressor	SB PMT9623	7.6.18	Diesel (KPDNKK)	S010308	26.9.18	Weighbridge	B 1039332	13.12.17	Diesel/petrol	S010310	27.9.17 to 26.9.18
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Weighbridge	B 1039332	13.12.17																								
Diesel/petrol	S010310	27.9.17 to 26.9.18																								
ASA4	2.2	<p>Documents showing legal ownership and the actual use of the land are available for the mill and estates. Sighted the map/plan for the land title Lot 2 60.7 ha. The title no. CL 10538771g.</p> <p>The estate boundary is well demarcated with boundary stones surrounding the land. Maps clearly showing the estate boundary were also sighted in the estate office.</p>																								
ASA4	2.3	<p>There is no evidence of conflict present in all of the operating units. Also there is no evidence of instigated violence in maintaining peace as the company has a clear procedure for dealing with land conflict. There is no customary right as the lands are acquired from the government with proper documentation with clear demarcation its boundaries.</p>																								
<b>Principle 3: Commitment to Long-Term Economic and Financial Viability</b>																										
Criterion by Audit	Summary	A documented Business Management plan (3 Years Crop Projection) available both at mill and estate. The annual budget includes CAPEX, cost of production etc. Seen the top management able to demonstrate attention to economic and financial viability through long-term management planning. Replanting programme as per documented planning. Basically, the company fully complied with Principal 3 for this complex.																								
ASA4	3.1	<p>It was noted that Mill 2 POM and its supply base continue to commit to long-term economic and financial viability. The annual budgets are prepared on an annual basis before the end of financial year as per sighted in the KL-Kepong (S) Mill 2/ Estate Estimate FY 2017/2018 and Business &amp; Management Plan (3 Years Crop Projection). 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.</p>																								

**Projected FFB process**

Supply base (FFB)	FY 2018/19	FY 2019/20	FY 2020/21
Pang Burong	59228	59228	60632
Sri Kunak	65962	68499	69633
Tundong	47580	52806	55188
Ringlet	32050	37128	37128
<b>Total</b>	<b>204820</b>	<b>217661</b>	<b>222581</b>

**Projected Oil produced (Mt)**

Supply base (FFB)	FY 2018/19	FY 2019/20	FY 2020/21
Pang Burong	15399	15399	15764
Sri Kunak	17150	17810	18105
Tundong	12371	13730	14349
Ringlet	8333	9653	9653
<b>Total</b>	<b>53253</b>	<b>56592</b>	<b>57871</b>

**Production Cost (RM/mt FFB)**

Supply base (FFB)	FY 2018/19	FY 2019/20	FY 2020/21
Pang Burong	196.88	206.72	217.06
Sri Kunak	201.15	211.21	221.77
Tundong	202.34	212.46	223.08
Ringlet	200.05	210.05	220.55

**Production Cost (RM/mt CPO)**

Site	FY 2018/19	FY 2019/20	FY 2020/21
Mill 2	237.20	249.06	261.51

The Expenditure Classification has been divided into some categories which is:

- Capital Expenditure (CAPEX)
- Revenue Oil Palm (OPEX - Ex-Estate Cost) - Indirect Cost, Depreciation, Mature Area Upkeep, Collection/Harvesting, External Transport (included in Indirect Cost)
- Replanting - Indirect Cost, Depreciation, Initial Expenditure, Immature Area Upkeep

Details of estimate as per below:

**Sri Kunak Estate**

Item	RM
Capital Expenditure (CAPEX)	801,900

Item	RM/Ha	Cost/Mt
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			Indirect cost	1209.86	47.51																																																
			Depreciation	164.00	6.44																																																
			Mature Upkeep	2300.73	90.36																																																
			Collection/ Harvesting	1203.51	47.27																																																
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		Sri Kunak	42 Ha	52 Ha	-									
		Tundong	-	-	-									
		Ringlet	184 Ha	253 Ha	-									
<b>Principle 4: Use of Appropriate Best Practices by Growers and Millers</b>														
Criterion by Audit	Summary	The mill and estates have complied with company Standard Operating Procedures and has continuously monitored its adherence. Soil fertility is maintained along with soil erosion prevention that continuously carried out. IPM implemented in Pinang Estate and the uses of chemicals are in accordance with the regulations. There is a comprehensive OSH policy implemented throughout the estate and mill. Trainings are being carried out as per the Annual Training Plan. Generally, the company fully complied with Principal 4 for this complex.												
ASA 4	4.1	<p>The company has established two types of operating procedures namely Standard of Procedure (SOP) &amp; Safety Operation Procedure (SaOP) for the efficient, effective and safe operation of the palm oil mill. The SOP covers all operations of the mill such as storage and Issue of security seal, lubricant store, laboratory, Boiler, engine room, reception station of FFB, etc. Some of the SOP sighted includes [SOP 1] – Weighbridge, Sterilizer, Reception Station, Laboratory, Air Compressor. The Sustainability SOP consist information such as receiving material, processing material and dispatching material. All SOPs are found during site visit to be publicly displayed on mill notice boards for each station. The SOPs are written in local language (Bahasa Malaysia).</p> <p>The mechanism to ensure implementation sighted through internal audit. The purpose of the internal audit is to verify records and procedure against specific requirement and relevant standards requirements. Latest internal audit carried out on August 2017 by Mr. Thien, Mr Syafiq and Mr. Imran. Sighted internal audit record which divided into OSH audit, RSPO audit and internal department audit. Non-conformities found were review and closed by management before external audit.</p> <p>This mill only receives crops from own estates.</p>												
ASA4	4.2	<p>Estate has established SOP no. 04 issued date on 01/10/2013 “Soil Erosion &amp; Fertility and Road Maintenance” as well as Good Agriculture Practice GAP as guidance which is covered on identification, Implementation &amp; maintenance and review of soil condition. There is monitoring for cover crop planting for prevent soil erosion.</p> <p>Estate monitor fertilizer application as per program. Application records as per staff daily log book. Latest application as per Dec 2017. Application as per recommendation from agronomist report date 27/3/2017 by Mr. Teo Chor Bo(Agronomist)</p> <table border="1" data-bbox="842 1624 1214 1760"> <thead> <tr> <th>Field</th> <th>Type</th> <th>Kg/Palm</th> </tr> </thead> <tbody> <tr> <td>PM05A</td> <td>OP Com 65B</td> <td>2.25</td> </tr> <tr> <td>PM06B</td> <td>KS</td> <td>2.0</td> </tr> </tbody> </table> <p>Leaf and soil sampling conducted on 27/3/2017 by AAR. Sample block for sampling: PM05A, PM06B &amp; PM10A</p> <p>The result from leaf and soil sampling will incorporated into yearly fertilizer programme. Application of EFB from nearest palm oil mill were practiced. Record of application available. Sighted record of EFB mulching Programme at Block O1D/120 (20) in total 37.84 MT, at Block O8A in total 29.89 MT and</p>				Field	Type	Kg/Palm	PM05A	OP Com 65B	2.25	PM06B	KS	2.0
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		Dried Decanter Cake (DDC) Programme at Block 01B/147 & 01D/120 in total 9.75 MT.																								
ASA4	4.3	<p>Estate Maintaining and restoring riparian areas in order to minimize erosion of stream and river banks. The Management has established a document on <i>Problem Soils and Slopes Management Plan (October 2017)</i>. The company is not allowing any planting on slopes with more than 25° as per GAP guideline.</p> <p>Road maintenance programme is available according to the SOP 4.0 Appendix 02 "Road Maintenance Programme". Road maintenance programme will review annually. Sighted actual road maintenance and repair by estate:</p> <p>Sri Kunak Estate</p> <table border="1"> <thead> <tr> <th>Field</th> <th>Type of work</th> <th>Length (Chain)</th> </tr> </thead> <tbody> <tr> <td>98A</td> <td>Road gravelling</td> <td>3.20</td> </tr> <tr> <td>99A</td> <td>Grading</td> <td>12.80</td> </tr> <tr> <td>02A</td> <td>Compacting</td> <td>14.40</td> </tr> </tbody> </table> <p>Ringlet Estate</p> <table border="1"> <thead> <tr> <th>Field</th> <th>Type of work</th> <th>Length (Chain)</th> </tr> </thead> <tbody> <tr> <td>98A</td> <td>Road gravelling</td> <td>3.20</td> </tr> <tr> <td>99A</td> <td>Grading</td> <td>12.80</td> </tr> <tr> <td>02A</td> <td>Compacting</td> <td>14.40</td> </tr> </tbody> </table>	Field	Type of work	Length (Chain)	98A	Road gravelling	3.20	99A	Grading	12.80	02A	Compacting	14.40	Field	Type of work	Length (Chain)	98A	Road gravelling	3.20	99A	Grading	12.80	02A	Compacting	14.40
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ASA4	4.4	<p>Water Management Plan available in document no. SOP 5.0 (Surface &amp; Ground Water Management) dated on 01/06/2015. This SOP also includes Water Sampling Procedure &amp; Emergency Response Plan (ERP) on Water Pollution.</p> <p>Water Management Plan clearly identified water sources from Mill 2 POM indirectly from Sipit River. Water usage is recorded by daily and monthly basis in document "Water Usage in mill (tonne water used / tonne FFB Processed).</p> <p>Water Management Plan SOP 5.0 dated on 01/06/2016 was well implemented in this estate.</p> <ul style="list-style-type: none"> <li>• Identified of water source</li> <li>• To ensure the water course pollution free</li> <li>• Protection of water course</li> <li>• To maintain buffer zone</li> <li>• Monitoring water quality</li> <li>• Incoming and outgoing water quality monitor as per procedure.</li> <li>• Emergency response plan</li> <li>• To carry out water rationing</li> </ul> <p>Effluent final discharge is going to land irrigation in Pang Burong Estate. License by Department of Environmental Sabah based on Environment Quality Act 1974, license no. JPKKS/12/001895 valid till 30 June 2018 with maximum parameter allowed:</p>																								

		<ul style="list-style-type: none"> <li>• BOD not exceed 50 mg/l.</li> <li>• Total Suspended 200 mg/l</li> <li>• Oil &amp; Grease 20 mg/l</li> <li>• Ammonia Cal Nitrogen 150 mg/l</li> <li>• Nitrogen 200 mg/l</li> <li>• pH not exceed 9.0 but not less than 5.0</li> <li>• Temperature not exceeds 45 Celsius.</li> </ul> <p>Effluent use for land irrigation was monitored on monthly record. Sighted result for above parameter from Jan – Nov 2017 sample as:</p> <table border="1" data-bbox="778 589 1284 824"> <thead> <tr> <th></th> <th>Sept 17</th> <th>Oct 17</th> <th>Nov 17</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>8.5</td> <td>8.7</td> <td>8.6</td> </tr> <tr> <td>BOD</td> <td>25</td> <td>43</td> <td>38</td> </tr> <tr> <td>T. N</td> <td>25</td> <td>27</td> <td>20</td> </tr> <tr> <td>Am. Nit</td> <td>&lt;1</td> <td>&lt;1</td> <td>&lt;1</td> </tr> <tr> <td>T.S. S</td> <td>73</td> <td>22</td> <td>110</td> </tr> <tr> <td>O &amp; G</td> <td>7</td> <td>8</td> <td>9</td> </tr> </tbody> </table> <p>References: KDC laboratory report no. R17/10/48 (date on 26/9/17), R17/10/258 (date on 16/10/17) &amp; R17/11/665 (date on 22/11/17)</p> <p>Procedure on monitoring of water usage is included in “E – Progress Report (EPR)” need to be monthly send to KLK HQ. Latest usage document sighted for Sept, Oct and November 2017. Record of mill water use per tonne available as below:</p> <table border="1" data-bbox="759 1133 1302 1301"> <thead> <tr> <th></th> <th>Water usage</th> <th>FFB</th> <th>Ratio</th> </tr> </thead> <tbody> <tr> <td>Sept 17</td> <td>21,424</td> <td>17,100.02</td> <td>1.25</td> </tr> <tr> <td>Oct 17</td> <td>23,376</td> <td>16,005.24</td> <td>1.46</td> </tr> <tr> <td>Nov 17</td> <td>23,376</td> <td>18,187.54</td> <td>1.35</td> </tr> </tbody> </table>		Sept 17	Oct 17	Nov 17	pH	8.5	8.7	8.6	BOD	25	43	38	T. N	25	27	20	Am. Nit	<1	<1	<1	T.S. S	73	22	110	O & G	7	8	9		Water usage	FFB	Ratio	Sept 17	21,424	17,100.02	1.25	Oct 17	23,376	16,005.24	1.46	Nov 17	23,376	18,187.54	1.35
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ASA4	4.5	<p>IPM programme in Sri Kunak Estate is focused on to trial stage biological control for rat population in all KLK Tawau Region estates. This project is monitored by Advanced Agriecological Research Sdn Bhd (AAR) Sabah Substation.</p> <p>The training “Introduction on Beneficial Plant” include explanation on species name and their benefit to all workers, also how to plant and to maintain. IPM Training was conducted on 4/10/2017 by each estate to create awareness.</p>																																												
ASA4	4.6	<p>SOP for Chemicals Handling documented in GP/P&amp;G SOP 3.9 dated on 1 July 2010. Register of chemical is evident during the audit dated on 8 January 2017 reviewed by mill manager. Several types of chemical identified according to the mill work station such as:</p> <p>Boiler Treatment:</p> <ul style="list-style-type: none"> <li>• HK 7207</li> <li>• Sodium Chloride</li> </ul> <p>Lab:</p> <ul style="list-style-type: none"> <li>• Hexane</li> <li>• Isopropyl Alcohol</li> </ul>																																												

		<ul style="list-style-type: none"> <li>• Acetic Acid</li> </ul> <p>Training for chemical handling was conducted on 6/03/17 for all laboratory workers in mill (7 personnel's). All chemical handlers are laboratory staff. MSDS in appropriate languages available in each station where chemical were used. All laboratory workers who handle chemicals use appropriate PPE such as safety helmet, shoes, semi leather glove, cotton glove, rubber glove, respirator &amp; dust mask.</p> <p>Mill establish SOP No. FPI/L2/QOSHE-8.0 for Chemical Handling and Storage procedure. During site visit, storage of chemical materials is in appreciating manners, well ventilated and well lit. All chemicals are properly labelled. All powder chemicals are stored on pallets to avoid contamination with ground. Sighted spill kit availability in the chemical store to cater with chemical spillage incident. Used chemical container disposed to G-Planter.</p> <p>There are 41 workers who exposed to chemical activity which is involved and recommended by CHRA. All medical surveillance conducted on 6/07/17 by DAB OH Sdn Bhd (JKKP registered no. HQ/10/DOC/00/167) – Dr. Mohd Azizan Aziz.</p> <p><u>Sri Kunak Esate</u></p> <p>Register of chemical is evident during the audit dated on 2 October 2017 reviewed by estate manager Mr. Shafik. Several types of chemical identified according to the estate work:</p> <ul style="list-style-type: none"> <li>• Ally 20DF</li> <li>• Amine</li> <li>• Garlon 250</li> <li>• Diesel</li> </ul> <p>Training for chemical handling was conducted by estate to workers involved with chemical activity. MSDS in appropriate languages available in each station where chemical were used.</p> <ul style="list-style-type: none"> <li>• Chemical handling 15/3/2017</li> <li>• Spraying training – 9/5/2017</li> <li>• PPE training – 3/8/2017</li> </ul> <p>There are 30 workers who exposed to chemical activity which is involved and recommended by CHRA. All medical surveillance conducted on 5/07/17 by DAB OH Sdn Bhd (JKKP registered no. HQ/10/DOC/00/167) – Dr. Mohd Azizan Aziz.</p> <p><u>Ringlet Estate</u></p> <p>Register of chemical is evident during the audit dated on 4 December 2017 reviewed by estate manager Mr. Paduka. Several types of chemical identified according to the estate work:</p> <ul style="list-style-type: none"> <li>• Chemical store</li> <li>• Fertilizer</li> <li>• Spraying</li> <li>• WTP</li> </ul> <p>Training for chemical handling was conducted by estate to workers involved with chemical activity. MSDS in appropriate languages available in each station where chemical were used.</p>
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		<ul style="list-style-type: none"> <li>• Chemical handling – 18/8/2017</li> <li>• Rat Baiting – 18/3/2017</li> </ul> <p>Estate stored all pesticide and chemical according to recognized best practice as per Sop “Safe Use &amp; Storage of Agrochemical / Chemical” Procedure No. 6.0. All pesticide container will triple rinse and disposed as general waste to G-Planter as per record of inventory.</p> <ul style="list-style-type: none"> <li>• Prepare all list of chemical</li> <li>• Warning signage</li> <li>• Provide PPE</li> <li>• Store must locked</li> <li>• Complete with SDS</li> </ul> <p>There are 20 workers send for medical surveillance who exposed to chemical activity which is involved and recommended by CHRA.</p>
ASA4	4.7	<p>The company has established Occupational Safety and Health Policy governs both mill and estates. The mill has developed OSH plan for year 2017 with objective to provide and maintain a safe work environment and system of work, to identify and manage the risk to our employee and encourage behavior that reduced accidents/injury in workplace, to provide and encourage employee to have healthy life and diet.</p> <p>OSH plan also includes 2017 annual training programme; appoint PIC for monitoring usage of PPE, OSH meeting &amp; Management Review, SOP Review, OSH audit and outcomes/recommendation.</p> <p><u>Mill 2 POM</u> Sighted risk assessment was established for all operation by mill management on August 2015 and latest review on Sept 2017.</p> <p>Activity:</p> <ul style="list-style-type: none"> <li>• Welding</li> <li>• Sterilizer operation</li> <li>• Working At height</li> <li>• Workshop</li> </ul> <p>Audiometric test, mill send 30 persons involved with noise activity. Found 8 person have hearing impairment based on result but not STS.</p> <p>All workers involved in the operations have been adequately trained in safe working practice as per OSH yearly plan. Record of the training attendees and materials have been evaluated during the audit.</p> <p>Examples:</p> <ul style="list-style-type: none"> <li>• Working at height – 9/10/2017</li> <li>• Chemical handling – 6/3/2017</li> <li>• Grass cutting – 29/6/2017</li> </ul> <p>All are found to be covered by the valid accident insurance. Local Workers are bound to subscribe to EPF and SOCSO as per recorded in individual payslip and interview during site visit.</p> <p>For foreign workers 97 person, they covered by, AXA policy no.LWX/93246853/37/09/HHT</p> <ul style="list-style-type: none"> <li>• Aziz Dulah – A1010147</li> <li>• Samsudin – AT705345</li> </ul>

		<p><u>Sri Kunak Estate</u> Sighted risk assessment was established for all operation by estate management on August 2016 and latest review on 16/10/2017. All workers involved in the operations have been adequately trained in safe working practice as per OSH yearly plan. Record of the training attendees and materials have been evaluated during the audit.</p> <ul style="list-style-type: none"> <li>• PPE- 3/8/2017</li> <li>• Harvesting– 30/7/2017</li> <li>• Chemical Handler – 15/3/2017</li> <li>• IPM – 4/10/2017</li> </ul> <p>All are found to be covered by the valid accident insurance. Local Workers are bound to subscribe to EPF and SOCSO as per recorded in individual payslip and interview during site visit. For foreign workers, they covered by, AXA as per policy no. LWX/93249407/37/09/HHT</p> <p><u>Ringlet Estate</u> Review on 15/7/2017 by Estate manager. All workers involved in the operations have been adequately trained in safe working practice as per OSH yearly plan. Record of the training attendees and materials have been evaluated during the audit.</p> <ul style="list-style-type: none"> <li>• Workshop– 14/9/2017</li> <li>• Rat baiting– 18/3/2017</li> <li>• Harvesting– 15/2/2017</li> <li>• Spraying– 21/3/2017</li> <li>• Driving– 12/9/2017</li> </ul> <p>All are found to be covered by the valid accident insurance. Local Workers are bound to subscribe to EPF and SOCSO as per recorded in individual payslip and interview during site visit. For foreign workers, LWX/93247707/37/09/HHT – 147 workers</p> <p>All the Emergency Response Plan procedures (local language) are found to be displayed on mill notice boards for easy reference during emergency situation. Emergency exit route is displayed in strategic places around the mill and estates compound.</p>
ASA4	4.8	The mill & estates have developed a training programme for year 2017/18, 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).
<b>Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity</b>		
Criterion by Audit	Summary	Environmental Impact Assessment has been carried out by the mill and estates. A comprehensive identification of all waste has been recorded and disposal of scheduled waste has been carried out by an approved and registered collector. Generally, the company fully complied with Principal 5 for this complex.
ASA4	5.1	<u>Mill 2 POM</u>

		<p>An EIA was established in Mill2 POM under name of Environmental Aspect &amp; Impact Assessment Report prepared by Mr. Khairul Azwan Sodiwal approved by Mr. Sivalinggam a/l Seliah the Senior Mill Manager. The assessment involved of the Aspect &amp; Impact Identification, Risk Assessment and Management Control Plan. The mill has established the risk matrix table as a reference to define the rating. The major activity which was categorized as the highest rated risk was the activity of generating steam using water tube boiler at the risk rating of 20. The action control for moderate risk is to conduct communication in regards to the hazard to the affected people. Sighted the training attendance for boiler training which was conducted in 15.7.17 by Mr Siva. 14 employees attended the training.</p> <p>Mill 2 POM also has established the environmental improvement plan prepared by Mr. Khairul Azwan Sodiwal. The listed plan as per list</p> <ul style="list-style-type: none"> <li>• Monitoring BOD level for 2017</li> <li>• Annual Training Program</li> <li>• Liquid Storage/Schedule waste handling</li> <li>• Training RSPO SCC</li> <li>• 3R Awareness</li> <li>• Noise Pollution training</li> <li>• Social &amp; Environmental meeting</li> <li>• RSPO/MSPO audit.</li> </ul> <p><u>Sri Kunak Estate</u></p> <p>The EIA was conducted on 16.1.17 and prepared by En. Arsyah bin Sareya and approved by En. Syafiq Ho Abdullah. The highest rating activity is the disposal of rubbish and waste water at rating of 10 (moderate). The generated waste identified were the non- bio gradable waste, organic waste and lineside waste water.</p> <p>The estate had identified the waste water which flows into the water source as an environmental aspect which need to be focused on due to the impact of water pollution. Currently the estate managed to exercise to locate a dumpsite 500m away from water source. For solid domestic waste, the estate practiced segregation method by recycling the waste produced through the establishment of recycle bin.</p> <p>Based on the EIA the estate planned 3 activities as their management control plan;</p> <ul style="list-style-type: none"> <li>• Rubbish pit monitoring – on going</li> <li>• Conduct training on waste recycling- done</li> <li>• Monitor and regular clean-up of sedimentation pond – done</li> </ul> <p><u>Ringlet Estate</u></p> <p>EIA assessment report was conducted on 16.1.17 by the assistant manager and approved by En. Paduka Haji Rasna. The major activity which contribute more on the risk towards environment was felling, chipping, construction of road, terrace and etc.</p>
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		<p>The activity was rated as 10 at moderate state for aspect of emission of smoke and GHG from heavy equipment/machinery. The existing control for encountering the matter are to notify to appointed contractors and doing periodically spot checks on their machinery.</p> <p>Sighted the training conducted for the contractors on 21.10.17 attended by 8 contractor reps. Successful conducted by En. Bacho Wonni,</p> <ul style="list-style-type: none"> <li>• Sangio Sulam</li> <li>• Sample Lisa</li> <li>• Adi Paruh</li> <li>• Hasrin Hasiran</li> <li>• Jamaludin Ali</li> <li>• Zul Hemang</li> <li>• Thomas Amtani</li> <li>• Singa Andry.</li> </ul>
ASA4	5.2	<p>HCV assessments for both estates were conducted based on SOP 11.0 – High Conservation Value (HCV) &amp; Conservation Area Management. The HCV assessment for Jatika Estate and Pinang Estate was conducted on December 2016 by Mr. Thien Jing Wen from the KLK sustainability department. The assessment done by using HCV Tool Kit by WWF Malaysia.</p> <p>As part of a medium to obtain data the assessor has conducted stakeholder consultation. The information gained, were taken into account as an input Sighted a list of interviewees and the justification from them.</p> <ul style="list-style-type: none"> <li>• Mr. Gapar b. Hasan the estate driver said he used to sight common species such bangau, Tiong Gembala , monkey and wild boar.</li> <li>• Ms. Seniati bt Nadire, the P&amp;D worker. is aware of the management control on riparian zone area such as prohibition of spraying and manuring activities and planting of jungle tree.</li> </ul> <p>Sighted a plot in the estate map representing the water catchment which is classified as HCV5 in the report. At the boundary of field PM 01A and forest. The estate also illustrates the stream in the map as HCV 4. Riparian zone of 20 meters length was sighted during site visits.</p> <p>From the HCV assessment, the presence of HCV4 and HCV5 were reported. For HCV 4, the estate was recommended to exercise continuous planning and implementing restoration work in steep and riparian zones. Currently no tree planting was conducted and only monitoring process implies as stated in the riparian zone/HCV/conservation area checklist. In order to comply with HCV 5 management recommendations, the estate needs to establish a period system of water quality testing. The estate has established water sampling program dated 1.1.17. The sampling was conducted every 4 months.</p>



ASA4	5.3	<p>Mill and estates have identified wastes generated from its operations in their respective waste management plan. The mill has established the identification of all waste products &amp; operational plan to reduce pollution-2017 which was updated on 11.10.17 and prepared by En. Khairul Azwan sodiwal the assistant Manager.</p> <p>Sighted 18 of waste identified;</p> <ul style="list-style-type: none"> <li>• Spent lubricating oil.</li> <li>• Mill effluent</li> <li>• Used IPA and Hexane</li> <li>• Blacksmoke</li> <li>• GHG</li> <li>• Methane gas</li> <li>• Empty chemical containers</li> <li>• EFB</li> <li>• Spent Batteries</li> <li>• Domestic waste</li> <li>• Line site waste water</li> </ul> <p>The most crucial operation which engaged with waste was IPA and Hexane usage. Based on CHRA conducted by MR. William Pius Ladius prepared on 2.9.13, stated in the item 3.3 Description of process area that involve chemicals, laboratory was recognised as the process area that involved with chemical. The designated employees dealt with N.-Hexane shall undergo a medical surveillance due to the involvement with the high-risk chemical for conducting the sampling analysis.</p> <p>The listed lab operators have undergone the health screening;</p> <table border="1" data-bbox="769 1146 1294 1350"> <thead> <tr> <th>Mohd Nizam Yusof</th> <th>Mg/g</th> </tr> </thead> <tbody> <tr> <td>Omar awing</td> <td>0.48</td> </tr> <tr> <td>Bago Usman</td> <td>0.89</td> </tr> <tr> <td>Asman Marsuki</td> <td>0.79</td> </tr> <tr> <td>Nur Shahfeerah Amir</td> <td>0.46</td> </tr> <tr> <td>Mohd Guntur Latif</td> <td>0.71</td> </tr> </tbody> </table> <p>The record was referred to summary report of medical surveillance for July. The assessment date on 6.7.17.</p> <p>Sighted the C.O.F of Nurfatimah Marsuki states the above-named operator is fit after the exposure of N. Hexane. The cert was signed by Dr. Mohd Azizan Abdul Aziz on 6.7.17.</p> <p>The mill involved in biogas generator management as to supply the electricity for the residence and mill. Sighted the license for private installation dated 30.5.17 granted to KL Kepong (Sabah) Sdn. Bhd. by Datuk IR Ahmad Fauzi B. Hasan from the Energy Commission.</p> <p>The mill conducted the septic monitoring through the housing inspection conducted weekly basis and upon request. Sighted the house repairs &amp; maintenance job requisition states the request from the residence complaining of the full capacity of septic tank from house no EA8 +EA9 Mr. Saripudin on 31.10.17</p>	Mohd Nizam Yusof	Mg/g	Omar awing	0.48	Bago Usman	0.89	Asman Marsuki	0.79	Nur Shahfeerah Amir	0.46	Mohd Guntur Latif	0.71
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		<p>The mill and estates had established various record book as an inventory records for monitoring.</p> <ul style="list-style-type: none"> <li>Lubricating oil- Inventory of schedule waste spent lubricating oil record book. Latest input from Ladang Ringlet was on 12.12.17 and was stored temporarily 180 liters at Mill 2.</li> <li>Spent oil filter – Inventory of scheduled waste spent filter engine Latest record at the quantity of 4 units of spent chemical oil from IPA on 12.12.17</li> <li>Spent batteries - Inventory of schedule waste spent wet batteries – sw102 record book. Latest record 25 units batteries on 31.10.17</li> </ul> <p>A waste management and disposal plan to avoid or reduce pollution was established by the mill in the identification of all waste products and operational plan to reduce pollution 2017 table. prepared by En. Khairul Aswan Sodiwal on 11.10.17</p> <p>The estate established a record of monitoring the landfill establishment in record book 32 rubbish collection record, Sighted the latest record on 12.12.17, rubbish being collected by En. Muhammad Arif Kuba .</p>																																																																																																
ASA4	5.4	<p>The mill monitors usage of diesel for genset operation and mill heavy vehicles. Sighted the 3 years fossil fuel usage for power generation</p> <table border="1" data-bbox="743 958 1318 1413"> <thead> <tr> <th>Month</th> <th>Diesel (Litre)</th> <th>FFB (Mt)</th> <th>Litre / FFB Mt</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>6922</td><td>13366.21</td><td>0.52</td></tr> <tr><td>Feb</td><td>10741.7</td><td>16154.34</td><td>0.66</td></tr> <tr><td>Mar</td><td>8227.4</td><td>14138.87</td><td>0.58</td></tr> <tr><td>Apr</td><td>17265.6</td><td>17671.86</td><td>0.98</td></tr> <tr><td>May</td><td>11091.8</td><td>15277.77</td><td>0.73</td></tr> <tr><td>Jun</td><td>9357.7</td><td>15541.68</td><td>0.60</td></tr> <tr><td>July</td><td>3678</td><td>14920.06</td><td>0.25</td></tr> <tr><td>Aug</td><td>5798.3</td><td>15246.41</td><td>0.38</td></tr> <tr><td>Sep</td><td>15483.3</td><td>17100.02</td><td>0.91</td></tr> <tr><td>Okt</td><td>19675.3</td><td>16005.24</td><td>1.23</td></tr> <tr><td>Nov</td><td>9571.3</td><td>18187.54</td><td>0.53</td></tr> </tbody> </table> <p><u>Sri Kunak Estate</u></p> <table border="1" data-bbox="743 1496 1318 1928"> <thead> <tr> <th>Month</th> <th>Diesel (Litre)</th> <th>FFB (Mt)</th> <th>Litre / FFB Mt</th> </tr> </thead> <tbody> <tr><td>Jan</td><td>10682</td><td>4286.25</td><td>2.49</td></tr> <tr><td>Feb</td><td>10996</td><td>4890.92</td><td>2.25</td></tr> <tr><td>Mar</td><td>13861</td><td>5486.3</td><td>2.53</td></tr> <tr><td>Apr</td><td>13551</td><td>5728.85</td><td>2.37</td></tr> <tr><td>May</td><td>12625</td><td>4918.02</td><td>2.57</td></tr> <tr><td>Jun</td><td>12571</td><td>5269.47</td><td>2.39</td></tr> <tr><td>July</td><td>13560</td><td>4805.23</td><td>2.82</td></tr> <tr><td>Aug</td><td>13053</td><td>5121.51</td><td>2.55</td></tr> <tr><td>Sep</td><td>10988</td><td>5498.34</td><td>2.00</td></tr> <tr><td>Okt</td><td>14705</td><td>5632.09</td><td>2.61</td></tr> <tr><td>Nov</td><td>13739</td><td>5679.46</td><td>2.42</td></tr> </tbody> </table>	Month	Diesel (Litre)	FFB (Mt)	Litre / FFB Mt	Jan	6922	13366.21	0.52	Feb	10741.7	16154.34	0.66	Mar	8227.4	14138.87	0.58	Apr	17265.6	17671.86	0.98	May	11091.8	15277.77	0.73	Jun	9357.7	15541.68	0.60	July	3678	14920.06	0.25	Aug	5798.3	15246.41	0.38	Sep	15483.3	17100.02	0.91	Okt	19675.3	16005.24	1.23	Nov	9571.3	18187.54	0.53	Month	Diesel (Litre)	FFB (Mt)	Litre / FFB Mt	Jan	10682	4286.25	2.49	Feb	10996	4890.92	2.25	Mar	13861	5486.3	2.53	Apr	13551	5728.85	2.37	May	12625	4918.02	2.57	Jun	12571	5269.47	2.39	July	13560	4805.23	2.82	Aug	13053	5121.51	2.55	Sep	10988	5498.34	2.00	Okt	14705	5632.09	2.61	Nov	13739	5679.46	2.42
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ASA4	5.5	<p>The company has established sustainability policy which states the strict zero burning, policy is practiced in relation to all new planting, replanting or other development in item no 1. No deforestation. Sighted signboards on zero open burning at Mill 2 POM, Sri Kunak and Ringlet Estate premises.</p> <p>The implementation of pulverizing after 45 days of felling and chipping is the effort of the estate to imply zero burning policy at replanting. It was sighted in policy no. GP/Agric/op7 replanting -3 issued in 15 July 2005. Estate also has conducted the training on zero burning by En Maslan b. Muin on 2.5.17 attended by 202 employees. Oral evaluation/assessment was conducted after finishing the training. The estate provided a training module which consists of information on zero burning.</p>																																																
ASA4	5.6	<p>The EIA for Mill 2 POM, Sri Kunak and Ringlet Estate assessed all polluting activities such as gaseous emissions, particulate/soot emissions and effluent. Sighted the aspect of smoke emission of GHG from diesel engine which can affect to global warming. The estate conducted on inspection to detect the faulty of the machine as being stated in EIA conducted 16.1.17. As a control management plan, an ongoing preventive maintenance is to be carried out as to ensure the optimal level of low smoke production.</p> <p>Based on the EIA created on 16.1.17 by Mill 2 POM.</p> <table border="1"> <thead> <tr> <th>No.</th> <th>Biomass Pollutants</th> <th>Control measure</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>POME</td> <td>-effluent pond checklist -provide enough retention time Belt press operation</td> </tr> <tr> <td>2</td> <td>Biogas</td> <td>Provide spill kits &amp; SOP</td> </tr> <tr> <td>3</td> <td>Boiler soot</td> <td>-Stack monitoring program -Continous monitoring emission system -Training on boiler operation</td> </tr> <tr> <td>4</td> <td>particulate</td> <td>Provide spill kits &amp; SOP</td> </tr> <tr> <td>5</td> <td>boiler ash</td> <td>Stack monitoring program -Continous monitoring emission system -Training on boiler operation</td> </tr> </tbody> </table>	No.	Biomass Pollutants	Control measure	1	POME	-effluent pond checklist -provide enough retention time Belt press operation	2	Biogas	Provide spill kits & SOP	3	Boiler soot	-Stack monitoring program -Continous monitoring emission system -Training on boiler operation	4	particulate	Provide spill kits & SOP	5	boiler ash	Stack monitoring program -Continous monitoring emission system -Training on boiler operation																														
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			6	flume gas Particulate	Provides spill kits & SOP
			7	wet shell	Maintenance of winnowing & LTDS trunking
			8	fibre	Maintenance of winnowing & fibre cyclone
			9	Scrap iron	SOPO
			10	Used lubricant	Bund & oil trap
			11	old battery	Periodic vehicle maintenance
			12	old tyres	SOP
			13	Hazardous chemical containers	-Provides spill kits & SOP -PPE

All identified significant pollutants and GHG emissions were documented in the EIA assessment report for Mill 2 POM, Sri Kunak & Ringlet Estate.

As sighted in the Mill 2 POM EIA report for FFB crop reception, power generation, oil palm product storage & dispatching process, mill water & waste treatment, harvesting & upkeep and general upkeep process;

Aspect identified	Major Activity in mill
Emission of GHG from diesel engine	Weighing in MBS lorry
	Loading & Unloading of FFB into ramp
	Shoveling in graded FFB
	Generating electricity using steam turbine and diesel generator
	Transportation of CPO to refinery
	Storage of kernel
	Transporting kernel to kernel crushing plant.
	Pumping/recycling of effluent
	Effluent sampling
	Grass cutting at lineside, office, buffer zone and field

As sighted in the Sri Kunak & Ringlet Estate EIA report for oil palm replanting, immature palm upkeep, mature palm upkeep

Aspect identified	Major Activity in estates
Emission of GHG from diesel engine	Felling & chipping, construction of roads, slit pit, drainage, conservation terracing.
	Spraying
	Manuring

		<table border="1"> <tr> <td>Transportation of workers/fertilizer &amp; maintenance of drains</td> </tr> <tr> <td>Ganoderma treatment-soil mounding, felling, chipping, deboling</td> </tr> <tr> <td>Rat baiting</td> </tr> <tr> <td>Transportation of FFB to palm oil mill</td> </tr> <tr> <td>Transportation &amp; dumping of domestic waste to dumpsite.</td> </tr> <tr> <td>Genset &amp; high voltage transformer.</td> </tr> <tr> <td>Grass cutting at lineside</td> </tr> </table> <p>There were plans on reducing and minimizing the identified pollutants &amp; GHG emissions. They were mainly the coordination of regular transport maintenance, training on awareness, pollution &amp; SOP proper upkeep of mill effluent management. The plans were inclusive of objectives, timeline and PIC.</p> <p>The report also states the sources of pollution in the waste identification of POME.</p> <ul style="list-style-type: none"> <li>• mill effluent- improper management of mill effluent</li> <li>• methane gas – improper management of oil mill effluent.</li> <li>• Greenhouse gas – inadequate maintenance of machinery, unnecessary long idling or running of machinery, poor management of effluent pond.</li> </ul>	Transportation of workers/fertilizer & maintenance of drains	Ganoderma treatment-soil mounding, felling, chipping, deboling	Rat baiting	Transportation of FFB to palm oil mill	Transportation & dumping of domestic waste to dumpsite.	Genset & high voltage transformer.	Grass cutting at lineside
Transportation of workers/fertilizer & maintenance of drains									
Ganoderma treatment-soil mounding, felling, chipping, deboling									
Rat baiting									
Transportation of FFB to palm oil mill									
Transportation & dumping of domestic waste to dumpsite.									
Genset & high voltage transformer.									
Grass cutting at lineside									
<b>Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers</b>									
Criterion by Audit	Summary	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. Basically, the company fully complied with Principal 6 for this complex.							
ASA4	6.1	<p><u>Mill 2 POM</u></p> <p>SIA was conducted for upgrading of road condition around mill vicinity. This is based on complaint from Mohd Guntur (Lab Staff) in 'Buku Log Pihak Berkepentingan' dated 02/06/2017 for the worst condition of mill road connected to the housing complex. Verified Social Impact Assessment (SIA) dated 19/06/2017 'Mengenalpasti Isu Yang Timbul Daripada Pembaikan Jalan dan Plan Mitigasi' prepared by Mr. Khairul Azwan (Asst. Mill Manager) on 19/06/2017.</p> <p>Meeting was conducted on 16/06/2017 as verified minute meeting, 'Mesyuarat SIA (Pembaikan Jalan)' attended by 21 participants consist of Humana Teacher, Kindergarten Teacher, workers and staff. Questionnaire is distributed prior of the project to 15 randomly picked stakeholders. Verified 'Soalan Penilaian Bagi Impak Sosial Bagi Pelaksanaan [Pembaikan Jalan]' dated 26/06/2017. 4 negatives impact has been identified where management had already outlined the mitigation plan to minimize the negative impacts.</p>							

		<p>Plan for mitigate and promote the impacts identified in SIA is outlined in Social Impact Assessment Mill 2 prepared by Mr. Khairul Azwan (Asst. Manager). 1 positive impact and 4 negative impacts is identified in finding/outcome/inputs from stakeholder, mitigation measures and satisfactory outcome. To find out the satisfactory among workers on the conducted projects, a survey form for post project is distributed among 25 randomly pick correspondents. Verified Survey Form 'Pembaikan Jalan' answered dated 27/09/2017 shown most workers give rating 4 (good) for the project.</p> <p><u>Sri Kunak Estate</u> SIA had been conducted prior construction of new worker quarters to substitute old wooden house unit to concrete. Questionnaire has been distributed among 5 random workers. Verified answered questionnaire dated 12/01/2017. Record of SIA Survey Analysis on New Construction of Staff Quarter, survey date on 12/01/2017 is available.</p> <p>Assessment is conducted among affected parties whom are their internal workers. Verified 5 answered questionnaires available in place where 2 negative impacts and 3 positive impacts has been identified. Sighted Social Impact Assessment (Internal Stakeholders) Construction of New Worker Quarter 2017 prepared by Mr. Rizal (Asst. Manager) and checked by Mr. Syafiq Ho (Manager).</p> <p>To minimize negative impacts and promoting positive impacts, management plan has been outlined and conducted in Social Impact Assessment (Internal Stakeholders) Construction of New Worker Quarter 2017 completed with raised issue, action plan, timeframe, person in charge and completion status</p> <p><u>Ringlet Estate</u> SIA was conducted prior replanting process at 91A. Meeting is done among affected stakeholder dated 01/06/2017 participated by 16 staffs and workers. Feedback from meeting is taken into consideration in forming questionnaires. 20 survey form is distributed and impacts were assessed. Verified 20 answered questionnaires, 'Soalan Penilaian Bagi Impak Sosial Bagi Penanaman Semula Kelapa Sawit Blok 91A' dated 01/05/2017 available in place.</p> <p>Management plan for replanting SIA to mitigate 1 negative impact and promote 5 positive impacts is prepared. Sighted Social Impact Assessment 'Ladang Ringlet, Penanaman Semula Kelapa Sawit 91A' dated 05/06/2017. Plan is completed with finding/outcome/inputs from stakeholder/positive and negative impact/mitigation measures etc.</p>
ASA4	6.2	<p>The company establish SOP 1.0 Stakeholder Engagement/ Negotiation Issue/Rev 1/0 dated 01/06/2015 as the consultation and communication procedures to relevant stakeholders. SOP has outlined the request &amp; response, consultation &amp; communication and complaint &amp; grievance mechanism in order to handle issues highlighted by stakeholders.</p> <p>Each operating unit officially nominated responsible person in charge for handling social issue.</p> <p><u>Mill 2 POM</u></p>

		<p>List of stakeholders is identified in Stakeholder List prepared by KLK(S) Mill 2 dated 03/09/2017 consisted of:</p> <ul style="list-style-type: none"> <li>• 84 suppliers: Abaca Trading, Yu Chuin Bearing, Yuletek Engineering</li> <li>• 25 government bodies: MPOB Sabah, DOE tawau, PERKESO Tawau</li> <li>• 11 external stakeholder: DAB-OH Sdn. Bhd. (Medical Surveillance), Clinic Siau, Felda Bulkers, Kwantas Edible Oils</li> <li>• 23 internal stakeholders: owned estate (Pangeran, Pinang, Jatika etc.), KDC Lab</li> </ul> <p>Stakeholders are given information via consultation. Verified minute of meeting, Stakeholder Consultation Minute (1<sup>st</sup> consultation for 2017), operating center: Mill 2 dated 05/04/2017 prepared by Mr. Khairul Azwan (Secretary). The agenda of stakeholder socialized:</p> <ul style="list-style-type: none"> <li>• Stakeholder response toward complaint and grievance system</li> <li>• EIA impact</li> <li>• Feedback from stakeholder</li> </ul> <p>No pending issues is recorded during consultation. Request and response from stakeholder will be recorded in stakeholder logbook.</p> <p><u>7 requests are done i.e:</u></p> <ul style="list-style-type: none"> <li>• from Pejabat Kesihatan Tawau dated 09/01/2017 to confirm the spread of disease (Pertussis)</li> <li>• Request to access CHRA from Jumat Bakran (DAB-OH) dated 04/11/2017</li> <li>• Request from Clarice Chong Chak Wei dated 30/09/2017 to access document</li> <li>• From Frank Murphy (JKKP) dated 03/07/2017 to do inspection boiler</li> </ul> <p><u>4 consultation &amp; communication:</u></p> <ul style="list-style-type: none"> <li>• From Roger Rusdin (Chemsain Consultant) dated 15/05/2017 to do stock monitoring</li> <li>• From Hospital Tawau to do work assessment for PERKESO purpose dated 13/06/2017</li> </ul> <p><u>2 complaint &amp; grievance:</u></p> <ul style="list-style-type: none"> <li>• Complaint from Kindergarten teacher dated 06/10/2017 to do upkeeping at kindergarten</li> </ul> <p><u>Sri Kunak Estate</u>        List of stakeholders updated on 07/12/2017 shown:</p> <ul style="list-style-type: none"> <li>• 25 surrounding stakeholders: PT Hasfarm, Simpang Kunak Plantation, Ladang Maju Sawit (TSH Resources)</li> <li>• 40 suppliers &amp; contractors: Agri Machinery &amp; Part, Visamaju Parts Supplies Sdn. Bhd., CKS Contractor</li> <li>• 12 NGOs: Sabah Environmental Protection Association (SEPA), The Sabah Society, Sahabat Alam Malaysia</li> <li>• 14 Government agencies: DOSH Sabah, State Immigration of Sabah, Kunak Forestry Department.</li> </ul> <p>Stakeholder consultation for 2017 was conducted on 09/10/2017. The consultation was attended by 9 participants from the external stakeholder. Verified minute of meeting, 'Minit Mesyuarat Konsultasi Stakeholders 2017'</p>
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		<p>prepared by Ms. Hisah Carima and verified by Mr. Syafiq Ho. The meeting agenda socialized:</p> <ul style="list-style-type: none"> <li>• Raised issues such as pollution caused from estate activities, security, waste disposal, scheduled waste</li> <li>• KLK Sustainability Policy</li> <li>• KLK Code of Ethical Conduct.</li> </ul> <p>Stakeholder can log their response and complaint either in stakeholder logbook or complaint box. As to date, no complaint has been attained from complaint box.</p> <p>28 stakeholder logbook forms has been issued from various stakeholder. Verified sampled records as below:</p> <ul style="list-style-type: none"> <li>• Ir. Jimmy P.S. Liew dated 06/12/2017 as visiting electrical engineer</li> <li>• Jomat Bakron (DAB-OH) dated 04/11/2017 to access CHRA</li> <li>• From Doris Soupin dated 09/11/2017 to conduct vaccine program.</li> </ul> <p><u>Ringlet Estate</u></p> <p>The list of stakeholders is available in place and was last updated on 11/10/2017 prepared by Asst. Manager, Mr. Arifin and approved by Estate Manager, Mr. Paduka Rasna. The list of stakeholder consist of:</p> <ul style="list-style-type: none"> <li>• 20 government bodies: PUSPAKOM Tawau, DOE Sabah, Environmental Action Committee Sabah (EAC)</li> <li>• 4 NGOs: The Sabah Society, Kota Kinabalu City Bird Sactuary, Consumers' Association of Sabah &amp; Labuan, Kiwiheng Enviromental Consultants Sdn. Bhd.</li> <li>• 25 supplier/contractor: Visamaju Parts Supplies Sdn. Bhd., CW Engineering, Shazagro (Interpump)</li> <li>• 13 external stakeholders: Teck Guan Plantation, Cinka Plantation, Jujut Plantation etc.</li> <li>• 14 internal stakeholders: KLK mills and estates, village and mosque committee etc.</li> </ul> <p>Stakeholder consultation last conducted on 10/11/2017 by 9 representatives from management and 5 stakeholders. Discussion had circulated about MSPO policy, mechanism form request and response, complaint and grievance, consultation and communication and issues raised by stakeholder. No pending issues has been identified. Verified Stakeholder Consultation Minute OC: Ladang Ringlet prepared by Mr. Arifin (Secretary) and checked by Mr. Paduka Rasna (EM)</p> <p>8 records of stakeholder response have been made to date as sampled below:</p> <ul style="list-style-type: none"> <li>• Request &amp; response from Jomat Bakron to access CHRA dated 05/12/2017</li> <li>• Request &amp; response from Choi Lee Ming (Kiwiheng Environmental Consultant) dated 31/10/2017</li> </ul>
ASA4	6.3	<p>SOP 1.0 Stakeholders Engagement/Negotiation Issue/Rev 1/0 has been established dated 01/06/2015. The SOP has been developed in order to deal with complaints and grievances for affected parties.</p> <p>SOP outlined the method of handling requests, complaints and grievances, identified and registered all stakeholders, record of request and response,</p>



		<p>resolving consultation, resolving communication and complaint and grievance.</p> <p>For the purpose of 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>
ASA4	6.4	<p>KLK has established Land acquisition (for OP planting) SOP 3A issue/rev 1/0 dated 01/01/2017 outlined the procedure for identifying legal, customary or user rights. This is endorsed for claiming on land ownership and consideration of compensation.</p> <p>In Land acquisition (for OP planting) SOP 3A issue/rev 1/0 dated 01/01/2017, compensation shall take into account:</p> <ul style="list-style-type: none"> <li>• Proof of legal versus communal ownership in ethnic group</li> <li>• Communities' period of residing and origins</li> <li>• Gender difference in the ability to claim rights</li> </ul> <p>Until to date, no compensation records made.</p>
ASA4	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 &amp; estates workers, confirmed that they understand the terms and conditions of their employment.</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>
ASA4	6.6	<p>The company has established policy entitled '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> <p>Local or foreign workers are given the freedom which it is an optional for them to join worker union formed in mill or estate. Thus, their freedom are not restrict by mill or estate management.</p>
ASA4	6.7	<p>Stated in 'KLK Sustainability Policy approved by Tan Sri Dato' Sri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 clause (3.2) (ii) 'No Child Labour' where company outlined the commitment to comply with national law in regards to minimum age requirement. The youngest worker employed at mill and estate operation is within allowable age as per national law requirements.</p>
ASA4	6.8	<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</p>

		<p>Employment Opportunities' described company's policy with regards to equal opportunities and no discrimination practice among employed worker. Local employees are given 1<sup>st</sup> priority for employment (Positive).</p> <p>Employment of either local or foreign workers will not practice any discrimination regardless race, religion and gender. Verified through interview with gender committee chairwomen, they are treated equally regardless their origin and gender. Opportunities are given to all level of workforce without being discriminated.</p> <p>In recruitment process, workers will be selected based on KLK Sustainability Policy SOP 14: Employment of Workers/Staffs dated 01/06/2015.</p> <p>Recent employment of below workers demonstrated hiring selection:</p> <ul style="list-style-type: none"> <li>• Reski Sakka (Oil Room)</li> </ul> <p>Undergone annual audiometric test dated 26/07/2017 shown he had normal hearing and suited to continue his work. verified Summary of Audiometry Report KLK(S) Sdn. Bhd.- Mill2 conducted by Dr. Azizan Abd Aziz (NIOSH Doctor)</p> <ul style="list-style-type: none"> <li>• Uslifah Baharuddin (Lab staff)</li> </ul> <p>Attended medical check-up dated 26/09/2017 at Klinik Ladang Pinang where she had undergone haemoglobin, blood sugar, urine, heart and lung test. Doctor had verified she is fit to work. Verified Medical Examination dated 26/09/2017, 'Kontrak Pekerjaan' (Local worker), Workers Reference Number: 80261.</p>
ASA4	6.9	<p>Company establish of 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. The gender committee is formed in mill and estate management. Sighted organization chart display and brief to all level of employees and there is representative for each operating unit.</p> <p>The company has outlined flow chart on handling sexual harassment complaints in Policy No:GP/OSH12 OSH Mgt. System – 4 source: Plantations – Operations Div. issued dated 01/07/2010 attachment 5 flow chart on handling sexual harassment complaints is verified stated way to handle allegation of sexual harassment when received.</p>
ASA4	6.10	<p>The mill is an IP complex. FFB received only from internal and own qualified supply bases. The business term done between mill management and contractors/suppliers is stated in agreement contract signed by both parties. Sampled contract maintained as below:</p> <ul style="list-style-type: none"> <li>• Contractual agreements was done between Ladang Ringlet, KL-Kepong Sabah and Successful Co Pang Chin Yong for replanting work at Field 91A dated 01/09/2017</li> </ul>
ASA4	6.11	<p>CSR program expenditure captured allocation done to contribute to local developments. Verified KLK (S) Mill 2 Social Activities Expenditure FY 2017/2018. CSR is done to head village, kindergarten teacher, 1<sup>st</sup> aid kit, sports, school bus transporting, food &amp; drinks, clinic, HUMANA and kindergarten expenses updated on December 2017.</p>
ASA4	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>Legal foreign employees are coming from Indonesian and Philippines. Foreign workers are having legal identification such as valid permit and passport and have legality to work in mill and estate operational activity. Passport is kept by the employees themselves in safety boxes located at their own houses.</p> <p>In recruiting new employee, SOP 14 Employment Of Workers/Staffs Issue/Rev 1/0 dated 01/06/2015 outlined the employment of new workers, registration &amp; briefing and payment of salary. This is briefed during post arrival orientation program.</p>
ASA4	6.13	<p>There is stated in company policy to respect human right in KLK Sustainability Policy Issue/Rev 1/0 dated 01/06/2015, Drive Positive Socio-Economic Impact For People And Communities, stated KLK respect, support and uphold fundamental human rights.</p> <p>HUMANA is provided to kids of mill's and estate's employers. The HUMANA is fully handled by NGO where the kids get the proper education. HUMANA located at Mill 2 is the education center for all kids belong to workers work in Mill 2 complex. Estates and mill provide transportation to commute the children to Humana without any charges.</p>
<b>Principle 7: Responsible Development of New Plantings</b>		
Criterion by Audit	Summary	There were no new plantings carried out.
<b>Principle 8: Commitment to Continuous Improvement in Key Areas of Activity</b>		
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.
ASA4	8.1	<p>Mill and estates have established Continuous Improvement Plan for year 2017 as per SOP 16, Appendix 1 Issue/Rev: 1/0 dated 01/06/2015.</p> <p><u>Mill 2 POM</u> Continuous improvement plan sighted in the document Continuous Improvement Plan SOP 16 dated 1<sup>st</sup> June 2015 for year 2016/2017. Stated in the plan the improvement plan to be carried out through the financial year. The main component is social and environment improvement.</p> <p>The improvement plan that have been listed are to construct new concrete bridges, new multipurpose chart for buffalo harvesting, to repaint the office building, to construct new schedule waste store, to develop passport deposit box and to establish green box project.</p> <p>The plan has been implemented are:</p> <p>Social</p> <ul style="list-style-type: none"> <li>• Renovation of masjid at linesite.- Completed</li> <li>• Upgrading guard house</li> </ul> <p>Environment</p> <ul style="list-style-type: none"> <li>• Gotong royong – to up keep the mill and linesite area.</li> <li>• Upgrade linesite drain –for monsoon rain.</li> </ul> <p><u>Estate</u></p>

		<p>Continuous improvement plan sighted in the document Continuous Improvement Plan SOP 16 dated 1<sup>st</sup> June 2015 for year 2017/18.</p> <p>Social</p> <ul style="list-style-type: none"> <li>• Painting labour quarters – Aug 17</li> <li>• Family day – 22/9/2017</li> <li>• Maulidur Rasul – 1/12/2017</li> </ul>
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#### 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

No NC were raised during this audit.

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

No NC were raised during the last audit.

#### 4.3.3 Observations Raised During this Audit

No Observation were raised during this audit.

#### 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-day Stakeholder consultation announcement is published on the RSP0 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 RSP0 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 RSP0 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 RSP0 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 RSP0 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]
<b>1 – Commitment to transparency</b>	This stakeholder comments are including all 8 main principles complied with RSPO Principles & Criteria. Below are the cited responses gained during consultation: <ul style="list-style-type: none"> <li>Adequate housing facilities are provided with good sanitation condition</li> <li>Housing are also provided with free water supply and subsidized electrical supply</li> <li>Workers' children are provided with school bus transportation</li> <li>Good business engagement with long time contractors and suppliers</li> <li>Complaint from workers are resolved with prompt action</li> <li>Upgrading and maintenance of facilities is done at mosque, HUMANA etc.</li> <li>Smallholders are granted with road access</li> <li>Stakeholders involvement and invitation during consultation is done frequently.</li> </ul>	All are positive findings
<b>2 - Compliance with applicable laws and regulations</b>		
<b>3 - Commitment to long-term economic and financial viability</b>		
<b>4 - Use of appropriate best practices by growers and millers</b>		
<b>5 - Environmental responsibility and conservation of natural resources and biodiversity</b>		
<b>6 – Responsible consideration of employees, and of individuals and communities affected by growers and mills</b>		
<b>7 - Responsible development of new plantings</b>		
<b>8 - Commitment to continuous improvement in key areas of activities</b>		

#### 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 Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location Address	Supply Chain Model (IP or MB)
Mill 2 POM	50	Mile 42, Tawau – Semporna Highway, Tawau, Sabah.	IP & MB

##### 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	42,927	5,665	Volumes between 01/10/2016 to 30/9/2017

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

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	Oct' 2016	13,525.13	0	13,525.13
2	Nov' 2016	13,965.43	0	13,965.43
3	Dec' 2016	12,446.37	0	12,446.37
4	Jan' 2017	13,366.21	0	13,366.21
5	Feb' 2017	16,154.34	0	16,154.34
6	Mar' 2017	14,138.87	0	14,138.87
7	Apr' 2017	17,671.86	0	17,671.86
8	May' 2017	15,277.77	0	15,277.77
9	Jun' 2017	15,541.68	0	15,541.68
10	Jul' 2017	14,920.06	0	14,920.06
11	Aug' 2017	15,246.41	0	15,246.41
12	Sep' 2017	17,100.02	0	17,100.02
	<b>TOTAL</b>	<b>179,354.15</b>	<b>0</b>	<b>179,354.15</b>

##### 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	Oct' 2016	3,315.44	437.88
2	Nov' 2016	3,370.44	434.44
3	Dec' 2016	2,959.08	379.97
4	Jan' 2017	3,101.33	406.31
5	Feb' 2017	3,838.57	501.36
6	Mar' 2017	3,421.58	447.47
7	Apr' 2017	4,148.83	562.96
8	May' 2017	3,638.91	482.74
9	Jun' 2017	3,730.08	497.15
10	Jul' 2017	3,594.75	472.85

11	Aug' 2017	3,699.20	490.01
12	Sep' 2017	4,108.80	552.25
	<b>TOTAL</b>	<b>42,927.01</b>	<b>5,665.39</b>

#### 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 month 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
1	N/A			

(add additional lines as required)

#### 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 month figure.

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

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

No	Buyers Name	UTZ eTrace Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	KLK Emmerich 00504	TR-db4dec38-9dfe	1000	
2	KLK Emmerich 00529	TR-55a69447-c75e	500	
3	KLK Emmerich 00530	TR-6541268d-992d	500	
4	KLK Emmerich 00531	TR-11895bb0-d0ee	500	
5	KLK Emmerich 00625	TR-1041513f-7240	500	
6	KLK Emmerich 00626	TR-d8439c93-1720	500	
7	KLKPO 00539	TR-890cadd6-2c2e	500	
8	KLKPO 00540	TR-518ca217-70f6	500	
9	KLKPO 00541	TR-dff2b25f-2df1	500	
10	KLKPO 00707	TR-33b8a112-b1a1	1000	
11	KLKPO 00713	TR-9ea96241-9962	500	
12	KLKPO 00720	TR-10c8d01f-c6cc	1000	
13	KLKPO 00750	TR-34398542-af14	500	
14	KLKPO 00751	TR-19d0c1f1-257b	1000	
15	Louis Dreyfus 00637	TR-b9feede5-bb70	500	
16	Astra-KLK 00517	TR-7e14c594-b6e1	1000	
17	Astra-KLK 00518	TR-4bc1874a-eb55	500	
18	KLSP/00200-S/PK-IP	TR-e6c426da-161a		450
19	KLSP/00207-S/PK-IP	TR-e6c426da-161a		300
20	KLSP/00215-S/PK-IP	TR-e6c426da-161a		550
21	KLSP/00218-S/PK-IP	TR-724b7281-bf00		250
22	KLSP/00229-S/PK-IP	TR-853a99ef-8221		400
23	KLSP/00232-S/PK-IP	TR-6d602c34-80fb		300
24	KLSP/00233-S/PK-IP	TR-f623f927-4e92		400
25	KLSP/00234-S/PK-IP	TR-2f21dad7-25fb		550
26	KLSP/00235-S/PK-IP	TR-a991034e-aae4		550
27	KLSP/00253-S/PK-IP	TR-a1316f16-367e		120
28	KLSP/00258-S/PK-IP	TR-b337e903-913b		200
29	KLSP/00268-S/PK-IP	TR-9e9e808a-4530		550
30	KLSP/00275-S/PK-IP	TR-267a70fd-a860		400
31	KLSP/00291-S/PK-IP	TR-a90563c1-b4d2		450
<b>Total</b>			<b>11,000</b>	<b>5,470</b>
Sold as other certified scheme (ISCC)			17,150	
Sold as conventional material			14,777	



### 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 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.

No NC were raised during this audit.

### 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

It is the responsibility of the department heads to ensure that they and their subordinates comply with the requirements and procedures stated in SOP manual. It is their responsibility to maintain records that will allow verification of the RSPO status of the material. The MR is having the overall responsibility for and authority over the implementation of the requirements and compliance with all applicable requirements. He is having the full understanding and awareness of supply chain certification system and the facilities procedures for the implementation of the standard.

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

<b>Recommendations made:</b>	<b>Yes</b>
<b>Summary of non-compliances:</b>	<b>Nil.</b>
<b>Certification status of client:</b>	<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 RSPOPC 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: December 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: N/A as no major NC open
- All minor NCs to be closed by: N/A as no minor NC identified

**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: Thien Jing Wen  
Position: Laboratory Manager (Sustainability)  
Date: 30/03/2018



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: 15/12/2017



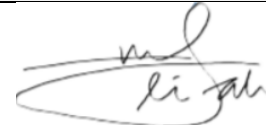
Signature

**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 Bt. Saipul Bahri  
Position: Certifier  
Date: 30/03/2018

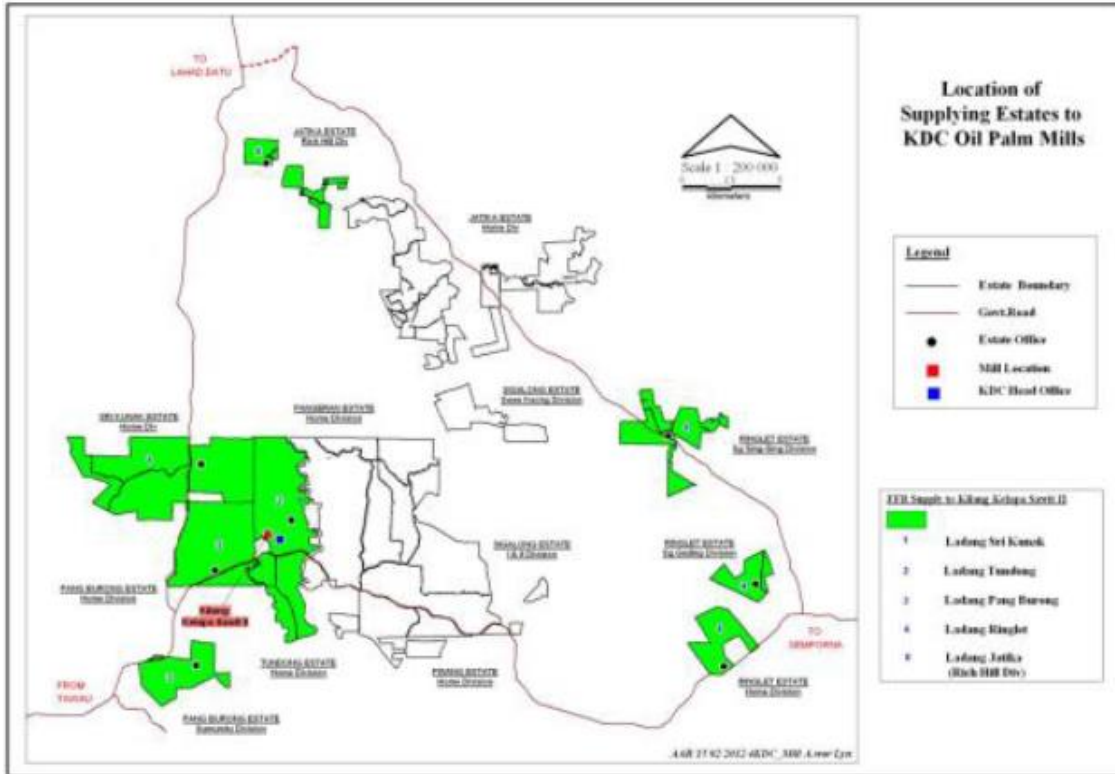


Signature

**PART 7: APPENDICES**

**Appendix 1: Location Map for this Certification Unit**

From 1.9, the location map(s)



## Appendix 2: Summary of GHG Emissions

All data inputs and the use of RSPO PalmGHG Calculator (include the version number) have been verified with the final summary of the net GHG emissions (tCO<sub>2</sub>e/tCPO) figure in relation to C5.6

Calculation option applied for the reporting: Full Version / Apply November 2005 cut off for LUC / Exclude LUC Emission [Select as applicable]

All information and data below can be retrieved from the summary report generated through PalmGHG Calculator.

### Summary of Net GHG Emissions

Emissions per Product	tCO <sub>2</sub> e/tProduct
CPO	0.55
PK	0.55

Extraction	%
OER	23.93
KER	3.16

Production	t/yr
FFB processed	179,354.15
CPO Produced	42,927.009

Land use	ha
OP planted area	8,741
OP planted on peat	0
Conservation (forested)	0
Conservation (non forested)	0
<b>Total</b>	<b>8,741</b>

### Summary of Field Emissions and Sinks

	Own Crop		Group		3rd Party		Total	
	tCO <sub>2</sub> e	tCO <sub>2</sub> e /tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e /tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e /tFFB	tCO <sub>2</sub> e	tCO <sub>2</sub> e /tFFB
<b>Emissions</b>								
Land Conversion	86387.38	0.47	0	0	0	0	86387.38	0.47
*CO <sub>2</sub> Emissions from Fertiliser	8821.68	0.05	0	0	0	0	8821.68	0.05
**N <sub>2</sub> O Emissions	9224.59	0.05	0	0	0	0	9224.59	0.05
Fuel Consumption	2452.6	0.01	0	0	0	0	2452.6	0.01
Peat Oxidation	0	0	0	0	0	0	0	0
<b>Sinks</b>								
Crop Sequestration	-81883.79	-0.44	0	0	0	0	-81883.79	-0.44
Conservation Sequestration	0	0	0	0	0	0	0	0
<b>Total</b>	<b>25002.46</b>	<b>0.14</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>25002.46</b>	<b>0.14</b>

**Summary of Mill Emissions and Credits**

<i>tCO<sub>2</sub>e</i>	<i>tCo<sub>2</sub>e/tFFB</i>
<i>Emissions</i>	
<i>POME</i>	0
<i>Fuel Consumption</i>	0.01
<i>Grid Electricity Utilisation</i>	0
<i>Credits</i>	
<i>Export of Grid Electricity</i>	0
<i>Sales of PKS</i>	0
<i>Sales of EFB</i>	0
<i>Total</i>	0.01

**Palm Oil Mill Effluent (POME) Treatment**

Divert to compost	%
Divert to anaerobic digestion	%

**POME Diverted to Anaerobic Digestion:**

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

**Appendix 3: GHG assessment for new plantings**

GHG assessment report for new plantings developed as per 'Chapter 6 – Reporting of GHG assessment for new plantings' within RSPO GHG Assessment Procedure for New Plantings Version 3 was verified by the auditors as part of this evaluation in relation to C7.8

Note: Extract the GHG assessment for new plantings developed by the client under 'Chapter 6 – Reporting of GHG assessment for new plantings' in RSPO GHG Assessment Procedure for New Plantings Version 3 and list below.

<b>Appendix 4: List of Abbreviations</b>	
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