

RSPO PRINCIPLES & CRITERIA

PUBLIC SUMMARY REPORT

ANNUAL SURVEILLANCE ASSESSMENT 4

Malaysia
TUAN MEE PALM OIL MILL
Kuala Lumpur-Kepong Berhad
2017

Report prepared by:	Mohd Rizal Kassim	(Lead Assessor)
Certification decision by:	Elzy Ovktafia Chairul	(Certifier)
Certifying Office		
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Control Union Certifications	
<p>Control Union Certifications is a member of the Control Union World Group - an international inspection and certification body. CUC performs assessments 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.</p> <p>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 GLOBALGAP program. When requested a copy of the accreditation certificate can be obtained from CUC.</p> <p>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.</p>	
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Affiliate Membership	http://www.rspo.org/en/member/339

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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:	Wisma Taiko, Jalan S.P Seenivasagam,30000 Ipoh Perak.
Contact Person:	Mr. Sin Chuan Eng
Office Telephone:	+05 2417844
E-Mail:	ce.sin@klk.com.my
Web Site:	www.klk.com.my
Other Certifications Held:	RSPO SCCS, ISCC

1.2 RSPO Membership & Certification Details

RSPO Membership Number:	1-0014-04-000-00
Registered Client Name:	Kuala Lumpur Kepong Berhad
Certificate Number:	CU-RSPO-822632
Start Date of Certificate:	10 TH September 2013
End Date of Certificate:	09 th September 2018
Date of Original Certification:	10 th September 2013
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 th June - 15 th June 2017
Audit Number:	ASA4

1.4 Assessment Type

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

1.5 Location of the Palm Oil Mill

Name of Palm Oil Mill (POM)	Mill Capacity MT/Hour	Location Address	GPS Reference	
			Longitude	Latitude
KLK Tuan Mee POM	22	Batu 24, Jalan Kuala Selangor Kepong, 47000 Sg. Buloh, Selangor.	E 101°27'49.5"	N 3°15'54.2"

1.6 Palm Oil Mill Output and Approximate Tonnages Certified

Figures below are from:

- Only from certified supply bases (Y/N). **NO**
- Combining certified with uncertified supply bases (Y/N). **YES**
- 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) June'16 – May'17			Actual Production for this Audit Year 2016/2017 (MT) June'16 – May'17			Projected 12 Months (MT) Forecast Certified in this Report Sept'17 – Aug'18		
FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
56,836	12,504	3,012	69,038.88	14,378.67	3,427.01	93,902	19,809	4,882

Note: refer to part 5.2 for e-trace certified volume

1.7 General Description of Supply Base

Located in Tuan Mee Estate, Lot 815, Mukim Ijok, District of Kuala Selangor, Selangor. Malaysia. The mill started its operation in July 1973 and has a capacity of 22 MT FFB/HR. This mill processed 60% of its own estate crop and another 40% [10 supply bases-, Landta Rasmi Sdn. Bhd, Poh Lim Enterprise Sdn. Bhd, Lim Chwi Lian Trading and Ladang Sungai Chinoh, Koperasi Pekebun Kecil] of outside crop. This mill occasionally receives crops from other KLK's certified mills, when there is mill maintenance works.

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	Tuan Mee Estate	Batu 24, Jalan Kuala Selangor- Kepong, 47000 Sg. Buloh, Selangor.	E101°27'20.5"	N 3°16'7.4"	2,452	2,341
TOTAL					2,452	2,341

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

OPP	Oil Palm Plantation	Estimated FFB/Year (MT) Sept'17 to Aug'18	Planting Years	Cycle (Years)
OPP 1	Tuan Mee Estate	55,235	1989, 1990, 1991, 1992, 1993, 1994, 1995, 1997, 1998, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2010, 2011, 2012, 2016	25-30
TOTAL		55,235		

1.7.2 (b) Non-Certified Tonnage of FFB (outside supplier – Excluded from Certificate)

Independent FFB Supplier	Tonnage / Year		
	Estimated (June '15 to May '16)	Actual (June '15 to May '16)	Forecast (Sept '17 to Aug '18)
Landta Rasmi	28,443	28,877.18	17,120
Berjantai Enterprise			
Ulu Selangor			
Shalimar Estate			
Lim Chwi Lian			
Poh Lim			
Sungai Jernih			
Narborough			
Sungai Chinoh			
Koperasi Pekebun Kecil			
TOTAL			

1.7.2 (c) Non-Certified Tonnage of CPO (outside supplier – Excluded from Certificate)

Independent FFB Supplier	Tonnage / Year		
	Estimated (June '15 to May '16)	Actual (June '15 to May '16)	Forecast (Sept '17 to Aug '18)
Landta Rasmi	3,080	5,777.54	3,647
Berjantai Enterprise			
Ulu Selangor			
Shalimar Estate			
Lim Chwi Lian			
Poh Lim			
Sungai Jernih			
Narborough			
Sungai Chinoh			
Koperasi Pekebun Kecil			
TOTAL			

1.7.2 (d) Non-Certified Tonnage of PK (outside supplier – Excluded from Certificate)

Independent FFB Supplier	Tonnage / Year		
	Estimated (June '15 to May '16)	Actual (June '15 to May '16)	Forecast (Sept '17 to Aug '18)
Landta Rasmi	1,984.00	1,457.09	2,008.80
Berjantai Enterprise			
Ulu Selangor			
Shalimar Estate			
Lim Chwi Lian			
Poh Lim			
Sungai Jernih			
Narborough			
Sungai Chinoh			
Koperasi Pekebun Kecil			
TOTAL			

1.7.3 Conservation and HCV Area (Ha)

OPP	Oil Palm Plantation	Conservation Area (Ha)	HCV Area (Ha)	* HCV part of Conservation
OPP 1	Tuan Mee Estate	0	0	No
	TOTAL	0	0	No

* 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 years ranges					TOTAL
	Before 1996-2000	2001 - 2005	2006 - 2010	2011 - 2015	2016 – Present	
OPP 1	1,039	721	445	116	111	2432

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
1	1	NA	NA
Explanation as to the selection of estates sampled			
Tuan Mee Estate was selected in this audit.			

1.8 Progress of associated Smallholders or Out-growers, if applicable to this assessment
Progress of associated Smallholders or Out-growers towards Compliance with relevant Standards - should be in accordance to the 3 years implementation plan, if applicable to this assessment
There is no associated smallholder or out grower.

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

PART 2: PARTIAL CERTIFICATION
The rules for partial certification allow organizations that have a majority holding in and / or management control of more than one autonomous company growing oil palm to certify individual management units and / or subsidiary companies subject to certain rules.

2.1 Management Structure				
Section	Criteria	Yes/No	If “Yes”	If “No”
2.1.1	Is the certified operation (POM and supply base as detailed above) a stand-alone operation and there are no other plantations or mills owned by the same company?	No	Section 2 is N/A	Go to 2.1.2
2.1.2	Is the certified operation part of a simple structure of operations owned by one company?	Yes	Go to 2.1.5	Go to 2.1.3
2.1.3	Are there statements of the ultimate controlling shareholders and directors in the managing agency company/companies? 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?	Yes, the time bound plan does include of the subsidiaries, mills and estates owns by KLK. The Paloh Palm Oil Mill in Johor and Mill 1 in Sabah are not part of the time bound plan as it meant for out growers and smallholder group. This has been communicated with RSPO in 2015. For the Sumatra Utara, Gohor Lama and Padang Bharang mills been merged and named as Stabat mill.	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: • To engage certification bodies and their availability. • Laws and regulations in Indonesia – a lot uncertainty. • In Indonesia ISPO precede other certification standards. • In Indonesia, it finds mobilizing the internal resources to different geographical locations.	Yes
2.3.3	Have there been any changes since the last audit? Are they justified?	The latest time bound plan dated on 22/04/2016 was reviewed and changes were discussed during verification. In Kaltim, Jabontara POM had been newly included. Both Jabontara and Berau mill target to be certified by 2017 which a year delay [2016] than planned. This was due to RSPO Compensation Scheme [Compensations Concept Note was submitted to RSPO].	Yes
2.3.4	If there have been changes, what circumstances have occurred?	New inclusion of mill and supply base. No changes on the targeted time line.	Yes
2.3.5	Have there been any stakeholder comments?	On PT Menteng Jaya Sawit Perdana IUP for 7,400 Ha approval no: 525.26/153/II/EKBANG/2007 dated on 13 February 2007 and Izin Lokasi (IL) is renewed and documented no: 188.45/359/HUK-BPN/2013 dated: 1 st August 2013 which includes an approval clause 1a that this IL will remain in force until land swap process is finalised and as at now, the land / boundary survey on-going.	Yes
2.3.6	Have there been any newly acquired subsidiaries?	No.	Yes
2.3.7	Have there been any isolated lapses in the implementation of the plan?	No lapses	Yes

2.3.8	Has there been any systematic failure to proceed with the implementation of the plan?	No	Yes
2.3.9	General statement as to progress made since the last audit?	The target to certify all the units within year 2017 remain same.	Yes

2.4 Un-Certified Units or Holdings			
NOTE:	Companies may demonstrate compliance by clear evidence of a self-audit (i.e. an internal audit for all subsidiaries, estates and Palm Oil Mills)		
Section	Requirement	Findings and any action required	Compliance
2.4.1	Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	Since all the facilities in Malaysia were certified, therefore the facilities in Indonesia monitor by the Pak Stephen and once in a 3 month a review with Sustainability Head will be done in KLK HQ in Ipoh. The internal control points have included all the requirements to validate the compliance against uncertified units or holdings as per partial. Joint venture in Liberia does not required internal audit as it is part of EPO as their stand-alone entity.	Yes
2.4.2	No replacement after dates defined in NIs Criterion 7.3 of: <ul style="list-style-type: none"> • Primary forest. • Any area identified as containing High Conservation Values (HCVs). • Any area required to maintain or enhance HCVs in accordance with RSPO criterion 7.3. 	There will either be a moratorium on development or for new areas to be developed the HCS Approach method will be employed until the exercise of convergence is completed.	Yes
2.4.3	Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	There is no NPP applicable. There will either be a moratorium on development or for new areas to be developed the HCS Approach method will be employed until the exercise of convergence is completed.	Yes
2.4.4	Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	PT Adei Plantation land conflicts around 2,544 Ha are still in progress of negotiation and the land area been enclave.	Yes
2.4.5	Any Labor disputes are being resolved through a mutually agreed process, in accordance	None noted. No stakeholder comments or complaints received	Yes

	with RSPO criterion 6.3.		
2.4.6	Any Legal non-compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	None noted. No stakeholder comments or complaints received.	Yes

TIME BOUND PLAN FORECAST FOR RSPO CERTIFICATION OF ALL PALM OIL MILLS & SUPPLY BASES						
s/n	Palm Oil Mill	Country	Supply Bases (estates, plantations, associations)	Area [Ha]	Targeted RSPO Certification Year	Current Certification Status as per this Audit
1	Batu Lintang	Kulim, Kedah, Malaysia	Pelam Estate*	2,960	2013	Certified
		Serdang, Kedah, Malaysia	Batu Lintang Estate*	1,808		
			Buntar Estate	899		
		Batu Kurau, Perak Malaysia	Subur Estate	1,290		
2	Kekayaan	Paloh, Johor, Malaysia	Landak Estate	4,451	Oct 2011	Certified
			Kekayaan Estate	4,436		
			Paloh Estate	2,029		
		Tenang, Johor, Malaysia	Voules Estate*	2,969		
			New Pogoh Estate*	1,545		
		Kulai, Johor, Malaysia	Fraser Estate	2,928		
		Bekok, Johor, Malaysia	Sg Bekok Estate	625		
Pagoh, Johor, Malaysia	Ban Heng Estate	631				
Renggam, Johor, Malaysia	See Sun Estate	589				
		Bandar Tenggara, Johor, Malaysia	Sg Peggeli Estate	942		
3	Jeram Padang	Bahau, Negeri Sembilan, Malaysia	Ayer Hitam Estate	2,640	Sept 2012	Certified
			Jeram Padang Estate*	2,114		
		Telemong, Pahang, Malaysia	Renjok Estate*	1,578		
			Tuan Estate*	1,353		

		Lanchang, Pahang, Malaysia	Sg Kawang Estate*	1,889		
		Rompin, Negeri Sembilan, Malaysia	Batang Jelai Estate*	2,148		
		Simpang Durian, Negeri Sembilan, Malaysia	Gunung Pertanian Estate*	686		
		Pedas, Negeri Sembilan, Malaysia	Ulu Pedas Estate*	922		
		Rantau, Negeri Sembilan, Malaysia	Kombok Estate*	1,915		
4	Tanjong Malim	Tanjong 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 by SGS in 2014, currently engaging new CAB.
		Tanah Merah, Kelantan, Malaysia	Kerilla Estate* Sg Sokor Estate*	2,176 1,603		
7	Mill 2	Tawau, Sabah, Malaysia	Pang Burong Estate Sri Kunak Estate Tundong Estate Ringlet Estate	2,548 2,770 2,155 1,834	March 2009	Certified
8	Pinang	Tawau, Sabah, Malaysia	Jatika Estate Sigalong Estate Pangeran Estate Pinang Estate	3,508 2,864 2,855 2,420	March 2009	Certified
9	Lungmanis	Lahad Datu, Sabah, Malaysia	Tungku Estate Bukit Tabin Estate	3,418 2,916	July 2010	Certified

			Lungmanis Estate	1,656		
10	Rimmer	Lahad Datu, Sabah, Malaysia	Rimmer Estate Sg. Sibalukan	2,730 2,654	July 2010	Certified
11	Bornion	Kinabatangan, Sabah, Malaysia	Bornion Estate Segar Usaha Estate	3,233 2,792	July 2010	Certified
12	Changkat Chermin	Manjung, Perak, Malaysia	Lekir Estate	3,313	2013	Certified
			Changkat Chermin Estate	2,530		
			Raja Hitam Estate	1,497		
		Parit, Perak, Malaysia	Glenealy Estate* Serapoh Estate*	1,059 936		
Padang Rengas, Perak, Malaysia	Kuala Kangsar Estate*	843				
Trong, Perak, Malaysia	Allagar Estate	805				

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

With reference to time bound plan, the following issues were reviewed openly with the Control Union audit team during the assessment and which may be in conflict with the rules for partial certification, if applicable	
Name of Mill or Plantation	*Area of concern (See examples below)
N/A	N/A
<p>Include any known concerns, media reports and major issues both present and from the past covering, for example:</p> <ul style="list-style-type: none"> • Replacement of primary forest or any area containing HCV's since November 2005. • Evidence of non-compliance with the law • Legal issues • Compensation payments • Social relations • Burning • Labor disputes 	

2.5 Summary of the findings for Partial Certification

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

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

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

2.6 Partial Certification Audit Agenda

Date	Location	Agenda
22/04/2016	KLK Wisma Taiko, Ipoh	Documentation review

PART 3: AUDIT PROCESS

3.1 About the Certification Body

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

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3.2 Audit Team

Lead auditor:	Mohd Rizal Kassim
Team member 1:	Mr. Jefri bin Sharaai
Team member 2:	Ms. Nor Ashikin Shafinaz binti Whayab
Team member 3:	Mohd Razaleigh Mohamad

3.2.1 Qualifications of the Lead Auditor

Requirement	Qualifications
A minimum of post high school (post-secondary school) training in either agriculture/forestry, environmental science or social sciences;	Post graduate qualification in Forestry with 5 years working experience in manufacturing and forestry.
At least 5 years professional experience in area of work relevant to the assessment (e.g., palm oil management; agriculture/forestry; ecology; social science);	More than 5years working experience in manufacturing and forestry. Involved in RSPO auditing since July 2012. Fully trained in similar agriculture certification programmes such as RSPO SCCS, ISCC, INS
Training in the practical application of the RSPO criteria, and RSPO certification systems;	Involved in RSPO assessment since July 2012. Member of CUC RSPO audit team. Involved in audits conducted in Malaysia, Indonesia and Ghana
Successfully completion of an ISO 9000:19011 lead auditors course;	Completed ISO 9001:2008 lead auditor course in January 2013
Training in the practical application of RSPO certification systems.	Member of audit team RSPO with various Certification body
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 Malaysia and Indonesia since July 2012 in more 10 different companies in Malaysia and Indonesia
RSPO endorsed lead auditors course.	Complete and Pass in 2013
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.	Upon request
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.	Mr. Jefri bin Sharaai	Fluent in both English and Bahasa Malaysia.
	Ms. Nor Ashikin Shafinaz binti Whayab	Fluent in both English and Bahasa Malaysia.
	Mohd Razaleigh Mohamad	Fluent in both English and Bahasa Malaysia.
Field working experience in the palm oil sector, or a demonstrable equivalent.	Mr. Jefri bin Sharaai	Involved in RSPO auditing since 2016. Bachelor Degree in Chemical Engineering and Master Degree (Science) in Quality & Productivity. Working experience in various manufacturing, industries and discipline in production, quality and research & development since year 1992. Seven years auditing experience in ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.
	Ms. Nor Ashikin Shafinaz binti Whayab	Involved in RSPO auditing since 2016. Graduates in Biochemical Engineering from Universiti Putra Malaysia. Qualified auditor for ISO 9001:2015 and attended RSPO Lead Auditor course
	Mohd Razaleigh Mohamad	Graduate in plantation management and 5 Years' experience in plantation
Good agricultural practices (GAP), integrated pest management (IPM), pesticide and fertilizer use.	Mr. Jefri bin Sharaai	Involved in RSPO auditing since 2016. Bachelor Degree in Chemical Engineering and Master Degree (Science) in Quality & Productivity. Working experience in various manufacturing, industries and discipline in production, quality and research & development since year 1992. Seven years auditing experience in ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.
	Ms. Nor Ashikin Shafinaz binti Whayab	Involved in RSPO auditing since 2016. Graduates in Biochemical Engineering from Universiti Putra Malaysia. Qualified auditor for ISO 9001:2015 and attended RSPO Lead Auditor course
	Mohd Razaleigh Mohamad	Graduate in plantation management and 5 Years' experience in plantation
Health and Safety auditing on the farm and in processing facilities. (For example, OHSAS 18001 or occupational. Health and safety assurance system).	Mr. Jefri bin Sharaai	Involved in RSPO auditing since 2016. Bachelor Degree in Chemical Engineering and Master Degree (Science) in Quality & Productivity. Working experience in various manufacturing, industries and discipline in production, quality and research & development since year 1992. Seven years auditing experience in ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.
	Ms. Nor Ashikin Shafinaz binti Whayab	Involved in RSPO auditing since 2016. Graduates in Biochemical Engineering from Universiti Putra Malaysia. Qualified auditor for ISO 9001:2015 and attended RSPO Lead Auditor course

	Mohd Razaleigh Mohamad	Graduate in plantation management and 5 Years' experience in plantation.
Workers welfare issues and social auditing experience. (For example, with SA8000 or related social or ethical accountability codes).	Mr. Jefri bin Sharaai	Involved in RSPO auditing since 2016. Bachelor Degree in Chemical Engineering and Master Degree (Science) in Quality & Productivity. Working experience in various manufacturing, industries and discipline in production, quality and research & development since year 1992. Seven years auditing experience in ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.
	Ms. Nor Ashikin Shafinaz binti Whayab	Involved in RSPO auditing since 2016. Graduates in Biochemical Engineering from Universiti Putra Malaysia. Qualified auditor for ISO 9001:2015 and attended RSPO Lead Auditor course.
	Mohd Razaleigh Mohamad	Graduate in plantation management and 5 Years' experience in plantation.
Environmental and ecological auditing. (For example, experience with organic agriculture, ISO 14001 or environmental management systems).	Mr. Jefri bin Sharaai	Involved in RSPO auditing since 2016. Bachelor Degree in Chemical Engineering and Master Degree (Science) in Quality & Productivity. Working experience in various manufacturing, industries and discipline in production, quality and research & development since year 1992. Seven years auditing experience in ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.
	Ms. Nor Ashikin Shafinaz binti Whayab	Involved in RSPO auditing since 2016. Graduates in Biochemical Engineering from Universiti Putra Malaysia. Qualified auditor for ISO 9001:2015 and attended RSPO Lead Auditor course.
	Mohd Razaleigh Mohamad	Graduate in plantation management and 5 Years' experience in plantation.
Economic issues.	Mr. Jefri bin Sharaai	Involved in RSPO auditing since 2016. Bachelor Degree in Chemical Engineering and Master Degree (Science) in Quality & Productivity. Working experience in various manufacturing, industries and discipline in production, quality and research & development since year 1992. Seven years auditing experience in ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007.
	Ms. Nor Ashikin Shafinaz binti Whayab	Involved in RSPO auditing since 2016. Graduates in Biochemical Engineering from Universiti Putra Malaysia. Qualified auditor for ISO 9001:2015 and attended RSPO Lead Auditor course
	Mohd Razaleigh Mohamad	Graduate in plantation management and 5 Years' experience in plantation

3.3 Audit Methodology

3.3.1 General Overview

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

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

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

The Palm Oil Mill audit verification included the following activities:

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

Verification:

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

3.3.2 Assessment agenda for this Audit		
Date	Location	Main activities
13th June 2017 (Tuesday)	Tuan Mee Estate	10:00 Opening meeting Chaired by the audit team leader <ul style="list-style-type: none"> • Introduction by team leader • Presentation by respective managers • Presentation of Palm Oil Mill source of FFB by respective managers
	Tuan Mee POM Rizal Jefri/Shikin/ Razaleigh	11:00 – 17:00: Document review Supply Chain Certification Assessment of the POM (RSPO SCCS) <ul style="list-style-type: none"> • Demonstration of legal entity • Roles and responsibility • Procedures/manual/SOP • Record of purchase – RSPO certified product • Record of sales– RSPO certified product • RSPO logo & claims 11:00 – 17:00: Document review – RSPO P&C <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism / Request & respond Site verification <ul style="list-style-type: none"> • Mill inspection • Workshops • Stores • POM application • Safety and Health / PPE / Signage • Waste Management / Environment • Workers interview • Stakeholder consultation if required.
14th June 2017 (Wednesday)	Tuan Mee Estate All Auditors	09:00 – 17:00: Document review – RSPO P&C <ul style="list-style-type: none"> • Document review [EIA, SIA, CIP, Business Plan] • Complaint mechanism / Request & respond • Best agricultural practices • Safety and Health 10:30 – 12:30: Site verification <ul style="list-style-type: none"> • Best agricultural practices • Manuring, Spraying, Harvesting, • HCV / Conservation Area • Legal compliance / boundary • Chemical / Pesticide / Fertilizer Stores • Workers interview • Worker’s facilities (housing, pay, etc) • Stakeholder consultation if required. 11:00 – 13:00: Stakeholders Meeting <ul style="list-style-type: none"> • In charge by Shikin
15th June 2017 (Thursday)	Tuan Mee Estate All Auditors	09:00 – 10:30: Preparation for closing meeting Additional field visits and meetings with managers as necessary 10:30: Closing meeting <ul style="list-style-type: none"> • Presentation of findings by the audit team • NC closure dateline (if any) • Questions and answers • Final summary by team leader End of assessment

PART 4 ASSESSMENT FINDINGS

4.1 Lead Assessor's Summary and Recommendation for Certification

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

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

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

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

Summary of Non-Conformance and Current Status

No conformity has been raised for this complex.

It is therefore the recommendation of the lead assessor that:

- A certificate of compliance is maintained.



Name: Mohd Rizal bin Kassim

Date: 07th July 2017

4.2 Summary of the findings by Principles and Criteria

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

Principle 1: Commitment to Transparency

Criterion by Audit	Summary	Requests made by stakeholder were responded to and all these are well documented. Adequate information available for confidential information that being listed as publicly available. The company is in full compliance to Principal 1 for this complex.
ASA 2	1.1	The company has established procedure titled Stakeholders Engagement/Negotiation, SOP 1.0, Issue/Rev 1/0, and dated 01/06/2015. The above said SOP has identified mechanism for Request and Respond, Consultation & Meeting and Complaint & Grievances. Mill and estate are update and maintain a list of stakeholders with specific

		<p>details info. As evidence in Tuan Mee POM, sighted stakeholders list (Appendix #1 SOP 1.0). Issues 1 Rev 0 dated 10/06/2016. Identified 70 stakeholders 10/06/16 consists:</p> <ul style="list-style-type: none"> • KLK Estates and office • Government agencies eg clinic, school, MPOB, • Suppliers eg UMW Equipment Sdn Bhd and etc <p>Frequency to update stakeholders list is based on Management Review which is yearly as per SOP 1.0 Stakeholders Engagement and Negotiation. Information that have been provided is regarding the sustainability policy, CV area etc. during stakeholders meeting.</p> <p>Overall responsibility to provide information is on Manager with assistance of Assistant Manager. Internal and external stakeholders are made aware by briefing in Stakeholders Meeting. SIA Questionnaires dated 08/01/16 has questions on methods of requests & complaints, RSPO, child labour below 18 years, open burning, health, transportation and road condition, safety and social problems. Sighted all 10 respondents has replied positively.</p> <p>The company has established procedure for stakeholder engagement as documented in SOP1.0: Stakeholder Engagement/Negotiation (01/06/2015). The Manager is the PIC to handle this issue as per their SOP. Stakeholder logbook is used to keep requests from stakeholder and being maintained in place.</p> <p>Even though there is no specific timeframe stated in SOP, request or complaint will be acted on immediately such as for the request of lorry repairing. Stakeholders logbook and minutes of meeting is retained and available. Sighted fast responses will be taken by the management for internal and external request/complaint.</p> <p>Sighted 12 requests have been recorded to date (2016). Sample as per below:</p> <ul style="list-style-type: none"> • Request by internal stakeholder is sighted such as for the request to use hall for wedding ceremony by Mr. Ganes. Responded and conducted with letter attached on 11/05/2016 and signed off by management.
ASA 2	1.2	<p>The company has developed SOP 9 - Control of documents & records. Issue/rev: 1/0; date on 01/06/2015. Stated management must provide adequate information to other stakeholders on environmental, social and legal issue. The publicly available document in the mill and estate offices are as per below:</p> <ul style="list-style-type: none"> • Land titles/user rights • Occupational health and safety plans • Plans and impact assessments relating to environmental and social impacts • HCV documentation • Pollution prevention and reduction plans • Details of complaints and grievances • Negotiation procedures • Continual improvement plans • Public summary of certification assessment report • Human Rights Policy <p>All these documents were sighted in the mill and estate offices. All requests</p>

		<p>for documents through the mill or estate offices will have to go through the mill or estate managers. They will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document. The RSPO Master List of Documents stipulates the documents that can be made publicly available and documents that should be kept confidential.</p> <p>As evidence in mill and estate, EIA and SIA being update based on stakeholder's participation during stakeholder meeting. OSHA manual is available in order to comply the requirements such as Occupational Safety and Health. The sustainability policy is available, date on 01st June 2015 from Sustainability Department. Approval by Tan Sri Dato' Seri Lee Oi Hian.</p>
ASA 2	1.3	<p>Sighted the policies for code of ethical for mill and estate dated on 01/06/2015, approval by Tan Sri Dato' Seri Lee Oi Hian effectively documented. An awareness training sighted for all operating units in KLK Tuan Mee Complex. As evidence in Tuan Mee POM, the policy has been socialized to the workers and external stakeholders.</p> <ul style="list-style-type: none"> • An attendance record of KLK Sustainability Policy training 06/01/2016 and was attended by 75 workers • Sighted external stakeholder meeting dated 08/01/2016
Principle 2: Compliance with Applicable Laws and Regulations		
Criterion by Audit	Summary	<p>The mill and estates have demonstrated compliance to all applicable local, national and international laws. Legal ownership of land and its land use is clearly demonstrated through the respective land titles. Boundaries have been clearly demarcated. There have been no land disputes or claims involving the mill and estate. The company is in full compliance to Principal 2 for this complex.</p>
ASA 2	2.1	<p>The company has established SOP # 2, titled "List & Summary of Applicable Laws and Regulation". Sighted latest updated in Tuan Mee POM on 01-01-2017 by En. Fariez (Sr. Assistant Manager) for identification, implementation & compliance and review of legal requirements applicable to the company.</p> <p>The company has established common legal register for both mill and estate identifying relevant applicable legal requirements, Licences, Permits, Certificates and compliances status in document titled "List of Summary of Applicable Guidelines in Agriculture". Example of the legislations and legal requirements identified in the register as follows:</p> <ul style="list-style-type: none"> • OSHA and Regulations Act 1994 • Factories and Machinery Act with Regulations Act 139 • National Land Code 1965 • Environmental Quality Act 1974 • Pesticides Act and Regulations Act 149 • Poison Act Regulations 1952 (Act 356) • Industrial Relations Act and Regulation Act 177 • Workmen's Compensation Act 1952 • Trade Union Act 1959 • Land Acquisition Act 1960 • Sales Tax Act 1972 • MPOB Licence • Diesel and petrol permits • Road Transport Act 1987 (Act 333) <p>The list is fully covered the requirements that related to RSPO compliance. These documents include information on laws, enforcement bodies, main</p>

		<p>requirement, environmental aspect, standard, fine, person in charge, and compliance status.</p> <p>There are legal compliance checklists which was established under company SOP #2.0 to keep tract of validity and renewal of permit/licenses. The checklist established for year 2017 has identified permit / license expiry dates. The checklist has column for document title, permits/license title, person in charge, expiry date and status. Respective manager will be monitored and ensure all the licenses are comply with the laws and regulations.</p> <p>SOP # 2.0 has stated to carry out periodic review and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and update, through the following manner.</p> <ul style="list-style-type: none"> • Enquiring the laws books publisher • Communication with law/enforcement officers
ASA 2	2.2	<p>Seen the documents that showing mill and estate legal ownership of their land by having legal land titles to the land. All land titles demonstrate the right to use the land. The land titles are kept in the estate office and were sighted during the audit. Evidence of annual payment of land tax to the state government is available in the form of receipts.</p> <p>The estate boundary is well demarcated with boundary stones surrounding the land. The boundary stone clearly states the GPS coordinate of that particular point. Maps clearly showing the estate boundary were also sighted in the estate office.</p> <p>Estate's legal boundaries have been marked in the boundary stone map. Maps clearly showing the estate boundary were also sighted in the estate office. The boundary stone clearly states the GPS coordinate of that particular point. Sighted from drawing done by licensed land surveyor, Jurukur Generasi dated 16th Nov 2011. Estate has total of 44 boundary stones with GPS coordinate. Also verified during site visit, along lot 33698, there are 8 boundary markers with GPS coordinate.</p> <p>No disputes have been recorded in estate. There is no evidence of conflict present in this complex since 1975. There is no violence in instigated violence in maintaining peace because company has a clear procedure for land conflict.</p>
ASA 2	2.3	<p>There is no customary or use right is involved as the estate's land titles and ownerships are legally identified and documented which are belong to Kuala Lumpur – Kepong Bhd. However, the company has SOP 3.0 titled "Responsible Development for New Planting" dated 01/05/2016 has identified FPIC process for acquiring land and disputes management under Attachment 2.0. Land Acquisition (For OP Planting).</p>
Principle 3: Commitment to Long-Term Economic and Financial Viability		
Criterion by Audit	Summary	A documented business plan (3 years) available both at mill and estate. The annual budget includes of FFB yield/ha, OER, CPO yield/ha and cost of production. Seen the top management able to demonstrate attention to economic and financial viability through long-term management planning. There is no replanting programme for both estate. The company is in full compliance to Principal 3 for this complex.
ASA 2	3.1	<p>Business management plan is available for until 2019/2020. As evidence in Tuan Mee Estate, data verified as per below:</p>

		<table border="1"> <thead> <tr> <th>Item</th> <th>2017/2018</th> <th>2018/2019</th> <th>2019/2020</th> </tr> </thead> <tbody> <tr> <td>FFB</td> <td>70,002</td> <td>71,078</td> <td>71,350</td> </tr> <tr> <td>OER</td> <td>22.00%</td> <td>22.00%</td> <td>22.00%</td> </tr> <tr> <td>KER</td> <td>5.20 %</td> <td>5.20 %</td> <td>5.20 %</td> </tr> </tbody> </table> <p>There is replanting programme in 5 years for estate. Sighted the replanting programme for 5 years available in Tuan Mee Estate. Data as per below:</p> <ul style="list-style-type: none"> • 2015/2016 – 111.00 Ha • 2016/2017 – 164.00 Ha • 2017/2018 – 155.00 Ha • 2018/2019 – 94.00 Ha • 2019/2020 – 103.00 Ha <p>All the progress for implementation before replanting is recorded in “Replanting Work Agreement” and the progress during replanting will be record in Replanting Progress Report done every month and were sent to HQ. At this moment, company will do it the replanting after 25 years (Mineral Soils). There is evidence that replanting will review based on the yield/ha of FFB.</p>	Item	2017/2018	2018/2019	2019/2020	FFB	70,002	71,078	71,350	OER	22.00%	22.00%	22.00%	KER	5.20 %	5.20 %	5.20 %
Item	2017/2018	2018/2019	2019/2020															
FFB	70,002	71,078	71,350															
OER	22.00%	22.00%	22.00%															
KER	5.20 %	5.20 %	5.20 %															
Principle 4: Use of Appropriate Best Practices by Growers and Millers																		
Criterion by Audit	Summary	The mill and estates have a complete set of GAP, POD and SOP which is being strictly adhered to and continuously monitored. Soil fertility is being maintained in the fields and IPM is being implemented in all the estates. They use chemicals that are in accordance with the regulations. There is a comprehensive OSH policy and is being implemented throughout the all operating units. Improvement sighted in the identification and assessment with HIRARC. Trainings are being carried out as per the Annual Training Plan. The company is in full compliance to Principal 4 for this complex.																
ASA 2	4.1	<p>KLK Berhad has established procedures for mill and estate operations. For estate, sighted the Good Agricultural Practices (GAP) Policy, Standard Operation Procedure on Sustainability and Group Policy OSH. All the SOPs are established and controlled by Head Quarters.</p> <p>The internal audit by sustainability team and routine daily supervising being part of mechanism to check consistent implementation of applicable procedures and SOPs. Latest Internal audit by sustainability team has been conducted on 25 April 2016. Audit covers all requirement of the standard including the Supply Chain Requirements. Following to the audit, an action plan has been established to ratify all issues raised following to the Internal Audit conducted.</p> <p>The mill and estate also regularly conducted training for all workers in the mill/estate operations to ensure workers are fully aware and understand the SOP.</p> <p>The mill is monitoring the mills operation all record pertaining to the monitoring of mill operations can be found through the Workplace Inspection Checklist, OSH Department Safety Audit Report as well as Internal Audit conducted by the sustainability department.</p> <p>Daily operation in the estate is also available and updated by estate staffs and verified by estate manager. The following records also available:</p> <ul style="list-style-type: none"> • Costing book 																

		<ul style="list-style-type: none"> • Check roll and • Labor Registration Card <p>The mill has received FFB from both internal and external resources. The internal supplier is from the KLK estate that are Tuan Mee while external supplier is from small holder example Landta Rasmi, Berjantai (Agro), Ulu Selangor, Shamilar (Agro), Lim Chwi Lian, Poh Lim and Sungai Jernih. Total 33,959.63mt of FFB received as at to date April 2017 internally and for external is 54,177.83 MT.</p> <p>Daily records of total tonnage FFB received sighted have been key in through the systems call “e-progress report” and the systems will summarize total tonnage for each supplier example:</p> <ul style="list-style-type: none"> • Bukit Darah Estate. Total MT at 11th May 2017: 19.68 MT. Todate month: 251.87MT. • Caledonian Division. Total MT at 11th May: 41.43 MT. Todate 483.63MT. <p>Standard operating procedure for 3rd party FFB suppliers sighted in the procedure date 1st January 2017, SOP 18.0 title Supply Chain Procedure No 1 Raw Material Reception, Security Guard House and Weighbridge station. Weigh bridge tickets sample take for both internally and externally.</p>
ASA 2	4.2	<p>Soil fertility is reflected in GP/AGRIC/OP5 dated 15 July 2005 and SOP 4.0: Soil Erosion & Fertility and Road Maintenance dated on 01/06/2015 to cover on identification, Implementation & maintenance and review of soil condition. The implementation of the SOP is evident from the Fertilizer Recommendation by Agronomist where daily fertilizer application for the estate is maintained at office.</p> <p>The GAP starts from the survey by Agronomist with recommendation for fertilizer application. Soil improvement plan includes in fertilizer based on soil and foliar sampling annually. Seen the Agronomist visit report is evident during the audit as available in Applied Agricultural Resources Sdn. Bhd. - Oil Palm Manuring Recommendations 2016/2017. Based on letter result date on 4th August 2016, the report has included operational activities and field conditions which the latest assessment has been conducted on 11th -12th July 2016 by agronomist Mr. Chen Zi Yan from AAR.</p> <p>Sighted the recommendation made for each division including recommended dosage (kg/palm), recommended by Ha and recommended usage. Straight fertilizer is recommended to all the mature fields which are 10 years or older. OPCom65 & OPCom32 is recommended to the younger fields. The frequency of application scheduled to 3 rounds of N and 2 rounds of K or 4 rounds of compacted fertilizer. Example of fertilizer application are as below:</p> <ol style="list-style-type: none"> 1) Field PM 00A/30 <ul style="list-style-type: none"> • Fertilizer type: MOP • Date applied: 10/04 – 13/04/17 • Dosage: 2.00kg/palm 2) Field PM01A/64 <ul style="list-style-type: none"> • Fertilizer type: – Compound fertilizer • Date applied: 25/11/16 • Dosage: 1.75kg/palm

		<p>Soil and leaf sampling was carried out by agronomist from R&D Department by sampling taken on each division. For leaf sampling on 2015/2016, sighted report (AAR Recommendation 2016/2017) samples taken from various plot in the estate. Soil sampling report with samples taken is available. Result from analysis will be sent to Applied Agricultural Resources Sdn. Bhd. to develop fertilizer recommendation for respective regional plantation. All the samplings are conducted on annual basis.</p> <p>Estate is utilizing nutrient recycling for all waste generated in the mill operation. The estates are also applying EFB as per recommendation from agronomist in their report. There are records evidenced for EFB application. Sighted the records of application, filed number and area mulched. Sampled receiving record:</p> <ul style="list-style-type: none"> • May'17 – 30 MT • Feb'16 – 1035MT • Mar'16 – 121 MT 														
ASA 2	4.3	<p>In estate, seen the SOP 4.0 dated on 01/06/2015 for "Soil Erosion & Fertility and Road Maintenance". In addition, soil maps for the estate are evident in Map 2 "Soils Map" [AAR/13/11/2010 – GPS Survey 06/2010/Ss, Updated 06/2010]. It is evident that there are no fragile soils exist in the estate.</p> <p>A management strategy for purpose of planting on slopes above a certain limit is evident in Soil Erosion & Fertility and Road Maintenance (SOP: 4.0). Slightly slopes area which is exceeding the 15 degrees slopes as according to the company SOP.</p> <p>Based on the topographic image, there is no evidence of steep slopes area exist in the estate. Maximum measured at 28°. Sampled Replanting Caledonia at PM 1989A/11HA with 10 times readings. The management only spot spray large woodies and conserved as much ground vegetation as possible to protect the topsoil. Estate has identified and management plant to use planted in the slope area.</p> <p>The production unit is operating in accordance to Soil Erosion & Fertility and Road Maintenance (SOP: 4.0). Road maintenance program for the estate is available in Road Repair/Filling Depression/Potholes FY2016/2017 for all field areas and line sites.</p> <p>With regards to programme for 2016/2017, the programme has been completed whereby several fields has undergone the maintenance programme i.e. road grading as follows:</p> <table border="1" data-bbox="699 1592 1310 1765"> <thead> <tr> <th rowspan="2">Field No.</th> <th colspan="2">Total Length (HA)</th> </tr> <tr> <th>Programmed</th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td>CHPM90C/76</td> <td>65</td> <td>65</td> </tr> <tr> <td>PM2005A1</td> <td>134.0</td> <td>130</td> </tr> <tr> <td>PM 1998c</td> <td>2.0</td> <td>2.0</td> </tr> </tbody> </table>	Field No.	Total Length (HA)		Programmed	Actual	CHPM90C/76	65	65	PM2005A1	134.0	130	PM 1998c	2.0	2.0
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ASA 2	4.4	<p>The mill and estate has water management plan is evident in Water Management Plan (SOP No.: 5.0). Water for the mill operation is extracted from 4 tube wells. There is a sampling point location map available and there is no treatment of water for domestic use in view that the supply is from the government which has been treated before being supplied to the mill.</p> <p>There is also a "Water sampling Programme". Seen latest sampling done on</p>														

	<p>08/06/16 for mill effluent. Sighted the BOD was 52 [100 max] and pH value was 8.5 @ 26° C [5-9 limit]. As for the tube wells, the recent sampling was on 23/04/16 with parameters higher than restricting for consumption but useable for mill operation.</p> <p>Analysis for raw water – catchment lagoon was done on 23/04/16, with remarks of “Slightly Polluted”. Waste water samples analysis resulted from line sites dated on 23/04/16 with BOD results passed DOE limit.</p> <p>Tuan Mee Estate has conducted water sampling for waste water analysis on the treated water covering several parameters such as total coliforms, fecal coliforms and E. coli. The latest sampling was conducted on 08/05/17 and observed no readings exceed the allowable threshold level set by the Ministry of Health.</p> <p>Water for domestic use has been tested, there are found that water quality is not within the Ministry of health requirement. However, company has been established action plan and implementation such as repairing filter, water pump etc that has been show thru the documentation.</p> <p>Effluent treatment process flow sighted in the Lay Out Effluent Pond. Total 5 dumping point, 2 anaerobic, 3 aerobic ponds, 1 holding pond. Stated in the process flow is the maximum mill capacity per hour is 27MT FFB/ day and maximum effluent produce per day is 324MT. Stated also the calculation of retention time base on different pond (Cooling, Anaerobic, Aerobic, Storage, Discharge) and stated total retention time 157.50 days.</p> <p>Effluent license renewal application for year 2016/2017 and letter from Department of Environmental sighted reference no. (b) B31/152/000/093 date 27th June 2016 signed by Pn Siti Zaleha binti Ibrahim, Director of DOE, Selangor. Stated in the letter that mill need to comply with effluent parameter before discharge to the river base on “Peraturan-peraturan Kualiti Alam Sekeliling (Premis yang ditetapkan), 1977-P.u. (A) 342</p> <ul style="list-style-type: none"> • BOD concentration not more than 100mg/L at 30 celcius • Kepekatan pepejal terampai not more than 400mg/L • Oil and grease not more than 50mg/L • Temperature not more than 45 degrees • Nitrogen concentration not more 200mg/L • pH not more than 9.0 and not less than 5.0. <p>Effluent records sighted in the log book. Total FFB processed, basculator reading, total discharge, ratio POME discharge MT/FFB. For example</p> <ul style="list-style-type: none"> • Date 9th May 2017. • FFB process 377.68 MT • Basculator reading: 1208 • Discharge: 149.792 MT • Ratio Pome discharge/FFB: 0.3966 <p>Sighted sample analysis tested on 23rd May 17 by TQCC (accredited lab). Sample was collected at final discharge from mill treatment plant to small stream and finally to river, as below;</p> <ul style="list-style-type: none"> • pH = 8,5 (std 5 -9) • COD = 444 mg/l (std n/a) • BOD = 56 mg/l (std 100 max)
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		<ul style="list-style-type: none"> Total Nitrogen = 66 mg/l (std 200 max) Ammoniacal Nitrogen = 44 mg/l (std= 150 max) Suspended Solid = 71 mg/l (std= 400 max) Oil & Grease = 38 mg/l (std= 50 max) <p>Water usage records sighted have been summarize in the progress report page 16 2.6.1 water consumption. Sighted in the report total water consumed for both estate and mill. For April 2017, total water consumes cubic meter per FFB processed is 3.00 cubic meter/FFB processed. Total domestic water consume for mill is 9040.40 cubic meter and estate is 6064.30 cubic meter. Mill water consumption is 12855.10 cubic meter. Base on the conversation, daily monitoring has been carried out by the mill and recorded in the water consumption log book. Report of water usage sent monthly as per required by the headquarters.</p>
ASA 2	4.5	<p>Integrated Pest Management (IPM) plan sighted during the audit. Refer on the conversation, the IPM have been establish to maintain and to plant new beneficial plant. Sighted during the audit, the IPM plan for year 2017 for beneficial plant planting.</p> <p>Sighted during the audit, the rat control in oil palm Policy No OP4- Pests & Diseases 1 stated that barn owl boxes are encourage to reduce the populations of barn owl boxes. Stated that the barn owl boxes must be set 1: 20 ratios and increase to 1:10 ratio if the occupancy rate increase.</p> <p>Sighted during the audit, the census records for year 2015, 2016 and 2017 that have been carried out twice a year and same as stated in the procedure. From the census records stated that in April 2017 census for Bukit Darah, 65% of the barn owl is occupied (23 out of 35). Base on the conversation, the management have no plan to increase the barn owl ratio since the rat census population base on the census is still below the threshold level.</p> <p>All staffs and workers involved in the IPM implementation has been trained by the estate management. Training that involved IPM sighted in the training records title Training on sustainability (RSPO, MSPO, ISCC), NUPW, OSH committee, ERT and FFB ripeness.</p> <p>The objective of the training is to enhance awareness among all the workers on sustainability, OSH awareness, ERT, and MAPA NUPW agreement awareness. One of the issues is IPM (refer GAP SOP4). The training records prepared by Mr. Low Chee Kit, Assistant Manager and verified by Mr Tee Ming Chong, Asst General Manager. Total 18 workers attended the training that have been carried out 1st June 2017 trained by Mr Low Chee Kiat.</p>
ASA 2	4.6	<p>The estate maintains a chemical register detailing the chemicals used, its purpose and classification as per the Classification, packaging and labeling requirements as per the Register of Chemicals Hazardous to Health stipulated in the USECHH 2000 regulations (regulation 5). All pesticides used are in accordance with the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A) and in accordance with USECHH Regulations (2000).</p> <p>Justification of all pesticides usage is evident in Annual agrochemicals recommendation from AAR for 2016/2017. Sighted SOP FOR Safe Use of Agrochemicals (SOP: 2.0) clearly explain the justification of agrochemicals used and Register of chemical hazardous to health. List of chemicals register in the estate is available in Register of Chemicals Hazardous to Health. The list</p>

	<p>of chemicals, such as Triclopyr butoxy ethyl, Metsulfuron methyl, Glyphosate isopropyl amine, Glufosinate ammonium and Cypermethrin.</p> <p>Although there are numerous chemicals that are registered as per mentioned above, only several chemicals that has been used by the company. Such usage has been adequately justified that is stated in Chemical Data. Example of pesticides used within the company's operations and has been justified are as follows:</p> <ul style="list-style-type: none"> • Glyphosate isopropyl amine 41% - Circle spraying for weeds • Metsulfuron methyl 20% - Circle spraying • 2,4-D dimethyl-amine - Circle spraying • Glufosinate ammonium 13.5% - Circle spraying for immature palm <p>Chemical Health Risk Assessment (CHRA) is available. A chemical health risk assessment was prepared for all operating units. This report covers all operations in the mill and estate where chemicals are used and is valid for 5 years.</p> <p>Integrated Pest Management (IPM) plan sighted during the audit. Refer on the conversation, the IPM have been establish to maintain and to plant new beneficial plant. Sighted during the audit, the IPM plan for year 2017 for beneficial plant planting.</p> <p>No chemical class 1A and 1B have been used refer to the chemical register, Register of Chemicals Hazardous to Health. During the site inspection at the field and storage, the is no evidence of class 1A and 1B chemical have been used in the estate.</p> <p>Estate did ensure that all pesticides are handled by personnel who have completed necessary training and aware with the information on the product label.</p> <p>Procedure of chemical storage sighted in document No. GAP/P&G Classification 3.7 title 1st July 2010. All the chemical has been well stored in the separately chemical and fertilizers store. The store has been well ventilated and proper arrangement. Empty chemical container sent to Tuan Mee division to be store in schedule waste store and there is evidence of records sighted during the audit.</p> <p>All sprayers are provided with proper PPE such as mask, apron, gloves and rubber boot. Mixing of the chemicals was done by mandore at mixing area provided under control and secure environment. All chemical applications activities are accordance to the company procedure and good agriculture practices.</p> <p>The wastes are placed in the schedule waste store. Mill's chemical wastes and other schedule wastes are disposed through a DOE registered license schedule waste disposal contractor as per DOE requirements. Sighted consignment note dated 18/05/17, schedule waste collected by A&C Technology Waste Oil Sdn Bhd;</p> <ul style="list-style-type: none"> • SW305 Waste Oil : 3 drums of 55 gal drum • SW 306 Waste Oil : 1.5 drums of 55 gal drum; <p>Sighted collection advise note dated 17/03/17, 12/4/17 and 15/5/17 total of</p>
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		<p>38 container collected by Custom Chemical Engineering Sdn Bhd.</p> <p>Seen the records of annual medical surveillance at Tuan Mee Estate. Medical surveillance was conducted annually for those workers who handling chemicals, store keeper, workshop and etc. Sample of annual medical surveillance for workers:</p> <ul style="list-style-type: none"> • Name: Azmi • Passport No: B4121280 • Gender: Male • Types of works: Sprayer <p>The report signed by Dr. Ravinder S_Dhillon. OSH physician - DOSH REG JKPP reference No. 127/669/1(697). All workers are found to be fit for work. Records clearly shows of no pregnant or breast-feeding women assigned for chemical handlings works. Interview with sprayers and manures in the field also proven on this.</p>
ASA 2	4.7	<p>Occupational Safety & Health Policy signed by Mr. Roy Lim Kiam Chye (Group Plantations Director) dated 07th November 2014. The policy is written in Bahasa and English language that can be easily understood by all levels of its employees. This policy is displayed in all the offices and on notice boards. It is this policy that is being adhered to with regards to the implementation of (OSH) requirements within the company.</p> <p>In the policy stated that the management objective to achieve high standard in safety and health and to give full commitment to achieve the objective.</p> <ul style="list-style-type: none"> • Compliance with law • To ensure safe work place. • To wear protective equipment • To actively take part in continuous improvement to improve safety and health • To report to the management if there are accident or nearly accident cases <p>Mill and estate has established HIRARC together with KLK OSH Dep and OSH Committee. HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive). Sighted HIRARC for mill such as for weighbridge, sterilization, lab, nut fiber separator, boiler room, engine room, EFB ramp etc.</p> <p>All workers involved in the operations have been adequately trained in safe working practice. Mill and estate have provided appropriate PPE for all workers in their operations. PPE includes safety boots, safety helmet, gloves, apron, safety goggles and masks. Records of PPE issuance for individual workers were sighted.</p> <p>Mill Manager & Estate Manager is the nominated OSH Chairman for their respective operating units. Minutes of safety meetings were sighted and meetings are conducted every 3 months where worker representatives, supervisor and staff have attended.</p> <p>Accident and emergency procedures existed during the audit sighted in the emergency response procedure flowchart. All workers have been trained on basic first aid procedure. Site inspection evidence that first aid kit is available</p>

		<p>with complete contents.</p> <p>All foreign workers have been provided with medical and accident insurance as evident in Workmen Compensation under AXA Insurance. Local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.</p> <p>All occupational injuries/accidents in the mill has been recorded in JKPP 8 (I & II) and submitted annually to Department of Safety and Health (DOSH). In the mill, accident is handled according to the national OSH department (JKPP) regulations which includes reporting any accident case, investigation and calculate of LTA. LTA calculation based on local interpretation from DOSH. Latest Borang JKPP 8(1)/(IV) submitted to DOSH on 01 Jan 2017 signed by Mr How Yong Chian:</p> <ul style="list-style-type: none"> • Accident rate: 11.36 • Frequency rate: 4.28 • Severity rate: 351.36
ASA 2	4.8	<p>The mill and estate have a comprehensive annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers.</p> <p>Sighted Annual Safety & Health Programmes Training for year 2017. As evidence in Tuan Mee Estate, the plan has included relevant training such as:</p> <ul style="list-style-type: none"> • First Aid Training • Safety & Health • Environmental Aspects • Management of Waste <p>Also sighted records of training for each employee are maintained and sampled:</p> <ul style="list-style-type: none"> • Training on IPM – 13/06/16, Trainer Mr. Teoh and attended by 12 workers. • Training for spraying workers – 13/06/16, Trainer Mr. Teo Kee Chiong, attended by 12 workers. • CDA Pump training – attended by all Sprayers and Mandore on 19/01/16. • Training on First Aid – 22/06/16, Trainer Mr. Hilmie [Hospital Assistant] • Training on Fire drill – 24/09/15, conducted internally by ERT chairman
Principle 5: Environmental Responsibility and Conservation of Natural Resources and Biodiversity		
Criterion by Audit	Summary	Environmental Impact Assessment has been carried out by the mill and estate. A comprehensive identification of all waste has been recorded and disposal of scheduled waste has been carried out by an approved and registered collector. Monitoring and analysis of waste is carried out regularly. The company is in full compliance to Principal 5 for this operating unit.
ASA 2	5.1	<p>In the mill and estate, sighted a SOP for Environmental Aspect & Impact Assessment. SOP 10.0 dated 01/06/2015. Aspect Impact were identified. The EIA was conducted internally by the mill, led by Mr. How Yong Chan (Mill Manager), Mr. Fariez (Sr.Assistant Manager) and Mr. Dinesh Kumar (Assistant Manager). EIA identification was last updated on 1st Jan 2017 and 35 process/area in the mill were identified.</p> <p>Environmental Impact / Risk Matrix and Risk / Impact Value Table have been</p>

		<p>established in the Aspect – Impact Register. Environmental severity levels are classified in 5 categories: Insignificant, minor, moderate, major, Catastrophic. Finally, the environmental ratings are classified as low, medium and high.</p> <p>Among risk identified (with score calculated) by process/area are;</p> <ul style="list-style-type: none"> • FFB Sterilization>Sterilizer waste> Score (10) • FFB Reception> Unloading>Smoke emission by FFB lorry (12) • Separation>Mill wastewater> Score (15) • Steam generation, generation of black smoke, air pollution (15) • Kernel recovery for cracking nuts, impact noise (15) <p>For estate, risk identified (with score calculated) by process/area are;</p> <ul style="list-style-type: none"> • Replanting> Biomass and Used Polybags waste> Score (8) • Immature maintenance>Empty fertilizers bags> Score (6) • Mature maintenance>from transportation of workers/fertilizer/maintenance of drains>Score (10) • FFB collection>transportation of FFB to POM>Score (10) <p>There are no significant changes from the current EIA established practice. Due to no changes identified in the mill and estate operation, therefore no timetable for any change is required. During site visit, the EIA was used as guide and no discrepancy found.</p> <p>The EIA plan has the monitoring and mitigation and review on annual basis. The company has identified as high and accompanied with mitigation measures to reduce its impacts. Monitoring plans are incorporated in the “Environmental Impact Assessment (EIA) & Pollution Prevention Plan.</p>
ASA 2	5.2	<p>In estate, HCV assessment is carried out based on SOP 11.0 – “HCV/Conservation Area Assessment” which was established by company’s Sustainability Department using guidance from HCV Forest Toolkit for Malaysia, edition Oct 2009.</p> <p>There is no HCV area identified for the mill and estate. Also, there is no rare, threatened or endangered (RTE) species, or HCVs identified for the mill and estate.</p>
ASA 2	5.3	<p>Sighted Procedure SOP 12, Issue/Rev 1/0, title Waste Management & Energy Use. Dated 1/06/15 and SOP 10, Environmental Aspect and Impact Assessment, Issue/Rev.1 dated 1/06/15. The waste management plan has identified waste product, sources waste, sources of pollution, plan to reduce pollution, target, and person responsible.</p> <p>Scheduled waste was disposed following the EIA requirements through licensee contractors. Currently there are two licensee contractors:</p> <ul style="list-style-type: none"> • A&C Technology Waste Oil Sdn Bhd obtain JAS license no, 003160 (“pemerolehan kembali luar tapak”) and licensce. no. 003161 (“menjadi pembawa “) • MNA Metal Resources Sdn Bhd. obtain JAS license no, 002055 (“pemerolehan kembali luar tapak”) and licensce. no. 003310 (“menjadi pembawa “) <p>Domestic waste for housing area was managed by Tuan Mee Estate. Disposal of domestic wastes are by landfill in the estate. The wastes are placed in the schedule waste store. Mill’s chemical wastes and other schedule wastes are disposed through a DOE registered license schedule waste disposal contractor</p>

		<p>as per DOE requirements. Sighted consignment notes dated 18/05/17, schedule waste collected by A&C Technology Waste Oil Sdn Bhd;</p> <ul style="list-style-type: none"> SW 305 Waste Oil: 3 drums of 55-gal drum SW 306 Waste Oil: 1.5 drums of 55-gal drum; <p>Sighted collection advise note dated 17/03/17, 12/4/17 and 15/5/17 total of 38 container collected by Custom Chemical Engineering Sdn Bhd.</p> <p>Waste management and disposal plan were documented in the SOP 10 Rev.1/0, Environmental Aspect & Impact Assessment (EAIA) dated 01/01/17. The plan describes the measurement to control and reduce pollution impacts which were further tabulated in the Appendix 1, Environmental Aspects and Impact Identification and Risks Assessment.</p>																																																																																																						
ASA 2	5.4	<p>The mill monitors fossil fuel usage tabulated in Appendix 3 of SOP 12 Scheduled Waste Management Rev. 1/0. Sighted fossil fuel for Gen-set, sampling of records updated as follow,</p> <p>- on 14/03/17,</p> <table border="1" data-bbox="604 779 1305 1014"> <thead> <tr> <th>Month</th> <th>kWhr</th> <th>Diesel (Litre)</th> <th>FFB (mt)</th> <th>kWhr/ltr</th> <th>Ltr/mt</th> </tr> </thead> <tbody> <tr> <td>Oct 16</td> <td>4315</td> <td>2076</td> <td>5166.49</td> <td>0.83</td> <td>040</td> </tr> <tr> <td>Nov 16</td> <td>8456</td> <td>4160</td> <td>7271.34</td> <td>0.85</td> <td>0.57</td> </tr> <tr> <td>Dec 16</td> <td>8896</td> <td>4904</td> <td>7711.56</td> <td>0.86</td> <td>0.63</td> </tr> <tr> <td>Jan 17</td> <td>8294</td> <td>3830</td> <td>8026.75</td> <td>0.96</td> <td>0.47</td> </tr> <tr> <td>Total</td> <td>29961</td> <td>14970</td> <td>28176.14</td> <td>0.94</td> <td>0.53</td> </tr> </tbody> </table> <p>-on 4/05/17,</p> <table border="1" data-bbox="604 1081 1305 1283"> <thead> <tr> <th>Month</th> <th>kWhr</th> <th>Diesel (Litre)</th> <th>FFB (mt)</th> <th>kWhr/ltr</th> <th>Ltr/mt</th> </tr> </thead> <tbody> <tr> <td>Feb17</td> <td>8157</td> <td>4330</td> <td>7818.52</td> <td>0.95</td> <td>0.55</td> </tr> <tr> <td>Mac 17</td> <td>7470</td> <td>3860</td> <td>8890.1</td> <td>0.84</td> <td>0.43</td> </tr> <tr> <td>Apr 17</td> <td>6305</td> <td>2830</td> <td>9293.07</td> <td>0.67</td> <td>0.30</td> </tr> <tr> <td>Total</td> <td>21932</td> <td>11020</td> <td>26001.69</td> <td>0.82</td> <td>0.43</td> </tr> </tbody> </table> <p>Baseline value for year 2017 been identified from financial year 2015/2016 (Oct 2015 to September 2016 data) recorded in table title "Fossil Fuel Continuous Monitoring Plan". The value been set at 0.6 diesel usage/ ton FFB. As to-date (Oct 16 to Apr 17), all value is within 0.3 to 0.6 diesel usage/ton FFB.</p> <p>Record for diesel year 2016/2017 Tuan Mee Estate sighted as below:</p> <table border="1" data-bbox="660 1541 1342 1928"> <thead> <tr> <th>Month</th> <th>Diesel usage (litre)</th> <th>FFB (MT)</th> <th>Litre/MT</th> </tr> </thead> <tbody> <tr> <td>Oct 16</td> <td>5456</td> <td>3795.62</td> <td>1.44</td> </tr> <tr> <td>Nov 16</td> <td>4985</td> <td>4406.55</td> <td>1.13</td> </tr> <tr> <td>Dec 16</td> <td>4952</td> <td>3943.60</td> <td>1.26</td> </tr> <tr> <td>Jan 17</td> <td>4382</td> <td>3645.52</td> <td>1.20</td> </tr> <tr> <td>Feb 17</td> <td>5194</td> <td>3925.81</td> <td>1.32</td> </tr> <tr> <td>Mar 17</td> <td>6639</td> <td>5005.26</td> <td>1.33</td> </tr> <tr> <td>Apr 17</td> <td>5050</td> <td>4285.93</td> <td>1.18</td> </tr> <tr> <td>Total</td> <td>36,658</td> <td>29,008.29</td> <td>1.26</td> </tr> </tbody> </table> <p>*Baseline value average set to 1.77 litre/MT per month.</p>	Month	kWhr	Diesel (Litre)	FFB (mt)	kWhr/ltr	Ltr/mt	Oct 16	4315	2076	5166.49	0.83	040	Nov 16	8456	4160	7271.34	0.85	0.57	Dec 16	8896	4904	7711.56	0.86	0.63	Jan 17	8294	3830	8026.75	0.96	0.47	Total	29961	14970	28176.14	0.94	0.53	Month	kWhr	Diesel (Litre)	FFB (mt)	kWhr/ltr	Ltr/mt	Feb17	8157	4330	7818.52	0.95	0.55	Mac 17	7470	3860	8890.1	0.84	0.43	Apr 17	6305	2830	9293.07	0.67	0.30	Total	21932	11020	26001.69	0.82	0.43	Month	Diesel usage (litre)	FFB (MT)	Litre/MT	Oct 16	5456	3795.62	1.44	Nov 16	4985	4406.55	1.13	Dec 16	4952	3943.60	1.26	Jan 17	4382	3645.52	1.20	Feb 17	5194	3925.81	1.32	Mar 17	6639	5005.26	1.33	Apr 17	5050	4285.93	1.18	Total	36,658	29,008.29	1.26
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Apr 17	6305	2830	9293.07	0.67	0.30																																																																																																			
Total	21932	11020	26001.69	0.82	0.43																																																																																																			
Month	Diesel usage (litre)	FFB (MT)	Litre/MT																																																																																																					
Oct 16	5456	3795.62	1.44																																																																																																					
Nov 16	4985	4406.55	1.13																																																																																																					
Dec 16	4952	3943.60	1.26																																																																																																					
Jan 17	4382	3645.52	1.20																																																																																																					
Feb 17	5194	3925.81	1.32																																																																																																					
Mar 17	6639	5005.26	1.33																																																																																																					
Apr 17	5050	4285.93	1.18																																																																																																					
Total	36,658	29,008.29	1.26																																																																																																					

ASA 2	5.5	<p>Sighted Zero burning policy was established and included in KLK Sustainability Policy date 01/06/2015 signed by CEO, Tan Sri Dato' Seri Lee Oi Hian, dated 1st Dec 2014.</p> <p>Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to all employee and stakeholder as minutes in the stakeholder Meeting. Meeting Minutes 2016/17 dated 4th May 2017.</p>
ASA 2	5.6	<p>The polluting activities has been assessed during environmental aspect and impact assessment. The EIA assessment findings including list of polluting sources are recorded in document titled "Environmental Impact Assessment (EIA) & Pollution Prevention Plan" and was last reviewed and updated on 1/01/2017. Mitigation measures are identified for in the aspect-impact register to prevent or minimize pollution.</p> <p>Sighted sample analysis tested on 23rd May 17 by TQCC (accredited lab). Sample was collected at final discharge from mill treatment plant to small stream and finally to river, as below;</p> <ul style="list-style-type: none"> • pH = 8,5 (std 5 -9) • COD = 444 mg/l (std n/a) • BOD = 56 mg/l (std 100 max) • Total Nitrogen = 66 mg/l (std 200 max) • Ammoniacal Nitrogen = 44 mg/l (std= 150 max) • Suspended Solid = 71 mg/l (std= 400 max) • Oil & Grease = 38 mg/l (std= 50 max) <p>Sighted result for stack boiler on 27th Apr, 2017 by Mareff Management Sdn Bhd; 347 mg/Nm3 (std 400 mg/Nm3).</p> <p>Seen GHG policy was established and included in KLK Sustainability Policy date 1/06/2015, signed by CEO, Tan Sri Dato' Seri Lee Oi Hian, dated 1st Dec 2014.</p> <p>In order to reduce GHG, the mill has implemented;</p> <ul style="list-style-type: none"> • Regular vehicles maintenance • Monitor emission using CMES, regular stack monitoring and ensure automated fuel feeding in good condition for consistent combustion • Upgrading of turbine and used of TNB as backup. • 2T mineral oil is used with petrol to reduce smoke emission <p>Raw data for GHG calculation recorded in the form SOP 10, Appendix 3A, titled "GHG Calculation Tool" (for POM). The company then use Palm GHG to calculate GHG - verified data were correctly enter. Sighted the GHG Calculation for Tuan Mee POM and its supply base year 2016 using RSPO PalmGHG version 3.01 in place. Refer Appendix 2 for Summary of GHG Emissions.</p>
<p>Principle 6: Responsible Consideration of Employees and of Individuals and Communities by Growers and Millers</p>		
<p>Criterion by Audit</p>	<p>Summary</p>	<p>The mill and estate have conducted the social impact assessment. The relevant policies are in place and are fully implemented across the board. Communication and consultation as well complaints and grievances procedure are well communicated and adhered to. There are evidences of workers not been discriminated against in any way and all are being paid their fair wages. The company is in full compliance to Principal 6 for this complex.</p>

ASA 2	6.1	<p>Sighted the latest SIA conducted in year 2017 for mill and estate. In Tuan Mee POM, SIA is conducted on changes in passport deposit mechanism for foreign workers where survey and study been carried out on 21/02/2017 on 46 respondents who were randomly chosen among foreign workers in mill. The purpose of the study is to measure and to understand both positive and negative social impacts resulting from changes in current practices.</p> <p>The documented of analysis done is portrayed in Social Impact Assessment – Management Plan for Changes in Passport Deposit Mechanism for Foreign Workers prepared by Mr. Dinesh Kumar (Asst. Manager) and checked by Mr. How Yong Chian (Manager)</p> <p>Affected parties are assessed through questionnaires. Verified 46 answered questionnaires form dated 20/02/2017 for ‘Operating Centre: KKS Tuan Mee Penilaian Impak Sosial Terhadap Penukaran Mekanisme Penyimpanan Passport Bagi Pekerja Asing’ consist of 6 questions.</p> <p>Management had developed management plan to promote positive impacts and mitigate negative impacts resulting from the changes. 8 areas have been analyzed and resulted in all positive impacts.</p> <p>The plan outlined description, mitigation measures, impacts, person in charge and status of the plan. The plan is constructed as verified in Social Impact Assessment – Management Plan for Changes in Passport Deposit Mechanism for Foreign Workers prepared by Mr. Dinesh Kumar (Asst. Manager) and checked by Mr. How Yong Chian (Manager). The SIA plan will be reviewed in 2018 as company practice to done review once in every 2 years.</p>
ASA 2	6.2	<p>SOP 1.0 Stakeholder Engagement/ Negotiation Issue/Rev 1/0 dated 01/06/2015 is established as the consultation and communication procedures to relevant stakeholders. SOP has outlined the request & response, consultation & communication and complaint & grievance mechanism in order to handle issues highlighted by stakeholders.</p> <p>Based on the above SOP 1, all managers/assistants are responsible as for communication and consultation matters.</p> <p>Sighted list of stakeholders for mill and estate. In Tuan Mee Estate, stakeholders list was last reviewed on 09/06/2016 done by Mr. Lim Hwa Wee (Sr. Asst. Manager) included of:</p> <ul style="list-style-type: none"> • 25 government bodies such as Department of Veterinary Services, ‘Majlis Daerah Kuala Selangor’ etc. • NGOs such as AMESU and NUPW • 29 service providers: Procoma Environment (M) Sdn. Bhd., Shell Malaysia, Behn Meyer etc. • 12 neighbouring community/plantation/smallholders: Kampung Ijok, Kampung Sri Aman, Kampung Sentosa, Ladang Bukit Kerayong (Sime Darby) etc. • workers representatives: NUPW, women’s committee, temple committee, surau committee, estate sundry shop <p>Stakeholders meeting was held on 04/05/2017 as verified minute meeting of Tuan Mee Estate Stakeholders Meeting Minutes 2016/2017 prepared by Mr. Shaifuddin (Asst. Manager) and checked by Mr. Tee Ming Chong (AGM). The meeting was attended by 20 participants and socialized:</p>

		<ul style="list-style-type: none"> • Safety briefing • Briefing on KLK Sustainability Policy • Communication of EIA, SIA and CV area to stakeholders • Request and response <p>Stakeholder logbook is used to recorded and kept request and response from stakeholder. There are 8 records has been made to date came from internal stakeholders. Sampled the filled forms as below:</p> <ul style="list-style-type: none"> • Request and response from 'Balai Polis Kundang' on March 2017 • Consultation & communication from union dated 03/02/2017 • Request & response from Ganesan dated 06/03/2017
ASA 2	6.3	<p>Company has established SOP 1.0 Stakeholders Engagement/Negotiation Issue/Rev 1/0 dated 01/06/2015. The SOP has been developed in order to deal with complaints and grievances for affected parties. SOP outlined the method of handling requests, complaints and grievances, identified and registered all stakeholders, record of request and response, resolving consultation, resolving communication and complaint and grievance.</p> <p>For private and confidentiality, protection of whistle blower is stated in KLK Sustainability Policy Issue/Rev. 1/0 approved by Tan Sri Dato' Sri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 Clause 3.2 (xii) where the group shall provide a confidential means for all personnel to report illicit (unethical or illegal) activities.</p> <p>In Tuan Mee POM, there are 8 complaints & grievances has been made to date came from internal stakeholders. sampled the filled forms as below:</p> <ol style="list-style-type: none"> 1. Complaint & grievance made by mill worker dated 12/04/2017 to fabricate new mosquito netting and new frame and door. 2. Complaint and grievance from mill worker dated 02/03/2017 to clean chocked toilet pipe. 3. Complaint and grievance from mill worker dated 20/03/2017 to replaced 11 sheets of roofing. <p>As per records, action already taken by the estate management for the above complaint & grievance.</p>
ASA 2	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"> • Proof of legal versus communal ownership in ethnic group • Communities' period of residing and origins • Gender difference in the ability to claim rights <p>There were no negotiations concerning land disputes and compensation for loss of legal or customary rights to the land for all the mill and estate assessed.</p>
ASA 2	6.5	<p>Pay and conditions are documented in the appointment letter of the staff and workers. Interview with both mill & estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. No confinement history and no illegal or forced deduction as per this audit period.</p>

		<p>The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1,000 as stated in the guidelines.</p> <p>Employment contract stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc. This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local, Indonesian, Indian and Bangladesh.</p> <p>Agreement contract sampled as below:</p> <ol style="list-style-type: none"> 1. Morgan <ul style="list-style-type: none"> • Date engaged: 01/04/2017 • Sighted Taiko Plantations contract of employment in English for job engagement signed by Morgan and Mr. William Yap (Head of Human Resource) dated 01/04/2017. 2. Tahir (AP) <ul style="list-style-type: none"> • Date engaged: 01/04/2017 • Sighted Kuala Lumpur Kepong Berhad temporary employment contract as an auxiliary police constable stated in English for job engagement signed by Tahir bin Pastarjo and Mr. How Yong Chian (Manager) dated 01/04/2017. <p>Workers are provided with housing facility and are given option whether to live in provided house or not. Monitoring of the linesite surrounding is done once per week as sighted in checklist (domestic waste & sanitary landfill) last monitored on 12/06/2017 done by Mr. Munian and Mr. Khalid (Supervisor)</p> <p>Water is treated at mill before being distributed to housing area for domestic use. To confirm the suitability of water consume, water analysis is done latest on 24/03/2017 by Organo (Asia). Analysis for treated water is done once every 6 months. Result of Analysis shown all tested parameters (Iron, Fluoride, Magnesium, Total Coliform) are within permissible limit. Verified Test Certificate issued by Ms. Victoria L.S. Wong (Lab Manager). Water extracted from tube well. Electrical supplied is from Tenaga Nasional Berhad (TNB).</p> <p>Medical benefits are provided to workers at Klinik Tuan Mee with free of charge for minor injury. And in case of major injury, workers will be referred to Hospital Sungai Buloh. For educational and welfare amenities, RM 60/head is provided to one child for staff and RM24/head is subsidized for school bus for workers' kids.</p> <p>There are 1 sundry shop- Bojan shop in estate compound and after work, workers can easily access the shop. Goods are bought from the estate shops. On top of that, workers will go outside estate by motorcycles to purchase more items especially after they get salary. Nearby accessible town is Puncak Alam.</p>
ASA 2	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 is not restricted by mill or estate management.</p> <p>Minute of meeting with union is conducted as verified Tuan Mee Palm Oil Mill Trade Unions Representatives Meeting Minutes dated 13/05/2017 prepared by Mr. Fariz (Asst. Manager) and checked by Mr. How (Manager) participated by 5 participants recorded in training attendance & evaluation form. The meeting socialized:</p> <ul style="list-style-type: none"> • Briefing on KLK sustainability policy • Consultation, requests or complaints
ASA 2	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.</p> <p>As evidence in estate, the youngest workers employed Muhammad Aizzul Aliff bin Yusof with date of birth 14/10/1997 and date employed 15/05/2017. He works as general worker (Field Rate). Currently he is 20 years old as verified in Personal Particulars Worker No.: 3098D.</p>
ASA 2	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 Employment Opportunities' described company's policy with regards to equal opportunities and no discrimination practice among employed worker. Local employees are given 1st priority for employment (Positive).</p> <p>Right to equal opportunity stated in 'KLK Sustainability Policy Clause 3.2(ix)-Equal Employment Opportunities' dated 01/06/2015. 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>Sighted summary report of:</p> <ol style="list-style-type: none"> 1. Morgan <ul style="list-style-type: none"> • Medical fitness test is done dated 03/04/2017 confirmed that Morgan is medically fit to carry out his work. Verified employment medical check-up done by Dr. S. Vasukie MD (UKM) of Klinik Medisafe 2. Tahir (AP) <ul style="list-style-type: none"> • Medical fitness test is done dated 16/03/2017 confirmed that Tahir is medically fit to carry out his work. Verified employment medical check-up done by Dr. S. Vasukie MD (UKM) of Klinik Medisafe
ASA 2	6.9	<p>In KLK Sustainability Policy issue/rev 1/0 dated 01/06/2015 approved by KKK 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.</p> <p>Gender committee has been established in the mill and estate as evident in the Organization Chart. Gender committee meeting is being conducted every</p>

		<p>3 months. Welfare of female workers were discussed. Minutes meeting available and there are evidence on matters regarding sexual harassment, violent, breastfeeding and pregnant lady being discussed during the meeting.</p> <p>Tuan Mee Palm Oil Mill Women’s Committee Meeting Minutes 2017 dated 14/04/2017 attended by 5 members prepared by Ms. Margrett (Secretary) and verified by Ms. Sabariah (Chairwoman). Meeting briefed:</p> <ul style="list-style-type: none"> • Reproductive rights: maternity leave, job function during pre-and post-delivery • Awareness on mechanism in reporting of sexual harassment and violence cases • Summary of sexual harassment and violence cases • Committee’s activities <p>Training for sexual harassment policy is done as verified in:</p> <ul style="list-style-type: none"> • Training attendance record sustainability meeting mill office dated 26/04/2017 attended by 12 participants • ‘Mesyuarat RSPO’ dated 25/04/2017 attended by 9 participants • Training attendance & evaluation sustainability meeting dated 29/04/2017 attended by 68 participants <p>Sighted Kilang Kelapa Sawi Tuan Mee Monthly Checklist on monitoring of sexual harassment shown house visit activity done by gender committee last on April 2017.</p> <p>In KLK Sustainability Policy Issue/Rev 1/0 dated 01/06/2015 approved by KLK CEO Tan Sri Dato’ Seri Lee Oi Hian dated 01/12/2014, clause 3 Drive Positive Socio-Economic Impact for People and Communities stated the reproductive rights in line with the country’s laws shall be respected. Also, policy no: GP/OSH12 OSH Mgt. System – 4 sources: Plantations – Operations Div. issued dated 01/07/2010 attachment 5 shown flow chart on handling sexual harassment complaints is verified.</p>
ASA 2	6.10	<p>KLK has developed SOP for FFB Pricing Mechanism, SOP No. 17 Issue/Rev 1/0 dated 01/06/2015. Mechanism stated:</p> <ul style="list-style-type: none"> • Identification –determine OER and KER based on the FFB processed and the amount of oil and kernel extracted. • Report OER and KER to Production Division and Marketing Division. • Determine proposed OER and KER figures for computation of FFB prices. • Compute FFB based price for the month based on the following method: <ul style="list-style-type: none"> - FFB price: ((A-B-C-D)XE)-PC - Where: - A = MPOB Cess - B = Price Stabilization - C = Transport charges - D= declared OER/KER - PC = Processing Cost • Any agreement made should be fair, legal & transparent. • Generally, payments are made bimonthly by 10th and 20th each month. • To refer to Chief Accountant on FFB declared price by stakeholder if necessary. • POM manager consult regularly with FFB purchasing manager

		<ul style="list-style-type: none"> • Smallholder have access to the grievance/complaint procedure. • Current & past prices paid for FFB should be publicly available. <p>Pricing mechanism dealing will done between HQ and external suppliers and pricing mechanism will be done based on RSPO circulation.</p> <p>Contractual agreement is available and maintained in mill as sighted:</p> <ul style="list-style-type: none"> • Agreement dated 01/08/2016 between Camar Kayangan Sdn. Bhd. and Kuala Lumpur Kepong Berhad Tuan Mee Palm Oil • Agreement dated 26/06/2016 between Heng Huat Logistic Sdn. Bhd. and Kuala Lumpur Kepong Berhad Tuan Mee Palm Oil Mil <p>Company will be issued the payment once the designated work already carried out. Sighted payment record done to respective business as below:</p> <ul style="list-style-type: none"> • Tax Invoice Heng Huat Logistic Sdn. Bhd. invoice no.: 00026 dated 28/01/2017 • Camar Kayangan tax invoice: KKSTM_1612 dated 06/03/2017
ASA 2	6.11	<p>Mill and estate are committed and have contributed to local development. Contributions to local development that are based on the results of consultation with local communities not demonstrated at complex level; but monitored and extended by KLK Head Office, Ipoh.</p> <p>CSR is sighted for Tuan Mee POM as below:</p> <ul style="list-style-type: none"> • Contribution to 'Pertubuhan Orang Cacat Penglihatan Malaysia' dated 25/04/2017. • Contribution to SJKT Ladang Tuan Mee for sport festival and clean water supply. <p>For Tuan Mee Estate, CSR as per below:</p> <ul style="list-style-type: none"> • Request from 'Balai Polis Kundang' on March 2017 to repaint police station building. • Request to do temple festival and to provide tractor for festival made by Saravanan dated 28/07/2016. <p>All request from stakeholder have been granted by management with allocated budget.</p>
ASA 2	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 employees are coming from Indonesia, Bangladesh and India. Foreign workers are having legal identification such as valid permit and passport and have legality to work in estate operational activity.</p> <p>The company has established 'KLK Sustainability Policy approved by Tan Sri Dato' Sri Lee Oi Hian (KLK Group CEO) dated 01/12/2014, Clause 3.2(ix)-Equal Employment Opportunities' described company's policy with regards to equal opportunities and no discrimination practice among employed worker.</p> <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 & briefing and payment of salary.</p> <p>The post arrival orientation has been done to socialized MAPA/NUPW</p>

		<p>collective agreement, employment contract, OSH policy, KLK sustainability policy and 3Ps, mechanism of lodging complaints or requests, introduction to union representatives, role of women's committee in monitoring sexual harassment and violence and introduction to working culture (for foreign workers) and facilities in estate. Several trainings have been done as verified record of 'Kilang Kelapa Sawit Tuan Mee' Post Arrival Orientation Training for new foreign workers dated:</p> <ul style="list-style-type: none"> • 10/03/2017 • 08/03/2017 • 11/02/2017
ASA 2	6.13	<p>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>Communication of the policy to workforce is carried out as sighted records below:</p> <ul style="list-style-type: none"> • Training attendance record sustainability meeting mill office dated 26/04/2017 attended by 12 participants • 'Mesyuarat RSPO' dated 25/04/2017 attended by 9 participants • Training attendance & evaluation sustainability meeting dated 29/04/2017 attended by 68 participants

Principle 7: Responsible Development of New Plantings

Criterion by Audit	Summary	There is no new planting carried out.
ASA 2	7.1	There were no new plantings involving forest land.
ASA 2	7.2	New planting not applicable. However, AAR prepared the annual soil & leaf sampling and topographic information's for current estates. Topographic information for the existing estate sighted and available.
ASA 2	7.3	There is no new land surveyed for the growing of oil palm. Then, no primary forest sighted within this estate perimeter.
ASA 2	7.4	There were no new planting activities. Soil map for the existing estate sighted and available. No peat land, no hilly and sloping areas. Company also has developed AAR report on "Oil Palm Manuring Recommendations 2015/16 for the estate" with estate's geographical condition.
ASA 2	7.5	There were no new plantings involving on local peoples' land.
ASA 2	7.6	There were no new planting activities. Thus, no negotiations concerning compensation for loss of legal or customary rights are as per this assessment period. Since the RSPO certification date, there isn't any issues raised by stakeholders during stakeholder meetings for land issues.
ASA 2	7.7	There were no new planting activities. However, the company has established the KLK Sustainability SOP's on Zero Burning; SOP 9; Date on 01 st June 2015 for preparing land for planting.
ASA 2	7.8	No new planting applicable.

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

Criterion by Audit	Summary	Sighted continuous monitoring, review of activities and development are implemented along with action plans that allow demonstrable continual improvement in key operations such as in minimizing use of certain pesticides, environmental impacts, pollution prevention plans and working conditions.
ASA 2	8.1	<p>Sighted the Continuous Improvement Plan for all operating units. Company has established, SOP 16.0 Continuous Improvement Plan Appendix 1 Issue/Rev 2/0 dated 01/03/2013 Operating Centre/Division: KKS Tuan Mee shown plan outlined by mill management. 5 outlined plans are:</p> <ul style="list-style-type: none"> • To beautify labour quarters

		<ul style="list-style-type: none"> • Avoid dengue infection • High speed separator • Maintain water dispenser • Reduce GHG emission • Maintain vehicle parking bay <p>Continuous improvement plan for Tuan Mee Estate is outlined dated 04/04/2017 prepared by Mr. Low Chee Kit consist of:</p> <ul style="list-style-type: none"> • Upgrade tractor washing bay • Change sundry store roof • Ganoderma census • Repairing of linesite at all division • Replacement of old and broken nako glass • Beneficial plant improvement plan • Barn owl increment plan • Recycle program • Reduce gas emissions of tractor • Replanting old field that more than 25 years • Emergency shelters for flood victim
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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

None-were raised during this audit.

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

None-were raised during this audit.

4.3.3 Observations Raised During this Audit

None-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 days Stakeholder consultation announcement is published on the RSPO website prior to the audit. The same announcement is circulated by the client and independently by the Control Union prior to the audit.
- For subsequent Annual Assessments, it is based on stakeholders reading the approved public summary reports available on the RSPO website, the client's procedures in receiving on-going feedback or if feedback was sent directly to Control Union prior to an audit or thorough RSPO complaints procedures.

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

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

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

RSPO Principle	Stakeholder comment	CUC response [In case this has resulted in an NC, make reference to the NC number]
1 – Commitment To Transparency	<p>This stakeholder comments are including all 8 main principles complied with RSPO Principles & Criteria. Below are the cited responses gained during consultation:</p> <ul style="list-style-type: none"> Workers’ children got subsidy for school bus transportation. Housing facilities is provided with water and electrical supply. RSPO awareness, company policy and SOP are briefed among workers during muster call. Personal Protective Equipment are distributed free of charge by management 	All are positive findings
2 - Compliance With Applicable Laws And Regulations		
3 - Commitment To Long-Term Economic And Financial Viability		
4 - Use Of Appropriate Best Practices By Growers And Millers		
5 - Environmental Responsibility And Conservation Of Natural Resources And Biodiversity		
6 – Responsible Consideration Of Employees, And Of Individuals And Communités Affected By Growers And Mills		
7 - Responsible Development Of New Plantings		
8 - Commitment To Continuous Improvement In Key Areas Of Activities		

PART 5: RSPO SUPPLY CHAIN CERTIFICATION

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

5.1 POM Included In The Scope Of The Audit

Name Palm Oil Mill	Mill Capacity	Location	Supply Chain Model
(POM)	MT/Hour	Address	(IP or MB)
Tuan Mee POM	22	Batu 24, Jalan Kuala Selangor Kepong, 47000 Sg. Buloh, Selangor	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	19,809	4,882	Forecasted volume from Sept 2017 to August 2018. See also 1.6 above.

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

KLK Tuan Mee POM is running under approved capacity of 22 MT/Hour to process all the FFB. At this moment, the mill received FFBs from their own estates and others supplier as evident in List of Suppliers of Tuan Mee POM.

RSPO certified FFB received are converted into RSPO certified CPO and PK under CPO-Mills: Mass Balance (MB) model. As in financial year June 2016 – May 2017, the mill has recorded 55,562.68 MT (Certified RSPO FFB) from the mill production.

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

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

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

Figure are actual FFB production on monthly basis

No	MONTH-YEAR	Certified Supply Bases (MT)	Uncertified Supply Bases (MT), if any	Total (MT)
1	JUN 16	3,670.64	1,460.49	5,131.13
2	JUL 16	3,824.81	1,167.41	4,992.22
3	AUG 16	4,631.71	1,568.64	6,200.35
4	SEPT 16	4,568.63	1,299.70	5,858.33
5	OCT 16	4,150.78	1,015.71	5,166.49
6	NOV 16	5,064.41	2,206.93	7,271.34
7	DEC 16	4,662.42	3,049.14	7,711.56
8	JAN 17	4,259.85	3,766.90	8,026.75
9	FEB 17	4,455.23	3,363.29	7,818.52
10	MAR 17	5,983.57	2,906.53	8,890.10
11	APR 17	5,383.37	3,909.70	9,293.07
12	MAY 17	4,907.26	3,102.27	8,010
	TOTAL	55,562.68	28,817.60	84,379.86

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

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

Figure are actual CPO and PK production on monthly basis

No	MONTH-YEAR	Certified CPO (MT)	Certified PK (MT)
1	JUN 16	719.813	181.330
2	JUL 16	804.740	177.089
3	AUG 16	1019.903	220.006
4	SEPT 16	971.748	239.853
5	OCT 16	913.587	203.803
6	NOV 16	1035.165	218.783
7	DEC 16	938.545	208.876
8	JAN 17	866.453	218.530
9	FEB 17	902.184	239.691
10	MAR 17	1207.484	321.318
11	APR 17	1086.902	294.470
12	MAY 17	976.054	256.650
	TOTAL	11,442.578	2,780.399

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

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

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

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

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

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

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

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

No	Buyers Name	UTZ eTrace Trading No	Certified CPO (MT) Sold	Certified PK (MT) Sold
1	Kuala Lumpur Kepong Berhad / KLK Oleo	TR-603db79b-9b77	600	
2	Kuala Lumpur Kepong Berhad / KLK Oleo	TR-3e1a45ef-ca00	98.8	
3	Kuala Lumpur Kepong Berhad / KLK Oleo	TR-c41964a2-2a98	300	
4	Kuala Lumpur Kepong Berhad / KLK Oleo	TR-4159a8d6-7f3f	399.5	
5	Kuala Lumpur Kepong Berhad / KLK Oleo	TR-f2fe49d0-1491	801.62	
6	Kuala Lumpur Kepong Berhad / KLK Oleo	TR-3a47a4af-c7e7	199.74	
7	Sang Kee Edible Oils Sdn Bhd	TR-376027d1-8cb4		300
8	Sang Kee Edible Oils Sdn Bhd	TR-e09ee245-899a		180
9	Sang Kee Edible Oils Sdn Bhd	TR-54bd7b44-5f71		70
10	Sang Kee Edible Oils Sdn Bhd	TR-cd24d314-916a		100
11	Sang Kee Edible Oils Sdn Bhd	TR-6ee54db3-5123		100
12	Sang Kee Edible Oils Sdn Bhd	TR-17301e6f-0430		100
13	Sang Kee Edible Oils Sdn Bhd	TR-62ba2fce-e8a4		100
14	Sang Kee Edible Oils Sdn Bhd	TR-ee39af1f-394c		100
15	Sang Kee Edible Oils Sdn Bhd	TR-42d15864-cb85		100
16	Sang Kee Edible Oils Sdn Bhd	TR-3fd25c68-c37c		100
17	Sang Kee Edible Oils Sdn Bhd	TR-49ff8d04-7662		100
18	Sang Kee Edible Oils Sdn Bhd	TR-1bac503e-5ba5		100
19	Sang Kee Edible Oils Sdn Bhd	TR-a4e5b466-0a5c		100
20	Sang Kee Edible Oils Sdn Bhd	TR-7408a891-39ed		100
21	Sang Kee Edible Oils Sdn Bhd	TR-075d3252-370c		100
22	Sang Kee Edible Oils Sdn Bhd	TR-29fbd8cd-b09a		300
23	Sang Kee Edible Oils Sdn Bhd	TR-f0ea5211-5932		300
24	Sang Kee Edible Oils Sdn Bhd	TR-85866ac0-9de6		100
25	Sang Kee Edible Oils Sdn Bhd	TR-f891078f-1dab		100
26	Sang Kee Edible Oils Sdn Bhd	TR-51b9fbac-8a3c		100
27	Sang Kee Edible Oils Sdn Bhd	TR-f0ea5211-5932		300

5.8 Non-Conformities Identified during this Audit

Timeline for compliance:

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

None-were raised during this audit.

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

5.9 Description of the Organizational Management Systems

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

This palm oil mill and its supply bases were audited against RSPO SCCS. The mill processing capacity is 22 ton FFB per hour. The mill is capable of handling MB supply chain model.

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

Recommendations made:	Yes
Summary of non-compliances:	Not Found
Certification status of client:	<p>The POM included in the scope of this audit demonstrated full compliance with the RSPO SCCS.</p> <p>With effect from the certification date given in the 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:	June 2018
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6.2 Date for Closure of Non-Conformities

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

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

6.3 Signing by the Client

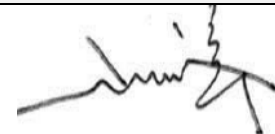
I the undersigned, being the most senior relevant management representative of the operation seeking or holding certification, agree with the contents and audit findings as presented in this document.

I also confirm:

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

Acknowledged by:

Name:	Mr. Sin Chuan Eng
Position:	Head of Sustainability
Date:	10.07.2017



Signature

6.4 Signing by the Lead Auditor

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

Acknowledged by:

Name:	Mohd Rizal
Position:	Lead Auditor
Date:	10.07.2017



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:	Elzy Ovktafia Chairul
Position:	Certifier
Date:	14.07.2017



Signature

PART 7: APPENDICIES

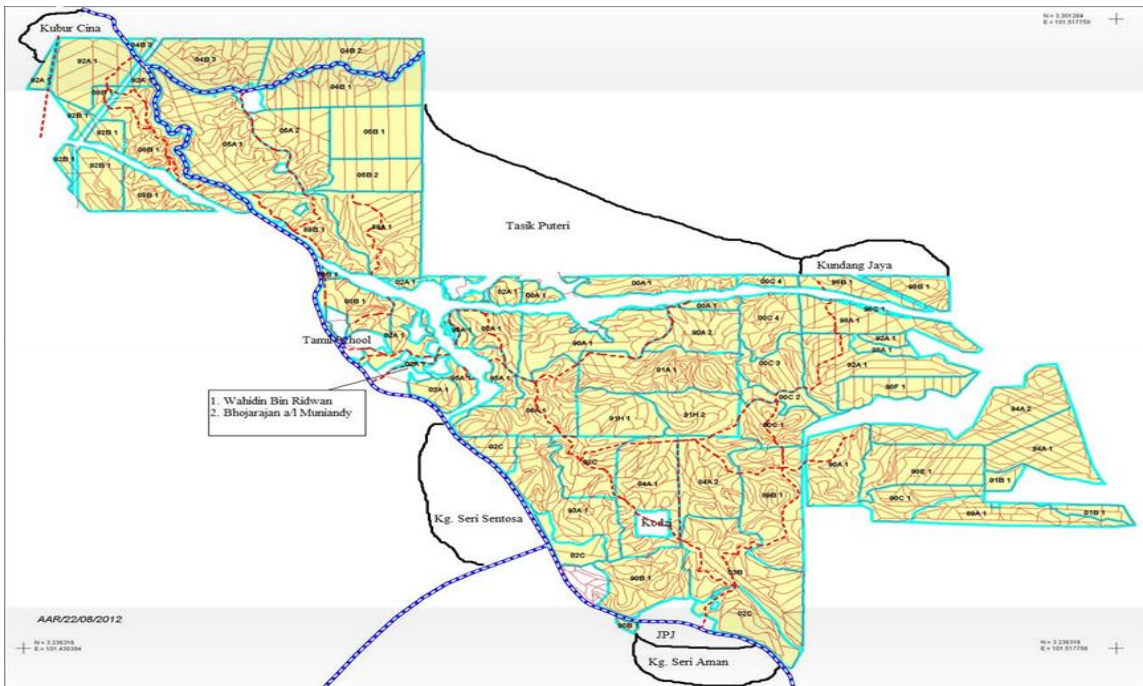
Appendix 1: Location Map for this Certification Unit

From 1.9, the location map(s)

Map 1: Map showing the location of Tuan Mee Estate in Malaysia



Map 2: Map showing the location of the estates, POM and neighbouring entities.



Appendix 2: Summary of GHG Emissions

Summary of Net GHG Emissions

Emissions per Product	tCO ₂ e/tProduct
CPO	0.61
PK	0.61

Extraction	%
OER	20.83
KER	4.96

Production	t/yr
FFB processed	54125.07
CPO Produced	14378.67

Land use	ha
OP planted area	6915.5
OP planted on peat	0.0
Conservation (forested)	0.0
Conservation (non forested)	30.5
Total	6946

Summary of Field Emissions and Sinks

	Own Crop		Group		3rd Party		Total	
	tCO ₂ e	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /tFFB	tCO ₂ e	tCO ₂ e /tFFB
Emissions								
Land Conversion	24927.81	0.47	0	0	0	0	24927.81	0.47
*CO ₂ Emissions from Fertiliser	2435.02	0.06	0	0	0	0	2435.02	0.06
**N ₂ O Emissions	2206.98	0.05	0	0	0	0	2206.98	0.05
Fuel Consumption	246.61	0.01	0	0	0	0	246.61	0.01
Peat Oxidation	0.0	0.0	0	0	0	0	0.0	0.0
Sinks	-	-	0	0	0	0	-	-
Crop Sequestration	-23628.25	-0.45	0	0	0	0	-23628.25	-0.45
Conservation Sequestration	0.0	0.0	0	0	0	0	0.0	0.0
Total	6188.17	0.14	0	0	0	0	6188.17	0.14

Summary of Mill Emissions and Credits

tCO ₂ e	tCo ₂ e/tFFB
Emissions	-
POME	0.04
Fuel Consumption	0.0
Grid Electricity Utilisation	0.01
Credits	-
Export of Grid Electricity	0.0
Sales of PKS	0.0
Sales of EFB	0.0
Total	0.05

Palm Oil Mill Effluent (POME) Treatment

Divert to compost	%
Divert to anaerobic digestion	100%

POME Diverted to Anaerobic Digestion:

Divert to anaerobic pond	100%
Divert to methane capture (flaring)	%
Divert to methane capture (electricity generation)	%

Appendix 3: GHG assessment for new plantings

Not applicable

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