

**RSPO PRINCIPLE AND CRITERIA
4th Annual Surveillance Assessment (ASA4_1)
Public Summary Report**

Kulim (Malaysia) Berhad
Head Office: K.B 705 80990 Johor Bahru Johor, Malaysia
Tereh Palm Oil Mill and supply base
KB 538 86009 Kluang Johor, Malaysia

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Section 1: Scope of the Certification Assessment

1. Company Details			
RSPO Membership Number	1-0080-09-000-00	Date	Member since: 15 June 2009
Company Name	Kulim (Malaysia) Berhad		
Address	Head office : Kulim (Malaysia) Berhad, K.B. 705 80990 Johor Bahru, Johor, Malaysia Certification unit : Tereh Palm Oil Mill, K.B. 538 86009 Kluang, Johor, Malaysia		
Subsidiary of (if applicable)	Johor Corporation		
Contact Name	Mrs Salasah Elias		
Website	www.kulim.com.my	E-mail	salasah@kulim.com.my
Telephone	07 8611611	Facsimile	07 8631084

2. Certification Information			
Certificate Number	RSPO 613086	Certificate Issued Date	23/01/2009
		Expiry Date	22/01/2019
Scope of Certification	Palm Oil and Palm Kernel Production from Tereh Palm Oil Mill and Supply Base (Tereh Utara Estate, Tereh Selatan Estate, Selai Estate, Enggang Estate, Mutiara Estate, Sungai Sembrong Estate, Sungai Tawing, Wawasan Estate, Felda Paloh Estate & Rengam Estate)		
Other Certifications			
Certificate Number	Standard(s)	Certificate Issued by	Expiry Date
EU-ISCC-Cert-DE119-60172023	ISCC	ASG CERT	01/02/2018
A 76501	MS 1500:2009	JAKIM	15/6/2019
AR 1804	ISO 9001:2008	SIRIM	14/09/2018

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

4. Description of Supply Base							
Estate	Mature (ha)	Immature (ha)	Infras & Other (ha)	HCV (ha)	Total Planted (ha)	Total Hectarage	% of Planted
Tereh Utara Estate	2,858.56	0.00	160.22	73.42	2,858.56	3,092.20	92 %
Tereh Selatan Estate	2,272.14	249.60	190.46	7.36	2,521.74	2,719.56	93 %
Selai Estate	1,377.14	243.92	146.17	32.94	1,621.06	1,800.17	90 %
Enggang Estate	1,232.24	423.57	63.22	15.35	1,655.81	1,734.38	95 %
Mutiara Estate	1,766.26	545.60	116.4	24.04	2,311.86	2,452.30	94 %
Sg Sembrong	1,181.33	0.00	51.54	8.00	1,181.33	1,240.87	95 %
Sg Tawing Estate	2,066.84	0.00	133.78	28.38	2,066.84	2,229.00	93 %
Wawasan Estate	361.91	0.00	0.39	0.00	361.91	362.30	99 %
Felda Paloh Estate	1,226.77	0.00	105.03	0.00	1,226.77	1,331.80	92 %
Rengam Estate	2,171.54	170.15	125.07	14.11	2,341.69	2,480.87	94 %
Total	16,199.74	1,947.83	1,092.28	203.60	18,147.57	19,443.45	93 %

Note: Infras = infrastructure

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5. Plantings & Cycle								
Estate	Age (Years)					Tonnage / Year		
	0 - 3*	4 - 10*	11 - 20	21 - 25	26 - 30	Estimated Nov 16-Oct 17	Actual Nov 16-Oct 17	Forecast Nov17- Oct 18
Tereh Utara Estate	0	0	2,858.56	0	0	67,981	71,776.31	69,991
Tereh Selatan Estate	0	347.39	1,839.42	70.33	264.60	60,053	57,123.83	57,396
Selai Estate	0	1400.9	220.16	0	0	26,892	31,999.75	30,954
Enggang Estate	207.58	1,281.53	166.70	0	0	27,896	28,234.14	31,810
Mutiara Estate	439.60	206.75	570.1	49.72	1,045.69	38,159	39,560.75	33,148
Sg Sembrong	0	0	1,153.25	28.08	0	26,292	31,390.53	28,323
Sg Tawing Estate	0	622.19	1,342.77	101.88	0	39,547	38,728.69	42,248
Wawasan Estate	0	60.76	301.15	0	0	6,759	6,039.43	6,307
Felda Paloh Estate	0	0	0	983.56	243.21	0	4,657.85	15,730
Rengam Estate	170.15	261.77	1,064.64	187.84	657.29	0	10,127.44	43,177
Total	817.33	4,181.29	9,516.75	1,421.41	2,210.79	293,579	319,638.72	359,084

6a. Certified Tonnage of FFB (Own Certified Scope)			
Estate	Tonnage / year		
	Estimated Nov 16-Oct 17	Actual Nov 16-Oct 17	Forecast Nov 17-Oct 18
Tereh Utara Estate	67,981	71,776.31	69,991
Tereh Selatan Estate	60,053	57,123.83	57,396
Selai Estate	26,892	31,999.75	30,954
Enggang Estate	27,896	28,234.14	31,810
Mutiara Estate	38,159	39,560.75	33,148
Sg Sembrong	26,292	31,390.53	28,323
Sg Tawing Estate	39,547	38,728.69	42,248
Wawasan Estate	6,759	6,039.43	6,307
Felda Paloh Estate	0	4,657.85	15,730
Rengam Estate	0	10,127.44	43,177
Total	293,579	319,638.72	359,084

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6b. Certified Tonnage of FFB (Group Estate) *			
Estate	Tonnage / year		
	Estimated Nov 16-Oct 17	Actual Nov 16-Oct 17	Forecast Nov 17-Oct 18
Rengam	-	10,127.44	43,177
Sindora	-	924.73	-
Total	-	11,052.17	43,177

*Diversion crop (if any)

7. Non-Certified Tonnage of FFB (outside supplier – excluded from certificate) if applicable			
Independent FFB Supplier	Tonnage / year		
	Estimated Nov 16-Oct 17	Actual Nov 16-Oct 17	Forecast Nov 17-Oct 18
N.A	NIL	NIL	NIL

8. Certified Tonnage									
Mill	Estimated Nov 16-Oct 17			Actual Nov 16-Oct 17			Forecast Nov 17-Oct 18		
	FFB	CPO	PK	FFB	CPO	PK	FFB	CPO	PK
Tereh Palm Oil Mill	293,579.00	62,532.33	16,146.85	320,563.45	65,514.26	18,202.90	359,084	75,349	19,653

*OER: 20.98% ; KER: 5.47%

Section 2: Assessment Process

Certification Body:

BSI Services Malaysia Sdn Bhd,
(ASI Accreditation Number: RSPO-ACC-19)
Unit 3, Level 10, Tower A
The Vertical Business Suites, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel +603 2242 4211 Fax +603 2242 4218
Nicholas Cheong: Nicholas.Cheong@bsigroup.com
www.bsigroup.com

BSI is a leading global provider of management systems assessment and certification, with more than 60,000 certified locations and clients in over 100 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems. BSI is ASI Accredited (RSPO-ACC-19) to conduct RSPO assessment since 31/10/2014 with accredited office located at Kuala Lumpur, Malaysia. BSI is accredited for RSPO Supply Chain Certification Systems (SCCS) and Principles & Criteria for Sustainable Palm Oil Production (P&C, Single Site & Group) certification Worldwide.

Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 30 October – 2 November 2017. The audit programme is included as Appendix D. The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. Mill was audited together with the sample estates (Tereh Utara, Mutiara & Rengam Estate). A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HCVs, declared conservation areas and local communities. Previously Rengam Estate was certified under Sedenak Certification Unit. However during ASA4, it was transferred to Tereh Certification Unit. While, for Felda Paloh Estate, during ASA3 the management decided to exclude from Tereh certification unit. The extension of scope for Felda Paloh Estate was completed on September 2017. However, the management decide to include Felda Paloh Estate once the public summary report for the extension of scope was completed. During this audit, Tereh POM was not received any FFB from Felda Paloh Estate since February 2017.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. RSPO Principles & Criterias 2013 (RSPO P&C MYNI-2014) and RSPO Supply Chain Certification Standard 2014 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The approach to the audit was to treat the mill and its supply base as an RSPO Certification Unit. The mill was audited together with the estates (or smallholders) of its supply base. The estates sample were determined based on formula $N = 0.8\sqrt{y}$ where y is the number of estates while when applicable, the smallholders sample were determined following the RSPO Certification Requirement for Group Certification Standard 2016. The sampling of smallholders were based on the formula $(0.8\sqrt{y}) \times (z)$; where y is total number of independent group member and where z is the multiplier defined by the risk assessment. The sampled smallholder listed in Appendix K (if applicable).

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the RSPO requirements and aspects where they considered that improvements could be made. At the start of each

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meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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

All the previous nonconformities are remains closed. The assessment findings for the 4th Annual Surveillance Assessment are detailed in Section 3.3.

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

This report was internally reviewed by Internal Certification Reviewer.

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

1. Assessment Program					
Name (Mill / Supply Base)	Initial Certification	ASA1 (2014)	ASA2 (2015)	ASA3 (2016)	ASA4 (2017)
Tereh Palm Oil Mill	√	√	√	√	√
Tereh Utara Estate		√			√
Tereh Selatan Estate	√			√	
Selai Estate		√			
Enggang Estate	√			√	
Mutiara Estate		√			√
Sg Sembrong			√		
Sg Tawing Estate			√		
Wawasan Estate			√		
Felda Paloh Estate	√			√	
Rengam Estate					√

Tentative Date of Next Visit: October 22, 2018 – October 25, 2018

Total No. of Mandays: 12 mandays

BSI Assessment Team:

Mohd Hafiz Mat Hussain – Lead Auditor

He holds Bachelor Degree in Plantation Technology and Management, graduated from University Technology Mara (UiTM) on 2009. He has 4 years working experience in oil palm plantation industry. He also has the experiences as an auditor for several standards including ISO 9001, ISO 140001, OHSAS 18001, MSPO and RSPO in his previous certification body. He completed the ISO 9001 Lead Auditor Course, ISO 14001 Lead Auditor Course and OHSAS 18001 Lead Auditor Course in 2013, Endorsed RSPO P&C Lead Auditor Course in 2014 and MSPO Awareness Training in 2014. He had been involved in RSPO auditing since May 2013 in more than various companies in Malaysia. During this assessment, he assessed on the aspects of legal, mill best practices, estate best practices, safety and health, environmental and workers and stakeholders consultation.

Nicholas Cheong - Team Member

He holds Master of Environmental Management from the University Putra Malaysia and Bachelor of Science (Food Science) from Charles Sturt University Australia. He has more than 5 years of working experience in sustainability auditing and carbon emissions accounting. He has also 2 years of working experience in wastewater treatment construction and operations. He has completed the ISO9001, ISO14001 and RSPO P&C Lead Auditor course and MSPO Awareness Training. In his previous certification body he is Assessor for Clean Development Mechanism and ISCC. He had been involved in Sustainable Palm Oil auditing for more than 2 years.

Elzy Ovktafia -Team Member

She graduated from Universiti Putra Malaysia in Diploma of Agriculture, holding the designatory of LISP from the Incorporated Society of Planters. She held the position of Certifier cum Auditor with Control Union and involved in various audits globally for RSPO P&C and RSPO SCC for 11 countries in almost 2 years. She is a qualified Lead Auditor/Auditor for RSPO P&C, RSPO SCC, ISO 9001:2015 and Social Compliance Audit by Verite. She had 5 years' experience in oil palm plantations.

Accompanying Persons: -

Section 3: Assessment Findings

3.1 Details of audit results

This assessment has been assessed using the following RSPO normative requirements. The assessment details are provided in Appendix A.

- Kulim (Malaysia) Berhad Time Bound Plan
- RSPO P&C MY-NIWG 2014 Checklist
- RSPO Supply Chain Certification Checklist November 2014

3.2 Progress against Time Bound Plan

Time Bound Plan		
Requirement	Remarks	Compliance
Summary of the Time Bound Plan		
Does the plan include all subsidiaries, estates and mills?	<p><u>Malaysia</u></p> <p>The time bond plan includes all OUs in Malaysia, The Kulim OUs have 32 units and 6 units successfully certified for 2017.</p> <p><u>Indonesia (PT SSR and AMARA)</u></p> <p>For the Indonesia plantation have in preparation to undergo the RSPO Certification process is in progress. Now under rehabilitation for two years.</p>	Yes
<p>Is the time bound plan challenging?</p> <ul style="list-style-type: none"> • Age of plantations. • Location. • POM development • Infrastructure. • Compliance with applicable law. 	<p>Kulim (Malaysia) Berhad has in 2015 continued to operate in a dynamic and volatile environment, characterised by abundant of supplies and lower price of CPO globally.</p> <p>Being one of the lowest price for the commodity, this much affected to the plantation margins. The industry was also impacted by growing strength of US Dollar adding the downward pressure of the price</p> <p>The divestment from New Britain (NBPOL) was completed on 26 February 2016, operationally at the year ended as at October 2017, Kulim have plantation operations in Peninsular Malaysia and Indonesia for a total of 50 999 ha in Malaysia and 40,646 ha of land in Indonesia. The planting of new palm is ongoing albeit at a slower pace, Kulim have some 307 ha been planted.</p> <p>Age profile ranging from 0 – 23 years of age. The group remains committed to improving the age profile, during which a total of 1155 ha been replanted. Average age profile has improved to</p>	Yes

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	11.72 years. The group has acquired Pasir Panjang Palm Oil Mill through Mahamurni Plantation Sdn Bhd in March 2015 and successfully RSPO Certified for 2017	
Have there been any changes since the last audit? Are they justified?	No changes	Yes
If there have been changes, what circumstances have occurred?	KULIM is now corporatized under Johor Corporation but at the same time both are still a members of RSPO.	Yes
Have there been any stakeholder comments?	So far there no comments received.	Yes
Have there been any newly acquired subsidiaries?	After successfully acquired PT Win in central Kalimantan, Kulim successfully acquired PT RAJ & PT TPR (SUMSEL) on 23 June 2016.	Yes
Have there been any isolated lapses in implementation of the plan?	There is no isolated lapse in Time Bound Plan except for smallholder proposed certification program that halted due to unstable supply to our mill.	Yes
Un-Certified Units or Holdings		Un-Certified Units or Holdings
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	RSPO internal audit assessment for all certified units been conducted and the report had been submitted to all unit for improvement plan.	Yes
No replacement after dates defined in NIs Criterion 7.3: <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. 	So far no new planting that replaced primary forest.	Yes
Any new plantings since January 1 st 2010 must comply with the RSPO New Plantings Procedure.	No new planting activities within uncertified unit.	Yes
Any Land conflicts are being resolved through a mutually agreed process, e.g. RSPO Grievance procedure or Dispute Settlement Facility, in accordance with RSPO criteria 6.4, 7.5 and 7.6.	No land conflict	Yes
Any Labor disputes are	No labour dispute	Yes

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being resolved through a mutually agreed process, in accordance with RSPO criterion 6.3.		
Did the company conduct an internal audit? If so, has a positive assurance statement been produced?	RSPO internal audit assessment for all certified units been conducted and the report had been submitted to all unit for improvement plan.	Yes
Any Legal non- compliance is being resolved in accordance with the legal requirements, with reference to RSPO criteria 2.1 and 2.2.	No legal non compliance	Complied

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3.3 Details of findings

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

During the 4th Annual Surveillance Assessment there were four (4) Minor nonconformities raised. The Tereh Palm Oil Mill Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

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

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1549049-201709-N1	Requirements Indicator 4.1.2 1) A mechanism to check consistent implementation of procedures shall be in place. 2) Agricultural Manual, Section A17: Protection of Natural Water Courses	Minor
	Evidence of Nonconformity During site visit at Ladang Tereh Utara, sighted the riparian area at Field P97 with Sungai Tamok was not maintained as per Agricultural Manual.	
	Statement of Nonconformity Mechanism to check consistent implementation of procedure was not effectively implemented at Ladang Tereh Utara.	
	Corrective Action <u>Immediate Action:</u> Estate will conduct the awareness on procedure Protection of Natural Water Courses to workers include mandore. <u>Corrective Action:</u> 1. Sustainability Dept. will conduct refresher training on HCV/Buffer zone management. 2. Estate shall monitor closely and inspect every activities that involve the buffer zone area.	
	Assessment Conclusion: Accepted. The effectiveness of the corrective action will be verified during next assessment.	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1549049-201709-N2	Requirements Indicator 4.4.1 An implemented water management plan shall be in place.	Minor

	<p>Evidence of Nonconformity For Tereh Utara Estate, Mutiara Estate, Rengam Estate There is no further management plan established on the results of river water analysis. The results of the analysis on Phosphate and Nitrate Nitrogen are available. However the results of the analysis are not analyzed and/or reviewed to conclude if a management plan is required to ensure the water quality are met.</p>	
	<p>Statement of Nonconformity Water Management plan has not been reviewed effectively.</p>	
	<p>Corrective Action <u>Immediate Action:</u> Sustainability Dept. will give a refresher briefing on the Water Management Plan to all Operating Units.</p> <p><u>Corrective Action:</u></p> <ol style="list-style-type: none"> 1. Sustainability Dept. will review the Standard Operating Procedure on Water Sampling. 2. Sustainability Dept. will advise the UTCL to include the limit for the parameter tested in their procedures. 3. Estate will analyze the result to ensure the effective of the Water Management Plan. 	
	<p>Assessment Conclusion: Accepted. The effectiveness of the corrective action will be verified during next assessment.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1549049-201709-N3	<p>Requirements Indicator 5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons.</p> <p>Evidence of Nonconformity For Tereh Mill, Tereh Utara Estate, Mutiara Estate, Rengam Estate As according to the environmental management plan, the control for disposal of house waste onto land is segregation of type of waste. There is not record available to monitor the segregation of type of waste. As according to the additional control point of weekly record of domestic rubbish collection and record of waste recycle collection, it is not clear if the control is to record the amount of waste generated or to record the activity was carried out. With the above 2 evidences, it is not able to show that the management plan is effectively implemented.</p> <p>Statement of Nonconformity Waste management plan has not been reviewed effectively.</p> <p>Corrective Action <u>Immediate Action:</u> Estate will review the Waste Management Plan to suits their own current practice.</p>	Minor

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	<p><u>Corrective Action:</u> Sustainability Dept. will conduct briefing on the Waste Management Plan to Operating Units.</p>	
	<p>Assessment Conclusion: Accepted. The effectiveness of the corrective action will be verified during next assessment.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1549049-201709-N4	<p>Requirements Indicator 6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Evidence of Nonconformity Kulim (M) Berhad has provided free housing and medical assistance to all the workers. Water and electricity was provided without any charges from workers. Government school was found in the compound of Tereh complex. Linesite inspection was conducted on weekly basis by Hospital Assistant and twice a month together with VMO. Apart from that, the water is treated for the domestic use. As per SPAN instruction, the water samples should be taken and sent for analysis and the result has no detection of Total Coliform and E-Coli. In LR, the estate is using water source from the government, therefore no treated water. During the site visit at Ladang Mutiara, it was observed that there is an alteration done to some worker's houses. The extended houses has changed the original building structure and this is not allowed as per Worker's Housing & Amenities Act 1990. Management has already send the warning letter dated on June 2016 to the employee. However, no action or follow up been done until todote.</p> <p>Statement of Nonconformity The worker's house is not comply with Worker's Housing & Amenities Act 1990</p> <p>Corrective Action <u>Immediate Action:</u> Kulim to re-issue and to refresh back the terms and condition of occupancy for all valid BaktiLadang participants reminding them what is allowable within the agreement and what is not.</p> <p><u>Corrective Action:</u> Kulim has to conduct a population and housing status survey on all BaktiLadang houses, thereon to provide analysis and conduct a meeting with all relevant departments such us Estates Operations, Property, Human Resources as to look into possible review of BaktiLadang' term and condition of license Menduduki Rumah.</p> <p>Assessment Conclusion: Accepted. The effectiveness of the corrective action will be verified during next assessment.</p>	Minor

Observation	
OBS #	Description
1	-Nil-

Positive Findings	
PF #	Description
1	-Nil-

Issues raised by Stakeholders

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

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

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

IS #	Description
1	<p>Issues: NUPW: The usage of Petrol is highly consumed for workers since they are using own motorbike and grass cutting purposes. While the nearest town is around 40 minutes to Kluang and they cannot keep the petrol in their house, they didn’t find any practical solution for having the Petrol for daily usage. The grocery or workshop also didn’t have the permission to sell the Petrol within the housing complex.</p> <p>Management Responses: The management will request groceries shop to sell the petrol and apply any necessary permit if required. Estate management will monitor the price.</p> <p>Audit Team Findings: Accepted.</p>
2	<p>Issues: NUPW/Gender Committee: Workers appreciate the annual contribution to employee’s school children, namely ‘Program Bakti Ladang’ and recommend the method of size collection be implemented as per Optimum Status Sdn Bhd done for Tereh Mill. This is sometimes the size of uniform and shoes given is not same for certain brands.</p> <p>Management Responses: The management will request for size from employees. During receiving if there any different in size the items will be return back to the Department in charge.</p> <p>Audit Team Findings: Accepted.</p>
	<p>Issues:</p>

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3	<p>School/Nearby Village: Flood prone area on the way from Ladang Mutiara to Ladang Koperasi makes the people difficult to wait the water subsides (around 2 hours' time).</p> <p>Management Responses: The proposal for this particular area is to raise the road level and install box culverts in order to assist smooth water flow from the crossing main drain. However, this matter will be discussed further during Batu 26 Road Committee meeting scheduled in November 2017. In addition this road is proposed to be upgraded under East Coast Economic Region Development Council (ECERDC) which shall take place around year end or early next year. As at current status, compensation has been paid for land acquisition involving Ladang Mutiara and Ladang Sg. Sembrong.</p> <p>Audit Team Findings: Seen the evidence of current status (Letter from the government on the compensation received) and accepted the clarification.</p>
4	<p>Issues: Polices: There is one person suspected for crime but the court failed to prove the involvement or during investigation. He was transferred to Rengam and monitored closely with GPS by the police inspector. The person is believed live with the Foster Family in Estate linesite. Since he is under the police observation, is there any permission for him to stay in the Estate linesite and whether the company can considered to hire any suitable work in Estate.</p> <p>Management Responses: The person informed to Mr OCS that he was living with his foster family in estate linesite and later Estate informed by Mr OCS that suspected person are exiles person by Police. The management team considered that this matter is more on family issue and try to avoid racial issue. The management team have no right to ask the said person leaving from his foster family house as it is a family matter. Therefore, written permission is not required. Furthermore, Mr OCS/Police Inspector monitored the person closely and Lans Corporal Syafiq and Lans Corporal Sufian were assigned to disguise as a layman for monitoring purpose. Estate management have no objection to hire any suitable work in estate as advised and after obtaining approval from top management.</p> <p>Audit Team Findings: Accepted.</p>
5	<p>Issues: Polices: There is one incident of broken statue at Hindu Temple in Ladang Rengam where all the jewellery inside the statue were stolen. Police report has been lodged recently and whether the company can advise that in future, there is no original jewellery put inside the statue for the safety purposes.</p> <p>Management Responses: Estate management really has no idea there is original jewellery inside the statue at Hindu Temple. The management team agreed with advice not to put original jewellery inside the statue. The management team will inform all involved workers during morning muster.</p> <p>Audit Team Findings: Accepted.</p>

3.3.1 Status of Nonconformities Previously Identified and Observations

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M1	<p>Requirements Indicator 2.1.1 Evidence of compliance with relevant legal requirements shall be available.</p>	Major
	<p>Evidence of Nonconformity Felda Paloh Estate: Working permit of the sampled workers below were found expired: a) Passport No.: AT306629 expired on 1/7/2015 b) Passport No.: AT306813 expired on 1/7/2015 c) Passport No.: AT199571 expired on 1/7/2015 d) Passport No.: AT199297 expired on 1/7/2015 e) Passport No.: AR656757 expired on 1/7/2015 f) Passport No.: A9091302 expired on 1/7/2015 g) Passport No.: AP846439 expired on 31/7/2015 h) Passport No.: AS928155 expired on 12/11/2014 The management has followed-up with Labour Department of FGV on 9/6/2016 for the renewal of permit. However, no response from the department. Felda Paloh: According to Workers’ Minimum Standards of Housing and Amenities Act 1990, section 23 sub-section (2) “It shall be the duty of the employer to ensure that all buildings used for the housing of workers, nurseries or community halls are visited and inspected weekly by an estate hospital assistant registered under the Estate Hospital Assistants (Registration) Act 1965 [Act 435] or any other responsible person authorized by the employer...”. However, the inspection was carried out on bi-weekly where it did not comply with the requirement. The inspection was conducted on 5/10/2016, 19/10/2016, 6/11/2016 and 22/11/2016.</p>	
	<p>Statement of Nonconformity Compliance with relevant legal requirements did not implement effectively.</p>	
	<p>Corrective Action Police report had been logged for one missing passport no AS928155 and balance 7 remaining passports will be processed for renewal by Immigration Department within 30 working days. Validation will be obtained by Immigration Department for the lost passport and application for new passport will be submitted to Indonesian Embassy, new passport will be submitted to Immigration Department for permit renewal. Felda Paloh has taken immediate action as follows: 1. SALINAN REPORT POLIS (AS928155) - Felda Paloh 2. Pengesahan Passport Baru - AS928155 (Felda Paloh) 3. Resit Compound - Passport Missing 4. Paloh Worker's receipt of compound payment - 8 workers a. AT 306629 – special pass b. AT 306813 – special pass c. AT 199571 – special pass d. AT 199297 – special pass e. AR 656757 – special pass f. AT 9091302 – special pass g. AT 828450 – special pass</p>	

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	<p>h. AT 199515 – special pass 5. Arahan Ibupejabat mengenai slip gaji pekerja kepada kontraktor 6. FW04520596 - Topup Wages 7. Refund - FW04520596 8. Slip Gaji - September miswan 9. TAKLIMAT PENERANGAN PENYEDIAAN SLIP GAJI PEKERJA KONTRAK -Felda Paloh 10. Memo - Arahan Slip Gaji pekerja Kontraktor kepada Field Supervisor 11. Memo - Min Wages to Field Supervisor.</p> <p>The estate manager is to issue a memorandum to respective person in charge to carry out the inspection every week. Estate manager will monitor the inspection activities by establish a checklist for the person in charge. Following document submitted as evidence:</p> <p>a. Perlantikan Sebagai Pegawai Pemeriksa Kebersihan Perumahan dan Asrama Pekerja Ladang Felda Paloh b. SENARAI SEMAK KEBERSIHAN ASRAMA PEKERJA ASING - BLOK 3 c. SENARAI SEMAK KEBERSIHAN ASRAMA PEKERJA ASING - BLOK 4 d. SENARAI SEMAK KEBERSIHAN ASRAMA PEKERJA ASING - BLOK 2</p> <p>The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure. Effectiveness of corrective action taken will be verified in the next audit.</p> <p>The evidence produced is not suffice to close the NC and Kulim shall risk suspension of the certificate should it is not conclude in time. The certification unit decided to exclude Felda Paloh as supply base of the scope of certification due to the corrective action taken will pending till approval from Immigration Department. Termination of contract between Felda Paloh and Kulim has been submitted as evidence.</p> <p>Assessment Conclusion: During ASA4 Audit, it is confirmed that working permit of the sampled workers were found valid. Thus, the Major NCR raised previous audit was effectively closed.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M2	<p>Requirements Indicator 6.5.1 Documentation of pay and conditions shall be available.</p>	Major
	<p>Evidence of Nonconformity Enggang Estate (LE) & Felda Paloh Estate (FP): Few sampled workers' salary which based on mixture rate of daily work and piece-rated work were not achieved minimum wages of RM 1000/ month even though they had worked for the minimum offered days of work for that particular month: a) Employee No.: 617493 (RM 36.48 - September) (LE) b) Employee No.: 617476 (RM 70.54 - September and RM 12.35 - October) (LE) c) Employee No.: 617492 (RM 72.52 - August and RM 90.48 - October) (LE) d) Employee No.: 617494 (RM 58.62 - September and RM 55.88 - October) (LE)</p>	

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	<p>e) Employee No.: FW04520596 (RM 73.96 - September) (FP) Felda Paloh Estate: Document reviewed on the payslip for contract’s workers found that two workers were sharing one payslip. There were total eight workers sharing four payslips and the salary it did not achieve Minimum Wages Order 2016 of RM 1000/month for each worker.</p> <p>Statement of Nonconformity Pay and condition of the workers were not according to the requirements.</p> <p>Corrective Action For Enggang Estate had refunded all amount dues to respective workers. The estate has revised piece rated rate based on new minimum wages as stipulated in revised MAPA/NUPW Collective Agreement. Briefing on minimum wages will be conducted to all field supervisor as well as contractors. The implementation of minimum wages need to be regularly monitored by all staff/field supervisor involved. Monitoring of work, working time and attendance must be properly and consistently recorded for each employees. Felda Paloh shall conduct a briefing to all contractors on the new ruling. The acknowledge and commitment of contractors will be recorded. All estate’ and contract workers pay slip to be verified and copy of pay slip to be kept at the office for easy references. All relevant documents and prove of refunded payments has to be submitted to SSD as evidence of improvement.</p> <p>a. Felda Paloh will conduct a meeting with the respective contractors</p> <p>b. Briefing on the minimum wages and requirement on pay slip will be communicated to respective contractors.</p> <p>c. The contractor need to declare in the contract agreement to comply with act</p> <p>d. The management will take necessary action for compliance with the minimum wages in Felda Paloh. Any under paid will be corrected and attended in future.</p> <p>The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure. Effectiveness of corrective action taken will be verified in the next audit.</p> <p>Assessment Conclusion: During ASA4 Audit, it is confirmed that the workers’ salary were achieved minimum wages of RM 1000/ month. Thus, the Major NCR raised previous audit was effectively closed.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M3	<p>Requirements Indicator 6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>Evidence of Nonconformity Tereh POM, Tereh Selatan Estate and Enggang Estate: Policy to protect reproductive rights of all is not available.</p> <p>Statement of Nonconformity Policy to protect reproductive rights of all is not available.</p>	Major

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	<p>Corrective Action Review will be carried out to ensure the inclusion of reproductive right in the respective policy. Submission of improvement time line has been approved by KULIM 236 EXCO Meeting.</p> <p>The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure.</p> <p>Assessment Conclusion: During ASA4 Audit, Kulim (M) Berhad has established a SOP for protect the rights of reproductive under SPO-Core Labour (04.09.17). There is the Policy of Right of Employees mentioned that KULIM recognizes and respects the rights of employees of their rights and freedom relating to reproduction and reproductive health. In LTU, LM & LR the policy was communicated through the briefing on 09.10.17, 18.10.17 & 12.09.17 to all 269 workers, 133 workers and 225 workers. Thus, the Major NCR raised previous audit was effectively closed.</p>	
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Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M4	<p>Requirements Indicator 4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>Evidence of Nonconformity However, following activities' HIRADC yet to be register : 1. Construction of fertilizer store (Ladang Tereh Selatan) 2. Bio-composting plant (Ladang Tereh Mill)</p> <p>Statement of Nonconformity HIRADC was found not sufficient to cover the activities at estates and mill.</p> <p>Corrective Action All the activities within the estates and mills are to be included in the HIRARC. Both Estate and mill had included the respective activities in their HIRARC. The Estate and Mill have been update a. HIRARC BIO-COMPOST PLANT b. HIRARC CONTRUCTION FERTILISER STORE c. ATTACHMENT - Bio compost</p> <p>The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure.</p> <p>Assessment Conclusion: During ASA4, the latest HIRARC review was done accordingly on 1/8/2017 by HIRARC team. The activities for Construction of fertilizer store (LTS) and Bio-composting plant (LTM) were registered accordingly in the HIRARC. Thus, the Major NCR raised previous audit was effectively closed.</p>	Major

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M5	Requirements Indicator 5.1.1 The environmental impact assessment (EIA) did not identify all the area and activities within estate.	Major
	Evidence of Nonconformity In FGV Felda Paloh estate, the identification of environmental aspects and impacts 2016 did not identify all the area such as dumpsite, office and line-site.	
	Statement of Nonconformity An environmental impact assessment (EIA) shall be documented.	
	Corrective Action 1. Discussion on the information and identify all the related activities during of work. 2. Update all the information in EIA report. Following documents updated: a. BORANG PENGENALPASTIAN ASPEK IMPAK LADANG FGV PALOH b. KRITERIA PENGENALPASTIAN ASPEK IMPAK	
	The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 23/1/2017. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure.	
	Assessment Conclusion: The supply base has been excluded from the current certification. Hence the verification on continual implementation of the effectiveness was not required. Thus, the Major NCR raised previous audit was effectively closed.	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733M6	Requirements SCCS D5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.	Major
	Evidence of Nonconformity During verification of the production and sales record, it was found that the sales of the certified RSPO CPO oversold via Greenpalm while the actual production only 62,306.04 MT. The details as below. Sold Physical – 33,861 MT Sold via Gpalm – 52,200 certs Total: 86,061 certs Oversold 17,754.96 certs	
	Statement of Nonconformity Record and balance of all receipts of RSPO certified FFB and deliveries of RSPO	

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	<p>certified CPO and PK found incorrect.</p>	
	<p>Corrective Action 1. Immediately purchase the oversold certificate- 17,754.96 certs . 2. Close monitoring the on the sales between actual certified CPO and through Green palm. The new palm trace system which integrated 2 system become the other tool for monitoring other than the balance sheet.</p> <p>The CAP and evidence submitted confirmed that the issue has been fully addressed hence the Major NC was closed on 24/12/2016. No onsite audit is required as the closure evidence relating to documentation is sufficient for offsite closure.</p>	
	<p>Assessment Conclusion: This year 2017, no Greenpalm certificates sold. During ASA4 Audit. Thus, the Major NCR raised previous audit was effectively closed.</p>	

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733N1	<p>Requirements Indicator 6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>Evidence of Nonconformity A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>Statement of Nonconformity Stakeholder meeting was not conducted with the participation of suppliers, contractors and other relevant stakeholders.</p> <p>Corrective Action Felda Paloh will conduct their own stakeholder meeting (proposed date on 7th December 2016. The issue that has been highlighted during the meeting need to be communicate and action to be taken accordingly. The minute and attendance will be recorded accordingly. To provide yearly schedule for stakeholder meeting that will be verified by the Estate. To provide yearly schedule for stakeholder meeting that will be verified by the Estate's Manager. The CAP was accepted. The effectiveness of the corrective action will be verified during next visit.</p> <p>Assessment Conclusion: During ASA4, the stakeholder meeting was conducted accordingly which involve the government agencies, suppliers, contractors and other relevant stakeholders (including Felda Paloh).</p> <p>Thus, the Minor NC was closed on 2/11/17.</p>	Minor

Non-Conformity		
NCR #	Description	Category (Major / Minor)
1410733N2	<p>Requirements Indicator 4.7.6 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p>	Minor
	<p>Evidence of Nonconformity In Enggang Estate, emergency shower at the chemical mixing area not operate effectively without switch on the valve and pump. The inventories for first aid boxes at the FGV-Ladang Paloh were insufficient. 1. Harvesting at PM98C 2. Spraying at PM98C 3. Water Treatment Plant 4. Genset Room 5. Chemical Store</p>	
	<p>Statement of Nonconformity The emergency procedures is not implemented effectively.</p>	
	<p>Corrective Action Enggang Estate: Estate to relocate the pump nearby the emergency shower. Estate to arrange training on handling emergency shower system to workers involved. Training to be recorded and documented accordingly. Felda Paloh: 1. Felda Paloh to appoint person in charge and provide schedule for inventory inspection of all first aid kit box. 2. Estate to update all first aid boxes with sufficient items as per act at worksites. Estate to ensure maintenance of first aid equipment conducted with proper records available to avoid any insufficient items in future. The certification unit decided to exclude Felda Paloh as supply base of the scope of certification. Termination of contract between Felda Paloh and Kulim has been submitted as evidence. The CAP was accepted. The effectiveness of the corrective action will be verified during next visit.</p>	
	<p>Assessment Conclusion: During ASA4, the emergency shower was effectively operate. Sighted the emergency shower at mixing area for all estate visited. The inventories for first aid boxes was found sufficient. The management had email the first aid kit guide to all Mills and Estates accordingly. For Felda Paloh, the certification unit decided to</p>	

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	<p>exclude Felda Paloh as supply base of the scope of certification. Thus, the Minor NC raised during previous assessment was closed on 2/11/17.</p>	
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3.3.2 Summary of the Nonconformities and Status

CAR Ref.	CLASS	ISSUED	STATUS
CR04	Minor	21/01/2010	Closed on 10/01/2011
CR012	Major	10/12/2013	Closed on 06/02/2014
CR013	Major	10/12/2013	Closed on 25/01/2014
CR014	Minor	10/12/2013	Closed on 25/01/2014
1135913M1	Major	9/12/2014	Closed on 7/02/2015
1259640M1	Major	10/11/2015	Closed on 2/01/2016
1259640M2	Major	10/11/2015	Closed on 2/01/2016
1259640N1	Minor	10/11/2015	Closed on 25/11/2016
1259640N2	Minor	10/11/2015	Closed on 25/11/2016
1410733M1 – 2.1.1	Major	25/11/2016	Closed on 23/1/2017
1410733M2 – 6.5.2	Major	25/11/2016	Closed on 23/1/2017
1410733M3 – 6.9.2	Major	25/11/2016	Closed on 23/1/2017
1410733M4 - 4.7.2	Major	25/11/2016	Closed on 23/1/2017
1410733M5 – 5.1.1	Major	25/11/2016	Closed on 23/1/2017
1410733M6 – SCCS D5.1	Major	25/11/2016	Closed on 24/12/2016
1410733N1 – 6.2.3	Minor	25/11/2016	Closed on 2/10/2017
1410733N2 – 4.7.6	Minor	25/11/2016	Closed on 2/11/2017.
1549049-201709-N1 – 4.1.2	Minor	02/11/2017	“Open”
1549049-201709-N2 – 4.4.1	Minor	02/11/2017	“Open”
1549049-201709-N3 – 5.1.2	Minor	02/11/2017	“Open”
1549049-201709-N4 - 6.5.3	Minor	02/11/2017	“Open”

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Assessment Conclusion and Recommendation:

Based on the findings during the assessment Tereh Palm Oil Mill Certification Unit and supply base comlies with the RSPO P&C Malaysian National Interpretation (MY-NI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for CPO Mill. It is recommended that the certification of Tereh Palm Oil Mill Certification Unit is approved and continued.	
Acknowledgement of Assessment Findings	Report Prepared by
Name : Mrs Salasah Elias	Name: Mr Mohd Hafiz Mat Hussain
Company name : Kulim (Malaysia) Berhad	Company name : BSI Services Malaysia Sdn Bhd
Title:	Title: Lead auditor
Signature:  Date: 2011212017	Signature:  Date: 14/11/2017
<p>SALASAH ELIAS Deputy General Manager Sustainability Department</p>	

Appendix A: Summary of Findings

Criterion / Indicator	Assessment Findings	Compliance	
Principle 1: Commitment to Transparency			
Criterion 1.1:			
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.			
1.1.1	<p>There shall be evidence that growers and millers provide adequate information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>- Minor compliance -</p>	<p>Adequate information covering on environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Information on environmental, social and legal issues relevant to RSPO Criteria was made available to relevant stakeholders for effective participation in decision making.</p> <p>In company website (http://www.kulim.com.my/), publicly available documents such as OSH plan, HCV documents, negotiation procedure, complaint records, sustainability handbook and report, EIA, Management Plans & Continuous Improvement Plans. Other sensitive information such as land title and etc will be provided upon request.</p>	Complied
1.1.2	<p>Records of requests for information and responses shall be maintained.</p> <p>-Major compliance</p>	<p>All operating units maintain records of information request and response. Request for information are attended promptly and confirmed by stakeholders interviewed. In the mill, there is an enquiry register record. For example, the latest enquiries dated 22/4/2017, Internal Audit Department request for visit/inspection. Inspection Record by Department of Environment sighted during onsite visit. Last onsite visit by DOE was done on 14/3/2017.</p> <p>In Ladang Mutiara, enquiry register record made available during onsite visit. On 23/6/16, there was requisition for meeting with Union representative.</p>	Complied
Criterion 1.2:			
Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.			

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Criterion / Indicator	Assessment Findings	Compliance
<p>1.2.1</p> <p>Publicly available documents shall include, but are not necessary limited to:</p> <ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification assessment report; • Human Rights Policy (Criterion 6.13). <p>- Major compliance –</p>	<p>There is a SPO Transparency Program under Kulim Malaysia Berhad. The procedure is to ensure that documents if to be release and made publicly available are readily available. The Corporate Dept will ensure that the following documents are available if requested and they do not impinge on confidentiality and will not cause detrimental sustainability or social outcoments. Among the documents that were made available for viewing are:</p> <ul style="list-style-type: none"> • Land title (held as hard copy by the property department) • Health and safety plan • Plans and impact assessment- environmental & social • Pollution prevention plans • Details of complaints and grievances • Negotiation procedures • Continuous improvement plan • Biodiversity plans • Policy documents (sustainability handbook) <p>In addition to the website, the policies were also displayed at various locations at the operating units including the main notice boards of the estates, mill offices and muster ground notice boards for employees and visitors to view.</p> <p>Records such as enquiry register and record of government visit documented the visit or request from the stakeholders. For example, DOSH visit dated 16/8/2017. There were 3 NOI were raised by DOSH officer. The action plan was established and communicated to the DOSH accordingly on 8/10/2017.</p>	<p>Complied</p>
<p>Criteria 1.3: Growers and millers commit to ethical conduct in all business operations and transactions.</p>		
<p>1.3.1</p> <p>There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>-Minor compliance</p>	<p>Kulim Malaysia Berhad has established policy on code of ethical conduct and integrity which covers all operations in the plantation operation under Corporate Policy Statement dated 11 February 2015. Besides, the Operation Director of Kulim (Malaysia) Berhad Policy also signed on the integrity pledge on 7 Jan 2014 to set the "Tone from the Top" and oblige all members of the organization to likewise behave with integrity and carry on their responsibilities ethically. Polisi Etika dated on 1.1.08 in Malay language also available.</p> <p>The policy displayed on the notice board and communicated to employees.</p> <p>In Tereh Palm Oil Mill, policy training had provided to all the workers on 08.05.2017. Attendance list and signed of code of business conduct sighted during onsite visit. For Ladang Tereh Utara, the training was communicated on 26.03.17 by Zuraidi Zainal Alam attended by 308 workers, for Ladang Mutiara, the training been done on 24.08.17 by Mr. Abas & Mr. Syaiful to all 139 workers and for Rengam Estate, the training been done on 03.10.17 by Shamsor to all 224 workers.</p>	<p>Complied</p>
<p>Principle 2: Compliance with applicable laws and regulations</p>		
<p>Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.</p>		

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Criterion / Indicator	Assessment Findings	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available. - Major compliance -</p>	<p><u>Tereh Palm Mill</u></p> <p>The list of permit and license required for the operations of the mill was sighted. The sample of permit and license:</p> <ol style="list-style-type: none"> 1. MPOB License for 288,000mt FFB (500048604000 validity from 01/06/2017 – 31/05/2018). 2. DOE License (004685 validity from 01/07/2017 – 30/06/2018) 3. River water extraction license (08/A/Klg/040 validity until 31/12/2017). 4. Diesel storage license for 11,000 litter (J030504 validity from 12/06/2017 – 11/07/2018). <p>A monitoring list of pressure vessel and air compressor is also available to monitor the expiry date of the license.</p> <p>The list of legal requirement has been identified and registered in Kulim Group Compliance Framework. The last reviewed conducted for mill is 13/09/2017. The mill has kept the set of regulations as hard copy and soft copy. The list of regulations is following to the requirement stated in the MYNI 2014.</p> <p><u>Tereh Utara:</u></p> <p>The list of permit and license required for the operations of at the estate was sighted. The list includes expiry date to serve as compliance monitoring. The sample of permit and license:</p> <ol style="list-style-type: none"> 1. MPOB License for FFB (501673102000 validity from 01/05/2017 – 30/04/2018). 2. Fuel storage license for 20,000 litter diesel and 600 litter Petrol Ron 95 (J029741 validity from 13/04/2017 – 12/04/2018). 3. Separate Petrol storage license for 200 litter (J030586 validity from 20/09/2017 – 01/03/2018). 4. Water treatment facility and water supply system license (SPAN/EKS/(PT)/800-4/3/14 validity from 13/03/2017 – 12/03/2020). 5. Permit for wages deduction (PP3/29/053/2009 validity from 01/12/2009). 6. Power generation license (2017/01150 validity from 17/04/2017 – 16/04/2018). 7. River water extraction license (07/A/Klg/022 validity until 31/12/2017). <p><u>Rengam Estate</u></p> <ol style="list-style-type: none"> 1. MPOB License for FFB (501225502000 validity from 01/04/2017 – 31/03/2018). 2. Fuel storage license for 9,090 litter diesel and 9,090 litter Petrol (J028639 validity from 30/01/2017 – 99/01/2018). 3. Weighbridge license (B1005462 one validity from 30/12/2016 - 29/12/2017) 4. Water treatment facility and water supply system license (SPAN/EKS/(PT)/800-4(2)/9/14 validity from 26/08/2017 – 25/08/2020). 5. Permit for wages deduction (PP3/29/269/2011 validity from 31/10/2011). 	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
		<p><u>Mutiara Estate:</u></p> <ol style="list-style-type: none"> 1. MPOB License for FFB (502458002000 validity from 01/11/2017 – 30/10/2018). 2. Fuel storage license for 30,000 litter diesel and 600 litter Petrol (J028619 validity from 10/01/2017 – 09/01/2018). 3. Weighbridge license (B1006231 one validity from 08/05/2017 - 07/05/2018) 4. Water treatment facility and water supply system license (SPAN/EKS/(PT)/800-4(2)/9/14 validity from 26/08/2017 – 25/08/2020. 5. Permit for wages deduction (PP3/1703/10-4(88)130/2000 validity from 01/12/2000). 6. Power generation license (2017/01457 and 2017/01456) validity from 03/06/2017 – 02/06/2018). 	
2.1.2	<p>A documented system, which includes written information on legal requirements, shall be maintained. - Minor compliance -</p>	<p>The SPO Legal Documentation Program dated 04/09/2007 and Procedure Manual – Legal and Other Regulatory Requirements (LTM/PM/2.1.4 dated 09/07/2007 (for mill only) has documented procedure for legal tracking and compliances. The tracking of the changes of legal requirements are conducted by the HR Dept. and Sustainable Palm Oil Team together with operating units.</p> <p>The list of legal requirement has been identified. Kulim Group has completed the overall Group Compliance Framework assessment between 01/07/2017-31/08/2017. However for the Compliance Framework assessment for Tereh Complex was conducted on 31/08/2017. Tereh Complex includes include Tereh Mill, Tereh Utara Estate, Tereh Selatan Estate, Selai Estate and Enggan Estate. Sample of the assessment conclusion was verified.</p> <p>As for Rengan Estate, it falls under Sedernak Complex. The Compliance Framework assessment for Sedenak Complex was conducted on 05/08/2017.</p> <p>The last review conducted by the mill on the legal register was 13/09/2017. The mill has kept the set of regulations as hard copy and soft copy. The list of regulations is following to the requirement stated in the MYNI 2014.</p> <p>The latest review conducted on the list of regulation applicable for the estates operation was on 01/10/2017 (Tereh Utara, Rengam and Mutiara).</p>	Complied
2.1.3	<p>A mechanism for ensuring compliance shall be implemented. - Minor compliance -</p>	<p>The last internal audit conducted for was on 20/08/2017 (Mill); 23/08/2017 (Tereh Utara); 17/08/2017 (Rengam).</p> <p>The legal compliance is part of the audit element. The audit checklist was reviewed to confirm the audit elements including legal compliances. The Compliance Framework assessment conducted had also served the purposed to demonstrate internal audit to ensure compliance to local regulations.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.1.4	A system for tracking any changes in the law shall be implemented. - Minor compliance -	Complied
Criterion 2.2: The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.		

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Criterion / Indicator	Assessment Findings	Compliance																																																																								
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure and the actual legal use of the land shall be available. - Major compliance -</p>	<p>Tereh Palm Oil Mill</p> <p>The POM is seated on Tereh Utara land title. The land title with number 6766 registered on 15/09/1982 was sighted. The land was granted to Kulim Plantations (Malaysia) S/B with the use condition of oil palm planting.</p> <p>The following land title was sighted.</p> <p><u>Tereh Utara Estate</u></p> <table border="1" data-bbox="660 656 1262 1099"> <thead> <tr> <th>Lot Number</th> <th>Size (ha)</th> <th>Approved Usage</th> <th>Land grant no.</th> </tr> </thead> <tbody> <tr> <td>3504</td> <td>1210.3237</td> <td>Oil Palm agriculture</td> <td>5655</td> </tr> <tr> <td>3509</td> <td>607.0275</td> <td>agriculture</td> <td>6061</td> </tr> <tr> <td>4609*</td> <td>1083.609</td> <td>Oil Palm agriculture</td> <td>5660</td> </tr> <tr> <td>4607</td> <td>3.7332</td> <td>Oil Palm agriculture</td> <td>5658</td> </tr> <tr> <td>3506</td> <td>130.4478</td> <td>Oil Palm agriculture</td> <td>5657</td> </tr> <tr> <td>3326*</td> <td>1608.0588</td> <td>Oil Palm agriculture</td> <td>6766</td> </tr> <tr> <td>3540</td> <td>10.6812</td> <td>Oil Palm agriculture</td> <td>6767</td> </tr> </tbody> </table> <p>*Sharing land title with Tereh Selatan Estate (which is within the same supply base of Ladang Tereh Mill).</p> <p>The quit rent was paid on 08/05/2017 to confirm the continual legality to use the land.</p> <p><u>Mutiara Estate</u></p> <table border="1" data-bbox="660 1294 1254 1704"> <thead> <tr> <th>Lot Number</th> <th>Size (ha)</th> <th>Approved Usage</th> <th>Land grant no.</th> </tr> </thead> <tbody> <tr> <td>1615</td> <td>404.685</td> <td>Oil Palm agriculture</td> <td>16398</td> </tr> <tr> <td>1617</td> <td>404.685</td> <td>Oil Palm agriculture</td> <td>16399</td> </tr> <tr> <td>1618</td> <td>404.685</td> <td>Oil Palm agriculture</td> <td>16400</td> </tr> <tr> <td>1619</td> <td>404.685</td> <td>Oil Palm agriculture</td> <td>16401</td> </tr> <tr> <td>3337</td> <td>323.7486</td> <td>Oil Palm agriculture</td> <td>17426</td> </tr> <tr> <td>3223</td> <td>607.4</td> <td>Oil Palm agriculture</td> <td>37261</td> </tr> </tbody> </table> <p>The quit rent was paid on 17/05/2017 to confirm the continual legality to use the land.</p> <p><u>Rengam Estate</u></p> <table border="1" data-bbox="660 1827 1254 1973"> <thead> <tr> <th>Lot Number</th> <th>Size (ha)</th> <th>Approved use condition</th> <th>Land grant no.</th> </tr> </thead> <tbody> <tr> <td>1912</td> <td>2451.9864</td> <td>Not specific</td> <td>84384</td> </tr> <tr> <td>2264</td> <td>28.935</td> <td>Not specific</td> <td>22000</td> </tr> </tbody> </table> <p>The quit rent was paid accordingly.</p> <p>The lands developed by Tereh Complex are Johor State land. These lands are granted by Johor State through State government development planning. There is no land acquisition involved.</p>	Lot Number	Size (ha)	Approved Usage	Land grant no.	3504	1210.3237	Oil Palm agriculture	5655	3509	607.0275	agriculture	6061	4609*	1083.609	Oil Palm agriculture	5660	4607	3.7332	Oil Palm agriculture	5658	3506	130.4478	Oil Palm agriculture	5657	3326*	1608.0588	Oil Palm agriculture	6766	3540	10.6812	Oil Palm agriculture	6767	Lot Number	Size (ha)	Approved Usage	Land grant no.	1615	404.685	Oil Palm agriculture	16398	1617	404.685	Oil Palm agriculture	16399	1618	404.685	Oil Palm agriculture	16400	1619	404.685	Oil Palm agriculture	16401	3337	323.7486	Oil Palm agriculture	17426	3223	607.4	Oil Palm agriculture	37261	Lot Number	Size (ha)	Approved use condition	Land grant no.	1912	2451.9864	Not specific	84384	2264	28.935	Not specific	22000	<p>Complied</p>
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Criterion / Indicator		Assessment Findings	Compliance
2.2.2	Legal boundaries shall be clearly demarcated and visibly maintained. - Minor compliance -	Boundaries were marked clearly using wooden peg at LTU (boundary with Felda Paloh), LM (boundary with Garisan Mas Plantation) and LR (boundary with Sembrong Estate, Sime Darby Plantation).	Complied
2.2.3	Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC). - Minor compliance -	There are no dispute recorded and observed. Interview was conducted with surrounding stakeholder to confirm that there is no land dispute had occurred. However, In Mutiara Estate there was record on land resurvey with adjacent estates in 2008 on planted areas. The land resurvey is not due to land disputes as this resurvey was initiated from Kulim Group.	Complied
2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved. -Major compliance	There are no dispute recorded and observed. Interview was conducted with surrounding stakeholder to confirm that there is no land dispute had occurred.	Complied
2.2.5	For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). -Minor compliance	There are no dispute recorded and observed. Interview was conducted with surrounding stakeholder to confirm that there is no land dispute had occurred.	Complied
2.2.6	To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations. -Major compliance	There are no dispute recorded and observed. Interview was conducted with surrounding stakeholder to confirm that there is no land dispute had occurred.	Complied
Criterion 2.3: Use of the land for oil palm does not diminish the legal rights, customary or user right of other users without their free, prior and informed consent.			
2.3.1	Maps of an appropriate scale showing the extent of recognized legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).. - Major compliance -	The mill has been operating since 1979 while Tereh Utara Estate started planting 1973. The land is a state land which was granted on 15/09/1982. The mill is seated on Tereh Utara Land title. The Tereh Utara, Mutiara and Rengam maps were reviewed and site observation had confirmed that the surrounding land are planted with oil palm. The surrounding lands are also developed by Kulim Plantations. There is no customary land identified as the lands were State land. The lands were developed since 1970s. However, the scale of the available maps show sufficient information of the estates operations.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include: a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making; b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken; c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. - Minor compliance -	There is no land dispute recorded. However Kulim has developed the SPO on Negotiations Concerning Compensation Program dated 04/09/2007.	Complied
2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. -Minor compliance	There is no land disputed recorded and it has been confirmed during stakeholder interview.	Complied
2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. -Major compliance	There is no land disputed recorded and it has been confirmed during stakeholder interview.	Complied
Principle 3: Commitment to long-term economic and financial viability		
Criterion 3.1: There is an implemented management plan that aims to achieve long-term economic and financial viability.		

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Criterion / Indicator	Assessment Findings	Compliance													
<p>3.1.1</p> <p>A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. - Major compliance -</p>	<p>LTPOM has established and implemented its commitment to long term sustainability and improvements through a capital expenditure programme. Budget and 5 years management plan (projections 2018- 2022) was verified during the audit.</p> <p>Ladang Tereh Mill and supply bases have made progress towards achieving their performance production targets for the current financial year.</p> <p><u>Ladang Tereh Mill</u></p> <ol style="list-style-type: none"> Concrete hardstanding area & boiler area and resurface kernel plant area & oil room area. New unit Vertical Sterilizer (1 unit) Replace EFB Press pump <p><u>Ladang Tereh Utara</u></p> <ol style="list-style-type: none"> 3 units 5/6 tons wooden trailer 4 units L70 Mechanical Buffalo <p><u>Ladang Mutiara</u></p> <ol style="list-style-type: none"> 1 unit Fertiliser Spreader 850 Turbo 1 unit Cummin Genset 80KW/100KVA 	<p>Complied</p>													
<p>3.1.2</p> <p>An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available. - Minor compliance -</p>	<p>The replanting programme was established. Sighted Replanting Programme 2016-2041:</p> <table border="1" data-bbox="660 1128 1139 1283"> <thead> <tr> <th>Year</th> <th>Estate</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>2018</td> <td rowspan="2">LM</td> <td>260</td> </tr> <tr> <td>2019</td> <td>279.56</td> </tr> <tr> <td>2017</td> <td rowspan="2">LR</td> <td>232.89</td> </tr> <tr> <td>2018</td> <td>173.09</td> </tr> </tbody> </table> <p>At Ladang Tereh Utara, there is no replanting until 2021.</p>	Year	Estate	Ha	2018	LM	260	2019	279.56	2017	LR	232.89	2018	173.09	<p>Complied</p>
Year	Estate	Ha													
2018	LM	260													
2019		279.56													
2017	LR	232.89													
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<p>Principle 4: Use of appropriate best practices by growers and millers</p>															
<p>Criterion 4.1: Operating procedures are appropriately documented, consistently implemented and monitored.</p>															

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills are documented - Major compliance -</p>	<p>Quality Manual (LTM/QM), dated:1/9/14 and Standards Operating Procedure (LTM/SOP), dated: 10/12/12 for LTPOM was established to cover all the station. Sighted some of the procedure related to loading ramp, sterilization station, threshing and press station, clarification station, kernel station, depericarper station, kernel station, effluent treatment plant, boiler house, power house, water treatment plant and etc.</p> <p>Work Instructions have been derived from SOPs and it were displayed at work stations at the mill and at certain locations at the estates, such as the Muster Notice Boards. Eg: WI: Boiler Station, WI: Power House, WI: Laboratory Manual, WI: Waste Management, WI: Handling chemicals, WI: Usage of hearing protection device, WI: Emergency Response Procedure, WI: Maintenance and servicing of oil trap, WI: Confined Space Management, SOP Harvesting, SOP Spraying, SOP: Manuring, SOP: Workshop, SOP: Working at Height, SOP: Oxy-Acetylene Set, SOP: Welding, SOP: Mechanical Buffalo, and etc.</p> <p>Kulim (M) Berhad Agricultural Manual has established covers Replanting, roads drains Bridges culverts and fences, construction of estate building, manuring including POME and Bio compost, harvesting, pruning and ablation, soil conservation, justification of chemical use, weed management, integrated pest management and plant diseases. There are 19 SOPs and 18 WI's covering all aspects of oil palm management including composting site operation.</p>	<p>Complied</p>
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. - Minor compliance -</p>	<p>Internal Audit was conducted twice a year by Sustainability department, the latest internal audit was conducted on 20/8/2017 (LTM) and 23/8/17 (LTU) to cover the entire criterion stated in the standard.</p> <p>Mill Inspectorate Visit for Ladang Tereh Mill (LTM) was conducted on 5/9/2017 by Hj Mohd Jaafar Abu Bakar (Mill Inspector). The report was made available at mill office.</p> <p>Plantation Inspectorate visit at Ladang Mutiara (LM) was conducted on 13-14/9/2017, while at Ladang Rengam (LR) was conducted on 19-20/7/2017 by Tn Ismail Ahmad. Plantation Inspectorate visit at Ladang Rengam (LR) was conducted on 13-14/9/2017 by Tn Ismail Ahmad.</p> <p>However, the mechanism to check consistent implementation of procedure was not effectively implemented especially for riparian area. During site visit at Ladang Tereh Utara, sighted the riparian area at Field P97 with Sungai Tamok was not maintained as per agricultural manual (Section A17: Protection of Natural Water Courses).</p> <p>Thus, Minor NC was raised.</p>	<p>Minor nonconformance</p>

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Criterion / Indicator		Assessment Findings	Compliance
4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. - Minor compliance -	All records related to Internal Audit, Mill Inspector and Estate Inspector Visit was maintained and available at Mill and Estate Office.	Complied
4.1.4	The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). - Major compliance -	<u>SCCS</u> Ladang Tereh Palm Oil Mill only receives certified FFB. Therefore qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.	Complied
Criterion 4.2: Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.			
4.2.1	There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. - Minor compliance -	Kulim (M) Berhad Agriculture Manual has established covers Replanting, roads drains Bridges culverts and fences, construction of estate building, manuring, harvesting, pruning and ablation, soil conservation, justification of chemical use, weed management, integrated pest management and plant diseases. There are 19 SOPs and 18 WI's covering all aspects of oil palm management. The related SOP, namely Leaf and Soil Sampling Notes procedure was sighted. All estates operate in accordance with the Agriculture Manual and standard operating procedures. The practices consistently monitored by estate operation management and estate inspectorate. The recommendations for improvements are given to maintain the sustainable practices.	Complied

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Criterion / Indicator	Assessment Findings	Compliance
<p>4.2.2 Records of fertiliser inputs shall be maintained. - Minor compliance -</p>	<p>Fertilizers are applied as per agronomist recommendation. Record shows application date, filed number, dosage applied per palm, type of fertilizer and number of applicators.</p> <p><u>Ladang Tereh Utara</u> Fertilizer recommendation dated 1/11/2016 was done by agronomist :</p> <ol style="list-style-type: none"> 1. AS : 978.28 mt 2. ERP: 377.39 mt 3. HGFB: 21.19 mt 4. MIX 1: 697.56 mt 5. MIX2+ B: 568.04 mt 6. MOP: 701.89 mt 7. KIE: 109.98 mt <p>The latest application was carried out at P00/5 (LTU) for Kieserite (1kg/palm).</p> <p><u>Ladang Mutiara</u> Fertilizer recommendation dated 1/11/2016 was done by agronomist :</p> <ol style="list-style-type: none"> 1. AS : 603.85 mt 2. MIX 1: 322.19 mt 3. MOP: 293.80 mt 4. KIE: 95.08 mt <p>The latest application was carried out at P91/10 (LM) for MOP (1.75kg/palm).</p> <p><u>Ladang Rengam</u> Fertilizer recommendation dated 27/12/2016 was done by agronomist :</p> <ol style="list-style-type: none"> 1. AS : 187.50 mt 2. MIX 1: 565.14 mt 3. MOP: 82.61 mt 4. KIE: 70.66 mt 5. ERP: 267.35 mt 6. MIX2+ B: 576.35 mt <p>The latest application was carried out at P05 (LR) for MIX2+ (2.5kg/palm).</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance																										
4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. - Minor compliance -	<u>Ladang Tereh Utara/ Ladang Mutiara</u> Internal Agronomist from Agronomy Advisory and Services Department visited estates to carry out foliar sampling prior to the fertilizer recommendation for 2017. Leaf and soil nutrient analysis are commonly used in the diagnosis of fertilizer requirements in oil palms. Foliar analysis report (LI/1707/LTU/0892-0951 dated 30/7/2017 for LTU, LI/1706/MUT/0675-0700 dated 5/6/17 for LM, LI/1709/RGM/1125-1172 dated 21/9/17) was sighted. The frequency for leaf sampling must be conduct for every year while for soil analysis, the frequency for soil sampling is conducted at 5 years intervals (Leaf and Soil Sampling Notes Procedure-Kulim (M) Bhd).The fertilizer recommendation dated 1/11/2017 was sighted. Soil sampling was carried out accordingly and is scheduled to be repeated every 5 years. Sighted Soil analysis report (SI/1707/02117-0229 dated 26/7/2017 for LTU, SI/1706/01770180 dated 14/5/2017 for LM, SI/1709/0265-0272 dated 5/9/2017 for LR) by UTCL Laboratory.	Complied																										
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues after replanting. - Minor compliance -	POME and composting were applied as per agricultural manual: 1. D05: EFB Utilization at rate 50mt/ha. 2. D06:POME Utilization using tractor tanker and furrow system at 17mt/ha or 125kg/palm 3. D08: Biocompost application at the rate of 7mt/ha or 50kg/palm on selected area. <table border="1" data-bbox="660 1173 1299 1485"> <thead> <tr> <th>Month</th> <th>Amount</th> <th>Type</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>Sept 17</td> <td>11,695.09 m³</td> <td>Furrow</td> <td>LTM</td> </tr> <tr> <td>Todate Sept 17</td> <td>5778.42 mt</td> <td>Compost</td> <td>LTU</td> </tr> <tr> <td>Todate Sept 17</td> <td>579.61 mt</td> <td>EFB</td> <td>LM</td> </tr> <tr> <td>Todate Sept 17</td> <td>3505.46 mt</td> <td>Compost</td> <td>LR</td> </tr> </tbody> </table>	Month	Amount	Type	Remark	Sept 17	11,695.09 m ³	Furrow	LTM	Todate Sept 17	5778.42 mt	Compost	LTU	Todate Sept 17	579.61 mt	EFB	LM	Todate Sept 17	3505.46 mt	Compost	LR	Complied						
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Todate Sept 17	3505.46 mt	Compost	LR																									
Criterion 4.3: Practices minimise and control erosion and degradation of soils.																												
4.3.1 Maps of any fragile soils shall be available. - Major compliance -	Soil series map available for both estates visited. No other soil categorised as problematic or fragile soil. Sighted the type of soil available at LTU <table border="1" data-bbox="660 1641 1299 2033"> <thead> <tr> <th>No.</th> <th>Type of Soil</th> </tr> </thead> <tbody> <tr><td>1</td><td>Sri Bugor</td></tr> <tr><td>2</td><td>Sri Serdang</td></tr> <tr><td>3</td><td>Kesatuan Jabil-Tepis</td></tr> <tr><td>4</td><td>Siri Batang Merbau</td></tr> <tr><td>5</td><td>Sri Tai Tak</td></tr> <tr><td>6</td><td>Sri Tebok</td></tr> <tr><td>7</td><td>Sri Batu lapan</td></tr> <tr><td>8</td><td>Sri Rengam</td></tr> <tr><td>9</td><td>Sri Tawar</td></tr> <tr><td>10</td><td>Siri Tepus</td></tr> <tr><td>11</td><td>Siri Baling</td></tr> <tr><td>12</td><td>Siri Durian</td></tr> </tbody> </table>	No.	Type of Soil	1	Sri Bugor	2	Sri Serdang	3	Kesatuan Jabil-Tepis	4	Siri Batang Merbau	5	Sri Tai Tak	6	Sri Tebok	7	Sri Batu lapan	8	Sri Rengam	9	Sri Tawar	10	Siri Tepus	11	Siri Baling	12	Siri Durian	Complied
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4.3.2 A management strategy shall be in place for plantings on slopes above a certain limit (this needs to be soil and climate specific). - Minor compliance -	Sighted slope map (Slope Classification Map). Slope area constructed with terrace and stop bund. Planting terraces had been constructed where slope >7°.The management practiced to established <i>Vertiver</i> and <i>Guatemala Grass</i> to prevent severe soil erosion.	Complied
4.3.3 A road maintenance programme shall be in place. - Minor compliance -	Estates has implemented annual road and bridges programme. Example of programme checked at Ldg Tereh Utara shows the file road programme indicating road repairs and maintenance for the whole estate roads includes grading, compacting and to strengthen the road surface.	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates.	Complied
4.3.5 Drainability assessments shall be required prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates.	Complied
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. sandy, low organic matter, acid sulphate soils). - Minor compliance -	There is no peat soil or soil categorised as problematic or fragile soil at both estates.	Complied
Criterion 4.4: Practices maintain the quality and availability of surface and ground water.		
4.4.1 An implemented water management plan shall be in place. - Minor compliance -	<p>The mill water management plan was last reviewed on 01/10/2017. The plan has includes rain water harvesting for cleaning purposes, continual training for workers on water efficiency consumption, desilting water reservoir to maintain water reservoir capacity.</p> <p>Tereh Utara water management plan was last reviewed on 01/10/2017. Sample of plan – has identified actions plans for water harvesting.</p> <p>Mutiara water management plan was last reviewed on January 2017. Sample of plan – has identified the management draught at linesite which outsourcing water from South Division.</p> <p>Rengam water management plan was last reviewed on 12/01/2017. Sample of plan – has identified management plan to provide training to workers on water usage.</p> <p>There is no further management plan established on the results of river water analysis. The results of the analysis on Phosphate and Nitrate Nitrogen is available. However the results of the analysis are not analyzed and/or reviewed to conclude if a management plan is required to ensure the water quality are met.</p> <p>Thus, minor NC was raised.</p>	Minor nonconformance

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<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. - Major compliance -</p>	<p>The POME produced from the mill is treated using conventional open anaerobic and aerobic lagoon. The treated POME is discharged to Tereh Utara Estate. The DOE license has been reviewed to confirm the allowance of treated POME discharge to estate.</p> <p>River water testing were conducted accordingly. Records reviewed:</p> <p>Tereh - 19/10/2017 (WI/1710/0943-0944 Phosphorous outlet 3.22mg P/L; Nitrate Nitrogen outlet 0.10 mg NO₃-N/L); 20/09/2017 (WI/1709/0854-0855 Phosphorous outlet 6.22mg P/L; Nitrate Nitrogen outlet 0.44 mg NO₃-N/L) and 28/08/2017 (WI/1708/0788-0789 Phosphorous outlet 8.68mg P/L; Nitrate Nitrogen outlet 0.27 mg NO₃-N/L).</p> <p>Mutiara - 20/09/2017 (WI/1709/0813-0816 Phosphorous outlet <0.20mg P/L; Nitrate Nitrogen outlet 0.13 mg NO₃-N/L); 29/08/2017 (WI/1708/0783-0786 Phosphorous outlet <0.20mg P/L; Nitrate Nitrogen outlet 0.14mg NO₃-N/L) and 25/07/2017 (WI/1707/0632-0635 Phosphorous outlet 0.22mg P/L; Nitrate Nitrogen outlet 0.15mg NO₃-N/L).</p> <p>Rengam - 03/10/2017 (WI/1710/0922-0924 Phosphorous outlet <0.20mg P/L; Nitrate Nitrogen outlet 5.29 mg NO₃-N/L); 18/08/2017 (WI/1708/0770-0772 Phosphorous outlet <0.40mg P/L; Nitrate Nitrogen outlet 1.02mg NO₃-N/L) and 30/07/2017 (WI/1707/0702-0704 Phosphorous outlet <0.20mg P/L; Nitrate Nitrogen outlet 0.04mg NO₃-N/L).</p>	<p>Complied</p>
<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, especially Biochemical Oxygen Demand (BOD), shall be in compliance with national regulations (Criteria 2.1 and 5.6). - Minor compliance -</p>	<p>The treated POME is discharge to Tereh Utara Estate for land application. The DOE license stated that the BOD level discharged from Anaerobic Pond C shall be below 5,000ppm.</p> <p>The POME treatment sample record has been verified to confirm the BOD is below 5,000ppm. Records reviewed – 27/09/2017 BOD 444ppm (EI/1709/0932-0936); 29/08/2017 BOD 508ppm (EI/1708/0819-0822); 26/07/2017 BOD 366ppm (EI/1707/0694-0697) and 19/06/2017 BOD 503ppm (EI/1706/0565-0568)</p>	<p>Complied</p>
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. - Minor compliance -</p>	<p>The water usage for mill is monitored on monthly basis. The average water ratio to FFB from Jan 2017 till Sept 2017 is 1.44 (1mt FFB using 1.44 mt of water). The water usage includes for processing, boiler and domestic.</p>	<p>Complied</p>
<p>Criterion 4.5: Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		

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Criterion / Indicator	Assessment Findings	Compliance																				
4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. - Major compliance -	<p>IPM Manual includes the planting of beneficial plants, control of natural enemies and control of damage by rodents, leaf-eaters, orytes and etc Beneficial plants such as Turnera subulata, Antigonon Leptopus and Cassia Cobanensis are grown in the estates.</p> <p>Records of planting of new areas and maintenance of existing areas of beneficial plants, location maps and barn owl census are available.</p> <table border="1" data-bbox="660 636 1299 757"> <thead> <tr> <th></th> <th>Distance</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Beneficial Plant</td> <td>700 chain</td> <td>LTU</td> </tr> <tr> <td>500 chain</td> <td>LM</td> </tr> <tr> <td>626 chain</td> <td>LR</td> </tr> </tbody> </table> <p>Latest bagworm census was done on 10/10/17 with no outbreak of bagworm at LTU. Sighted purchase permit (JH/METHA(GL)/15/106 dated 30/12/2015) at LTU, (JHR/2017/METHA/55(GL) dated 6/9/2017) at LM for Methamidophos by DOA. The records related to handling highly toxic pesticides was maintained and available at estate office.</p> <p>The occupancy rate for Barn owl box on Sept 2017.</p> <table border="1" data-bbox="660 1048 1299 1167"> <thead> <tr> <th></th> <th>Occupancy rate</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Barn owl</td> <td>38%</td> <td>LTU</td> </tr> <tr> <td>42%</td> <td>LM</td> </tr> <tr> <td>79%</td> <td>LR</td> </tr> </tbody> </table>		Distance	Estate	Beneficial Plant	700 chain	LTU	500 chain	LM	626 chain	LR		Occupancy rate	Estate	Barn owl	38%	LTU	42%	LM	79%	LR	Complied
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4.5.2 Training of those involved in IPM implementation shall be demonstrated. - Minor compliance -	<p>Training for those involve with IPM implementation was conducted accordingly. Training records for staff and workers on IPM implementation were available and verified to be satisfactory during on-site assessment.</p> <p># cross refer with indicator 4.8.2</p>	Complied																				
Criterion 4.6: Pesticides are used in ways that do not endanger health or the environment																						
4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. - Major compliance -	<p>Justification of pesticides applied is available in the agriculture manual. Refer to agriculture manual 21/10/2015, H01: Justification of Chemical Use. The use of pesticide is specific to the target pest, weed and disease. Justification takes consideration to minimize effect on non-target species.</p>	Complied																				
4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. - Major compliance -	<p>Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications was maintained.</p> <table border="1" data-bbox="660 1771 1102 1921"> <thead> <tr> <th></th> <th>2016 (% a.i./ha)</th> <th>Todate 2017 (% a.i./ha)</th> </tr> </thead> <tbody> <tr> <td>LTU</td> <td>3.56</td> <td>0.60</td> </tr> <tr> <td>LM</td> <td>1.21</td> <td>0.79</td> </tr> <tr> <td>LR</td> <td>5.03</td> <td>1.45</td> </tr> </tbody> </table>		2016 (% a.i./ha)	Todate 2017 (% a.i./ha)	LTU	3.56	0.60	LM	1.21	0.79	LR	5.03	1.45	Complied								
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4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in national Best Practice guidelines. - Major compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Kulim’s Agriculture Manual. The implementation in the field is consistent with the manual. There is no prophylactic use of pesticides.	Complied
4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in national Best Practice guidelines. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. - Minor compliance -	Kulim (M) Bhd has stopped paraquat usage since February 2015. Alternatives such as Glyphosate were used. The implementation in the field is consistent with the SOP. For trunk injection, the management used Methamidophos (Class 1B) and the permit from DOA (JH/METHA(GL)/15/106 dated 30/12/2015) at LTU, (JHR/2017/METHA/55(GL) dated 6/9/2017) at LM was sighted.	Complied
4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). - Major compliance -	Pesticide operators given training on the safe handling and application of the pesticides. Suitable personal protective equipment’s and application equipment provided to the operators. All precautions attached to the products explained to operators and understood by them. This was noted during the interview with workers. #cross refer with indicator 4.8.2	Complied
4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). - Major compliance -	The operating units comply with Regulation 9 of the Pesticides Act 1974 requiring balance of remaining solution to be kept under lock and key. During visit it was noted that all the remaining pesticides are kept in the store and securely locked and comply with regulation. All the empty container were disposed as scheduled waste.	Complied
4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. - Minor compliance -	The quantity of agrochemicals required for various field conditions are documented and justified in Agriculture Manual, Section I: Weeds Management. The implementation in the field is consistent with the Agriculture Manual.	Complied
4.6.8 Pesticides shall be applied aially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. - Major compliance -	No aerial spraying at all estates.	Complied

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4.6.9	<p>Maintenance of employee and associated smallholder knowledge and skills on pesticide handling shall be demonstrated, including provision of appropriate information materials (see Criterion 4.8).</p> <p>- Minor compliance -</p>	<p>There is no associated smallholder at Ladang Tereh POM Certification Unit. Employees handling pesticide given knowledge and skill required to cover safe handling practices and standard operating procedures.</p> <p>#cross refer with indicator 4.8.2</p>	Complied																												
4.6.10	<p>Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3).</p> <p>- Minor compliance -</p>	<p>The management disposed the empty containers as per scheduled waste regulations.Eg: empty pesticides container, empty herbicide container etc.</p>	Complied																												
4.6.11	<p>Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated.</p> <p>- Major compliance -</p>	<p>Annual medical surveillance for sprayers and pesticide operators were demonstrated.</p> <p>Medical examination programme established for sprayers which conducted by Kulim Safety Training and Services Sdn Bhd (HQ/13/DOC/00/235, HQ/13/DOC/00/322, HQ/16/DOC/00/502).</p> <table border="1" data-bbox="660 972 1252 1335"> <thead> <tr> <th>ID No</th> <th>Date of Medical check up</th> <th>Result</th> <th>Estate</th> </tr> </thead> <tbody> <tr> <td>AE9521854</td> <td rowspan="3">16/4/17</td> <td>Fit to work</td> <td rowspan="3">LTU</td> </tr> <tr> <td>Z0794793</td> <td>Fit to work</td> </tr> <tr> <td>B2898177</td> <td>Fit to work</td> </tr> <tr> <td>A09123703</td> <td rowspan="3">16/4/17</td> <td>Fit to work</td> <td rowspan="3">LM</td> </tr> <tr> <td>AC175666</td> <td>Fit to work</td> </tr> <tr> <td>BL0946324</td> <td>Fit to work</td> </tr> <tr> <td>AT499088</td> <td rowspan="3">8/3/17</td> <td>Fit to work</td> <td rowspan="3">LR</td> </tr> <tr> <td>B3059592</td> <td>Fit to work</td> </tr> <tr> <td>AE6308401</td> <td>Fit to work</td> </tr> </tbody> </table> <p>All the workers found fit with no of workers diagnose with abnormal results (occupational caused).</p>	ID No	Date of Medical check up	Result	Estate	AE9521854	16/4/17	Fit to work	LTU	Z0794793	Fit to work	B2898177	Fit to work	A09123703	16/4/17	Fit to work	LM	AC175666	Fit to work	BL0946324	Fit to work	AT499088	8/3/17	Fit to work	LR	B3059592	Fit to work	AE6308401	Fit to work	Complied
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4.6.12	<p>No work with pesticides shall be undertaken by pregnant or breast-feeding women.</p> <p>- Major compliance -</p>	<p>No female sprayers at LTU, LM and LR.</p>	Complied																												

Criterion 4.7:
An occupational health and safety plan is documented, effectively communicated and implemented. The health and safety plan shall cover the following:

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<p>4.7.1</p> <p>A health and safety policy shall be in place. A health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>- Major compliance -</p>	<p>LTM and supply bases continued to maintain Occupational Safety and Health Policy which has been signed by Managing Director of Kulim Malaysia Berhad dated 1/1/2008.</p> <p>OHS plan for 2017 dated 1/1/2017 has been established. The OHS plan comprises of OSH legal compliance, emergency response plan (ERP), OSH management system, risk management and safety committee activities. Sample of OSH management system activities as follows :</p> <p>i) Chemical Health Risk Assessment (CHRA) CHRA was conducted on 23/1/2013 by QMSPRO Training & Consultancy (JKKP HIE 127/171-2(154) for LTM. The action plan for 2017 was established through the recommendation from the assessor.</p> <p>CHRA was conducted on 22/1/2013 by QMSPRO Training & Consultancy (JKKP HIE 127/171-2(154) for Ladang Tereh Utara. The action plan was established through the recommendation from the assessor. The action plan for 2017 was established through the recommendation from the assessor.</p> <p>CHRA was conducted in 5/2/2013 by QMSPRO Training & Consultancy (JKKP HIE 127/171-2(154) for Ladang Mutiara. The action plan for 2017 was established through the recommendation from the assessor.</p> <p>CHRA was conducted in 21/2/2013 by QMSPRO Training & Consultancy (JKKP HIE 127/171-2(154) for Ladang Rengam. The action plan for 2017 was established through the recommendation from the assessor.</p> <p>ii) Chemical Exposure Monitoring The CEM was conducted on 8/5/17 by Kulim Safety Training and Services Sdn Bhd, JKKP HIE 127/171-3/1(164)- Report No:2017/029. The results showing that all operators' exposure level of n-hexane were below the PEL.</p> <p>iii) Medical Surveillance 46 workers were sent on 27/8/2017 for medical surveillance for those who are involved with chemical; refer to medical surveillance report by registered OHD, HQ/11/DOC/00/235 under Klinik Falck Bestari. All the operators were found with no occupational related illness have been detected.</p> <p>iv) Audiometric Testing Audiometric testing was conducted on 5/12/16 by MHA Safety and Health Sdn Bad (HQ/15/DOC/00/395). Total workers tested were 48. From the report, 11 workers were found with hearing impairment. JKKP 7 was sent to DOSH accordingly on 5/4/2017.</p> <p>.....</p>	<p>Complied</p>

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	<p>v) LEV inspection Local Exhaust Ventilation (LEV) Examination was conducted on 25/8/2017 by Kulim Safety Training and Services Sdn Bhd (JKKP HIE 127/171-3/2(210)). However, from the report it was found that LEV system is not effective. The management had established the action plan to install the proper LEV system (Fume Hood) and to be complete by December 2017.</p>	
<p>4.7.2</p>	<p>All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. - Major compliance -</p> <p>HIRARC for all activities was assessed which was based on Risk Assessment Criteria stated in the procedure (SOP) Hazard Identification, Risk Assessment and Risk Control, dated 20/11/2009- Kulim (M) Bhd. Eg: Weighbridge, Loading Ramp, Sterilizer, Threshing Station, Pressing Station, Clarification, Nut Cracking Station, Kernel Plant, Kernel Storage, CPO Storage, Boiler Station, Engine room, workshop, General-cleaning and others, Store, EFB Press, Laboratory, WTP, Sterilizer, Landfill, Manuring, Chemical mixing, spraying, trunk injection, harvesting, road maintenance, pruning, FFB transport, confined space, nursery, FFB evacuation using MB, replanting and etc. The latest HIRARC review was conducted on 1/8/2017 by HIRARC team.</p> <p>The activities for Construction of fertilizer store (LTS) and Bio-composting plant (LTM) were registered accordingly in the HIRARC. Thus, the Major NCR raised previous audit was effectively closed.</p>	<p>Complied</p>
<p>4.7.3</p>	<p>All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. - Minor compliance -</p> <p>Observed at engine room, oil room, boiler station, spraying activity, manuring activity and harvesting activity, adequate and appropriate protective equipment was provided. The PPE was effectively implemented at CPO despatch area especially working at height (eg: using safety harness).</p> <p>The training was conducted accordingly at mill and estates. #Cross refer with indicator 4.8.2</p>	<p>Complied</p>

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<p>4.7.4</p> <p>The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. - Major compliance -</p>	<p>The responsible persons are the Manager and Assistant Manager of the respective operating units. JKPP meeting members consist of employer & employee representatives. Records of regular meetings between the responsible person and workers were maintained. There was no major issue. Refer OHS meeting minutes :</p> <ol style="list-style-type: none"> 1. OHS meeting at LTM – #3: dated 25/9/17, #2: dated 18/6/17, #1: dated 30/3/17. All the agenda was discussed accordingly during OHS meeting, eg: accident review, workplace inspection, safety improvement plan, issues from workers, training, complaints has been discussed and action to be taken. 2. OHS meeting at LTU – #3: dated 27/9/17, #2: dated 11/7/17, #1: dated 14/3/17. All the agenda was discussed accordingly during OHS meeting, eg: accident review, workplace inspection, safety improvement plan, issues from workers, training, complaints has been discussed and action to be taken. 3. OHS meeting at LM – #3: dated 19/9/17, #2: dated 31/7/17, #1: dated 5/4/17. All the agenda was discussed accordingly during OHS meeting, eg: accident review, workplace inspection, safety improvement plan, issues from workers, training, complaints has been discussed and action to be taken. 4. OHS meeting at LR – #3: dated 28/9/17, #2: dated 30/7/17, #1: dated 13/3/17. All the agenda was discussed accordingly during OHS meeting, eg: accident review, workplace inspection, safety improvement plan, issues from workers, training, complaints has been discussed and action to be taken. 	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance										
<p>4.7.5</p> <p>Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed.</p> <p>- Minor compliance -</p>	<p>The management continued to maintained Emergency Response procedure, dated 23/8/2011. The procedure was communicated accordingly to all workers. Fire drill been conducted on yearly basis, which the last was conducted on 20/10/2017 (LTM). ERP organization chart, assembly area and location of fire extinguishers and contact numbers available and displayed at relevant locations. First aid equipment available at worksites. First aiders competency certificate available e.g. 680820-01-6297 (supervisor-cert expiry: 9/8/2019) and 680802-01-5469 (chargeman)</p> <table border="1" data-bbox="660 707 1299 891"> <thead> <tr> <th data-bbox="660 707 836 734">Estate/Mill</th> <th data-bbox="841 707 1299 734">First Aid Box Station (Site Visit)</th> </tr> </thead> <tbody> <tr> <td data-bbox="660 741 836 792">LTM</td> <td data-bbox="841 741 1299 792">Loading Ramp, Engine Room, Workshop, Operation Room</td> </tr> <tr> <td data-bbox="660 799 836 828">LTU</td> <td data-bbox="841 799 1299 828">Harvesting (P98), Spraying (P03)</td> </tr> <tr> <td data-bbox="660 835 836 864">LM</td> <td data-bbox="841 835 1299 864">Harvesting (P91)</td> </tr> <tr> <td data-bbox="660 871 836 900">LR</td> <td data-bbox="841 871 1299 900">Harvesting (P03), Spraying (P13)</td> </tr> </tbody> </table> <p>First aid box inspection was conducted on monthly basis, sighted the record of inspection was last done on October 2017 by HA.</p> <p>Records of incident were available, using internal reporting system. Last accident happened on 1/7/2017 at LTM with total 37 days MC at Boiler Station. JKPP 6 was sent to DOSH on 9/7/2017 accordingly. While at LM, there was occupational poisoning happened on 20/8/17 to the trunk injection gang where he was vomited and found to be poisoned with Alleged Organophosphate chemical (Methamidophos). The internal investigation was done accordingly by internal OHS committee members. The JKPP 7 was sent to DOSH accordingly on 20/8/17.</p> <p>JKPP 8 was sent to DOSH on 2/1/2017 (LTM), 3/1/2017 (LTU) and 1/1/2017 (LR).</p> <p>During ASA4, the emergency shower was effectively operate. Sighted the emergency shower at mixing area for all estate visited. The inventories for first aid boxes was found sufficient. The management had email the first aid kit guide to all Mills and Estates accordingly. For Felda Paloh, the certification unit decided to exclude Felda Paloh as supply base of the scope of certification.</p> <p>Thus, the Minor NC raised during previous assessment was closed on 2/11/17.</p>	Estate/Mill	First Aid Box Station (Site Visit)	LTM	Loading Ramp, Engine Room, Workshop, Operation Room	LTU	Harvesting (P98), Spraying (P03)	LM	Harvesting (P91)	LR	Harvesting (P03), Spraying (P13)	<p>Complied</p>
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<p>4.7.6 All workers shall be provided with medical care, and covered by accident insurance. - Minor compliance -</p>	<p>All workers provided with medical care, and covered by accident insurance. Sample insurance policies checked:</p> <table border="1" data-bbox="660 465 1289 1346"> <thead> <tr> <th>Insurance</th> <th>Period</th> <th>Mill/ Estate</th> <th>Remark</th> </tr> </thead> <tbody> <tr> <td>SOCSCO</td> <td>Aug 17, Sept 17</td> <td>LTM</td> <td>800101015697, 940125015143, 870319235653</td> </tr> <tr> <td>MSIG Insurance (JB09721683-FIG)</td> <td>9/2/17-8/8/18</td> <td>LTM</td> <td>B2109647, B2359813, B2898345</td> </tr> <tr> <td>SOCSCO</td> <td>Aug 17, Sept 17</td> <td>LTU</td> <td>600225015932, 580115015856, 681014015219</td> </tr> <tr> <td>MSIG Insurance (17DHQEBFE4 004205)</td> <td>1/10/17-31/3/19</td> <td>LTU</td> <td>B5352160, AS702044, A8258131, AT307813</td> </tr> <tr> <td>SOCSCO</td> <td>Aug 17, Sept 17</td> <td>LM</td> <td>660607016273, 690101019191, 730601016839</td> </tr> <tr> <td>MSIG Insurance (JB-09848200-FWC)</td> <td>12/9/17-11/9/18</td> <td>LM</td> <td>AU040604, B7885576, AT616239</td> </tr> <tr> <td>SOCSCO</td> <td>Aug 17, Sept 17</td> <td>LR</td> <td>580817015041, 620221015060, 790217015385</td> </tr> <tr> <td>Berjaya Sampo Ins (17DHQEWWC Z06024)</td> <td>19/9/17-18/9/18</td> <td>LR</td> <td>A4715166, AT165881, A4717853</td> </tr> </tbody> </table> <p>All the policies were found valid.</p>	Insurance	Period	Mill/ Estate	Remark	SOCSCO	Aug 17, Sept 17	LTM	800101015697, 940125015143, 870319235653	MSIG Insurance (JB09721683-FIG)	9/2/17-8/8/18	LTM	B2109647, B2359813, B2898345	SOCSCO	Aug 17, Sept 17	LTU	600225015932, 580115015856, 681014015219	MSIG Insurance (17DHQEBFE4 004205)	1/10/17-31/3/19	LTU	B5352160, AS702044, A8258131, AT307813	SOCSCO	Aug 17, Sept 17	LM	660607016273, 690101019191, 730601016839	MSIG Insurance (JB-09848200-FWC)	12/9/17-11/9/18	LM	AU040604, B7885576, AT616239	SOCSCO	Aug 17, Sept 17	LR	580817015041, 620221015060, 790217015385	Berjaya Sampo Ins (17DHQEWWC Z06024)	19/9/17-18/9/18	LR	A4715166, AT165881, A4717853	<p>Complied</p>
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<p>4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics - Minor compliance -</p>	<p>Records of incident and accident were available, using internal reporting system. Records on Lost Time Accident (LTA) metrics had been verified to be satisfactory.</p> <p>Sample of accident statistic as shown below :</p> <table border="1" data-bbox="660 1563 1139 1682"> <thead> <tr> <th>Year</th> <th>LTM</th> <th>LTU</th> <th>LM</th> <th>LR</th> </tr> </thead> <tbody> <tr> <td>2016</td> <td>15</td> <td>26</td> <td>68</td> <td>7</td> </tr> <tr> <td>2017 (as at Sep 17)</td> <td>47</td> <td>27</td> <td>81</td> <td>5</td> </tr> </tbody> </table> <p>*LTA is equivalent to lost man days</p>	Year	LTM	LTU	LM	LR	2016	15	26	68	7	2017 (as at Sep 17)	47	27	81	5	<p>Complied</p>																					
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<p>Criterion 4.8: All staff, workers, smallholders and contract workers are appropriately trained.</p>																																						

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4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. - Major compliance -	A formal training programme on all aspects of RSPO Principles and Criteria has been established and implemented. Training for various categories of operators, including all field and office staff, with regards to individual duties and training needs had been reviewed and found to be complied. Training programme planned for year 2017 was consistently implemented. The programme includes training for all categories of workers. Evidence of adequate and appropriate training on safe working practices provided to: - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers	Complied																																																																																																
4.8.2 Records of training for each employee shall be maintained. - Minor compliance -	The records of training were available at mill and estate office. Sample training checked: <table border="1" data-bbox="662 909 1273 1865"> <thead> <tr> <th>Date</th> <th>Training</th> <th>Remark</th> </tr> </thead> <tbody> <tr><td>26/10/17</td><td>Scheduled Waste</td><td>LTM</td></tr> <tr><td>22/10/17</td><td>ERP</td><td></td></tr> <tr><td>13/10/17</td><td>RSPO Awareness</td><td></td></tr> <tr><td>1/10/17</td><td>Fogging</td><td></td></tr> <tr><td>11/9/17</td><td>Grading</td><td></td></tr> <tr><td>25/7/17</td><td>Boiler/WTP</td><td></td></tr> <tr><td>10/7/17</td><td>LOTO</td><td></td></tr> <tr><td>1/6/17</td><td>Kernel & Nut Station</td><td></td></tr> <tr><td>6/9/17</td><td>Spill Containment</td><td>LTU</td></tr> <tr><td>5/9/17</td><td>Manuring</td><td></td></tr> <tr><td>4/9/17</td><td>Triple Rinsing</td><td></td></tr> <tr><td>3/9/17</td><td>Spraying</td><td></td></tr> <tr><td>2/8/17</td><td>WTP</td><td></td></tr> <tr><td>20/7/17</td><td>Buffer Zone</td><td></td></tr> <tr><td>9/5/17</td><td>Bagworm Control</td><td></td></tr> <tr><td>10/1/17</td><td>Harvesting</td><td>LM</td></tr> <tr><td>25/1/17</td><td>Rat Baiting</td><td></td></tr> <tr><td>8/2/17</td><td>Spraying</td><td></td></tr> <tr><td>5/4/17</td><td>First Aid</td><td></td></tr> <tr><td>10/5/17</td><td>Bagworm Treatment</td><td></td></tr> <tr><td>8/6/17</td><td>Triple rinsing</td><td></td></tr> <tr><td>6/7/17</td><td>PPE for Sprayer</td><td></td></tr> <tr><td>23/8/17</td><td>SOP for Buffalo</td><td></td></tr> <tr><td>21/8/17</td><td>Barn Owl census</td><td>LR</td></tr> <tr><td>13/8/17</td><td>Beneficial Plant (IPM)</td><td></td></tr> <tr><td>7/7/17</td><td>HCV/Buffer Zone</td><td></td></tr> <tr><td>5/7/17</td><td>Spraying</td><td></td></tr> <tr><td>9/5/17</td><td>Bagworm Control</td><td></td></tr> <tr><td>15/6/17</td><td>First Aid</td><td></td></tr> <tr><td>10/4/17</td><td>Manuring</td><td></td></tr> <tr><td>9/4/17</td><td>Harvesting</td><td></td></tr> </tbody> </table>	Date	Training	Remark	26/10/17	Scheduled Waste	LTM	22/10/17	ERP		13/10/17	RSPO Awareness		1/10/17	Fogging		11/9/17	Grading		25/7/17	Boiler/WTP		10/7/17	LOTO		1/6/17	Kernel & Nut Station		6/9/17	Spill Containment	LTU	5/9/17	Manuring		4/9/17	Triple Rinsing		3/9/17	Spraying		2/8/17	WTP		20/7/17	Buffer Zone		9/5/17	Bagworm Control		10/1/17	Harvesting	LM	25/1/17	Rat Baiting		8/2/17	Spraying		5/4/17	First Aid		10/5/17	Bagworm Treatment		8/6/17	Triple rinsing		6/7/17	PPE for Sprayer		23/8/17	SOP for Buffalo		21/8/17	Barn Owl census	LR	13/8/17	Beneficial Plant (IPM)		7/7/17	HCV/Buffer Zone		5/7/17	Spraying		9/5/17	Bagworm Control		15/6/17	First Aid		10/4/17	Manuring		9/4/17	Harvesting		Complied
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Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 5.1: Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			
5.1.1	An environmental impact assessment (EIA) shall be documented. - Major compliance -	<p>Kulim group have conducted the annual Environmental Risk Assessment. The last review was dated January 2017. The Environmental Risk Assessment was conducted by Kulim SPO team and operating units (e.g. mill & estate).</p> <p>The Environmental Risk Assessment is annual reviewed and it is deemed sufficient. Sample of assessment at the composting plant shows that the evaluation of the impact is as per the activities and mitigation setup at the location e.g. perimeter drained has already been setup prior composting activities. Hence it is concluded that proper environmental management has been considered prior any activities.</p> <p>As per the EQA 1974, there is no EIA required as there is no expansion of mill activities or expansion of new land planting.</p> <p>The Environmental Risk Assessment review conducted for Tereh Utara (30/09/2017); Mutiara (01/09/2017) and Rengam (30/09/2017).</p>	Complied
5.1.2	Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive management plan. The management plan shall identify the responsible person/persons. - Minor compliance -	<p>The last environmental management plans reviewed dated 01/09/2017 (Mill); 30/09/2017 (Tereh Utara); 01/09/2017 (Mutiara) and Rengam (30/09/2017). The management plan reviewed is deemed sufficient as it has properly as per the Environmental Risk Assessment.</p> <p>The management plan had included the timeline, person in-charge and mitigation control.</p> <p>As according to the environmental management plan, the control for disposal of house waste onto land is segregation of type of waste. There is not record available to monitor the segregation of type of waste.</p> <p>As according to the additional control point of weekly record of domestic rubbish collection and record of waste recycle collection, it is not clear if the control is to record the amount of waste generated or to record the activity was carried out.</p> <p>Thus, minor NC was raised.</p>	Minor nonconformance

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Criterion / Indicator	Assessment Findings	Compliance	
5.1.3	<p>This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>- Minor compliance -</p>	<p>The monitoring plan is included in the management plans. The sample of records:</p> <ol style="list-style-type: none"> 1. Pollution Control Device (PCD) management implementation was reviewed and the records were accordance to the monitoring plan. 2. Diesel skid tank inspection records was reviewed for implementation of spill control. 3. The refresher training plan for scheduled waste was reviewed and has been planned to be conducted in December 2017. 4. Evidence of cleaning of workers' housing complex (linesite). Interview with workers confirm of such activity was conducted. <p>The management plan and monitoring plan is reviewed annually.</p>	Complied
<p>Criterion 5.2: The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and and operations managed to best ensure that they are maintained and/or enhanced.</p>			
5.2.1	<p>Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>- Major compliance -</p>	<p>The last assessment conducted was in January 2008. The assessment was conducted by A.J.F.M Dekker. The assessment was a Rapid Biodiversity Assessment. The report has identified the list of natural habitats that is possible present in the operating units.</p>	Complied
5.2.2	<p>Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through a management plan.</p> <p>- Major compliance -</p>	<p>There is no RTE found in Tereh Utara. The last sighting of Elephant as identified in the Rapid Biodiversity Assessment was in 2013. According to the Wildlife Department of Johor dated 29/05/2013, the elephants are sighted at area vicinity of Selai Estate and adjacent estates e.g. Tawing Estate. Kulim has developed procedure SPO Improvement Program for HCV and Biodiversity assessment to manage any HCV and monitoring of RTE.</p> <p>Despite that there is no RTE, animal sighting is still continue at Tereh Estate. The last animal sighting record was in September 2017. The significant animal species that is considered, porcupine was re-sighted since May 2017.</p> <p>There is no RTE found in Mutiara Estate. However as according to the Rapid Biodiversity Assessment by A.J.F.M Dekker dated 2008, it was identified that there is potential Asian Elephant. During the field assessment at the hot spot (spot 9 which identified to have elephant incursions in 2006), there were no elephant tracing. Furthermore land outside of the boundary are already been developed by smallholder oil palm.</p> <p>According to the Rapid Biodiversity Assessment by A.J.F.M Dekker dated 2008, there is no RTE found in Rengam Estate. The animal sighting records shows no threatening wildlife. As according to the Rapid Biodiversity Assessment, the Silvered Leaf Monkeys are still able to be sighted within the estate.</p>	Complied

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Criterion / Indicator	Assessment Findings	Compliance
5.2.3	<p>There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instigated in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>- Minor compliance -</p>	<p>The continuous improvement plan dated 01/09/2017 had identified the plan to continual educate the workers regarding RTE. Workers interviewed confirmed that they are aware of no hunting is permitted in and within the estate.</p> <p>Complied</p>
5.2.4	<p>Where a management plan has been created there shall be ongoing monitoring:</p> <ul style="list-style-type: none"> • The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; • Outcomes of monitoring shall be fed back into the management plan. <p>- Minor compliance -</p>	<p>The last management plans were reviewed for Tereh Utara (01/06/2017); Mutiara (01/01/2017) and Rengam (09/04/2017). The monitoring records of identified actions are reviewed:</p> <ol style="list-style-type: none"> 1. Animal sighting records. There are no RTE identified in the sighting records. 2. Buffer zone signage act as continuous awareness to workers. 3. Refresher briefing on HCV area to workers was conducted on 08/01/2017 (Rengam) before the management plan reviewed on 09/04/2017. <p>Complied</p>
5.2.5	<p>Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>- Minor compliance -</p>	<p>There is no HCV set-asides for local communities identified in all the estates.</p> <p>Complied</p>
<p>Criterion 5.3: Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
5.3.1	<p>All waste products and sources of pollution shall be identified and documented.</p> <p>- Major compliance -</p>	<p>The waste products and source of pollutants are identified in the Waste & pollution management plan dated 01/08/2017 and Pollution & Emission management plan dated 01/10/2017.</p> <p>For Mutiara, the waste products and source of pollutants are identified in the Waste & pollution management plan and Pollution & Emission management plan dated 01/01/2017 respectively.</p> <p>For Rengam, the waste products and source of pollutants are identified in the Waste & pollution management plan and Pollution & Emission management plan dated 01/08/2017 respectively.</p> <p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>5.3.2</p> <p>All chemicals and their containers shall be disposed of responsibly. - Major compliance -</p>	<p>Empty chemical containers from the mill is generally lubricant containers and chemical for boiler water treatment. All of the containers are disposed as scheduled waste.</p> <p>Scheduled waste stores are available at all operating units.</p> <p>The inventory of the schedule waste are using the eswis inventory system. The system was last updated on 09/10/2017 (Mill); 30/10/2017 (Tereh Utara); Mutiara (31/10/2017) and Rengam (30/10/2017).</p> <p>The site observation confirmed that the generation of scheduled waste are properly identified and the first date of generation has been identified as according to the Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974.</p> <p>The scheduled waste contractor is Kualiti Alam Sdn Bhd. The license of scheduled waste collector has been reviewed and it has been confirmed at (https://eswis.doe.gov.my/facilityList.aspx) to confirm the granted SW disposal code by DOE. The latest disposal of the scheduled waste sampled:</p> <ol style="list-style-type: none"> 1. Mill – Clinical waste (SW404) on 10/10/2017 by Kualiti Alam; SW409, SW410 and SW305 on 14/09/2017 by Kualiti Alam). 2. Mutiara – SW305, SW306, SW307, SW409 on 22/09/2017 by Kualiti Alam; Clinical waste (SW404) on 10/10/2017 by Kualiti Alam. 3. Rengam – Clinical waste (SW404) on 10/10/2017 by Kualiti Alam; SW305, SW306, SW307, SW408, SW410 on 22/08/2017 by Kualiti Alam. 	<p>Complied</p>
<p>5.3.3</p> <p>A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. - Minor compliance -</p>	<p>The latest waste management and disposal plan is dated 01/08/2017. The frequency of the waste disposal has been identified. The plan has included effort to recycle recyclable materials (e.g. plastic bottles, bottles). At the linesite and around the operating units and housing complex, recycle bins are observed. There are no open burning observed to disposed waste. Kulim has committed to Zero Burning Initiative. The initiative is was committed in the Environmental Policy dated 01/01/2008.</p> <p>On top of the Waste & pollution management plan, the pollution & emission management plan is also available. The management plan is reviewed once a year or whenever there are changes required.</p>	<p>Complied</p>
<p>Criterion 5.4: Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p>5.4.1</p> <p>A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored. - Minor compliance -</p>	<p>Continual of periodic maintenance on field vehicles and diesel generators are in place for ensuring efficiency of vehicles to reduce fossil fuels consumption.</p> <p>At the mill operations, a new boiler is installed. With replacing a new boiler, it is deemed that it is able to optimise the burning of biomasses to produce energy. As per the Carbon Footprint report, Kulim has planned to installed biogas plants. The recovered methane will be utilized for energy generations.</p>	<p>Complied</p>

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Criterion / Indicator		Assessment Findings	Compliance
Criterion 5.5: Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.			
5.5.1	There shall be no land preparation by burning, other than in specific situations as identified in the 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Major compliance -	Kulim has committed to Zero Burning Initiative. The initiative is part of the commitment of the Environmental Policy dated 01/01/2008.	Complied
5.5.2	Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in 'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003, or comparable guidelines in other regions. - Minor compliance -	During field assessment at immature area at Mutiara and replanting area at Rengam, no marks of burning was observed. The oil palm was felled and chips and the remaining was still able to be observed at the field.	Complied
Criterion 5.6: Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.			
5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4). - Major compliance -	Pollution & Emission management plan for mill (01/10/2017); Mutiara (01/01/2017) is in place to identify the polluting activities due to the operations. The particulate and soot emission is being monitored. The quality monitoring report submitted to DOE has been reviewed and it is confirm it is within the limit of 260ppm. For Jan 2017 – 22-25ppm; for Apr 2017 28-30ppm and Sept 2017 10-14ppm.	Complied
5.6.2	Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented. - Major compliance	The GHG emissions due to the operations is identified and recorded in the palm GHG version 3.01. The emission reduction plan for mill and estate for all complex is published in the Carbon Footprint report. The plan includes reduction of fertilizer usage by embarking organic fertilizer and installation of biogas plan. During the field assessment at mill, it was confirmed that composting plant is in implementation to produce organic fertilizer.	Complied
5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. - Minor compliance -	The GHG emissions due to the operations is identified and recorded in the palm GHG version 3.01.	Complied
Principle 6: Responsible consideration of employees and of individuals and communities affected by growers and millers.			
Criterion 6.1: Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.			

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<p>6.1.1</p> <p>A social impact assessment (SIA) including records of meetings shall be documented. - Major compliance -</p>	<p>SIA was conducted yearly titled Daftar Impak Sosial Kulim (Malaysia) Berhad 2017 for the Ladang Tereh Mill & Sedenak Complex covering all issues including health & safety, complaint, facilities, etc.</p> <p>For Ladang Tereh Utara & Ladang Mutiara, there are Daftar Impak Sosial 2017 specifically for Ladang Mutiara by Puan Munirah covering all issues as well as Daftar Impak Sosial Mengikut Unit Operasi covering all the relevant issues.</p> <p>For Ladang Rengam, there is Daftar Impak Sosial 2017 for Sedenak complex and for Ladang Rengam covering all issues as well as Daftar Impak Sosial Mengikut Unit Operasi covering all the relevant issues.</p>	<p>Complied</p>
<p>6.1.2</p> <p>There shall be evidence that the assessment has been done with the participation of affected parties. - Major compliance -</p>	<p>The assessment was carried out with the participation of stakeholders. Sighted the issues discussed with the action taken by person in charge in the minutes of meeting. In Tereh Mill, the Sustainability team from head office of Kulim (M) Berhad has conducted the interviews with the stakeholders and captures the issues in Cadangan Penambahbaikan Sosial bagi LTM 2017 dated 01.10.17. Apart from that, there is multiple stakeholder meeting on 28/09/17, 01/10/2017, 06/10/2017 & 16/10/17 with school, FFB suppliers, contractors & suppliers, retailers and internal & external stakeholders.</p> <p>For Ladang Tereh Utara, the stakeholder's meeting was conducted on 16.10.17 to all stakeholders including government agencies, contractors, suppliers, internal stakeholders, etc. Sighted the action plan titled 'Penambahbaikan Masyarakat Stakeholder 2017' with the memorandum circulated to the shops and workshops dated 20.10.2017.</p> <p>For Ladang Mutiara, the stakeholder's meeting conducted on 25.10.2017 attended by 17 people including the nearest estate, schools, suppliers, contractors, sustainability department, etc. Sighted the Action Plan as the result and Cadangan Penambahbaikan Social bagi Ladang Mutiara 2017.</p> <p>For Ladang Rengam, the stakeholder's meeting conducted on 21.09.2017 attended by 16 people including the nearest estate, schools, suppliers, contractors, sustainability department, etc. So far, no other critical issues. Sighted the 'Cadangan Penambahbaikan Social bagi Ladang Rengam 2017'.</p>	<p>Complied</p>
<p>6.1.3</p> <p>Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation. - Major compliance -</p>	<p>The improvement plan for the SIA was developed on 01/10/2017 by the Puan Munirah (Sustainability Department) to LTM, LTU, LM & LR. The plan has incorporated action taken, date of actions taken and person in charge. Its involved all the internal and external stakeholders.</p>	<p>Complied</p>

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6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. - Minor compliance -	The plan was reviewed on yearly basis and the last reviewed was conducted on 01.10.2017 for LTM, LTU, LM & LR. It includes all the related issues for both internal and external stakeholder's issues. Complied
6.1.5	Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme). - Minor compliance -	No scheme smallholder involved in the Tereh POM certification unit. Not applicable
Criterion 6.2: There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.		
6.2.1	Consultation and communication procedures shall be documented. - Major compliance -	Kulim (M) Berhad has implemented the SPO Consultation and Transparency Plans dated 4/9/2007 and a Communication and Consultation Management Guidelines (Communication Procedure V2.0) generated by SPO team on Nov 09. The aim of this plan is to ensure an open and transparent communication methods with local communities and other stakeholders. The guideline is specific to communicate and consult with respect to social and environment aspects and impacts, performance and OSH issues. Complied
6.2.2	A management official responsible for these issues shall be nominated. - Minor compliance -	In Tereh Mill, Senior Assistant Mill Engineer (Muhammad Nasir) was appointed 01.02.2017 as person in charge for social issues as per appointment letter, in LTU, Mr Mohd Khairi was appointed as Social Officer on 01.01.17 and Noormaliza Mohd Taib is responsible for complex social PIC on 23.10.16. In Ladang Mutiara Cik Noraini is responsible for complex social PIC on 23.10.16 and for Social Officer, Abas bin Abdul Wahab on 01.09.2016. In Ladang Rengam, Fauziah Gapar is responsible for complex social PIC on 23.01.17 and for Social Officer, Handayani on 23.10.2016. Complied

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6.2.3	<p>A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>- Minor compliance -</p>	<p>Stakeholder list was generated on 01 August 2017 where CPO and PK buyers, CPO transporters, suppliers and contractors, government authorities and etc were included into the list for mill. Stakeholder meeting was conducted multiple stakeholder meeting on 28/09/17, 01/10/2017, 06/10/2017 & 16/10/17 with school, FFB suppliers, contractors & suppliers, retailers and internal & external stakeholders. An action plan has been developed to monitor the issues raised by stakeholder during the meeting titled Pelan Tindakan Dari Stakeholder Meeting for Union (06.10.17), Sekolah (28.09.17) & Others (16.10.17). For LTU, sighted the list of stakeholders updated as at 01.01.2017. For Ladang Tereh Utara, the stakeholder's meeting was conducted on 16.10.17 to all stakeholders including government agencies, contractors, suppliers, internal stakeholders, etc. Sighted the action plan titled 'Penambahbaikan Masyarakat Stakeholder 2017' with the memorandum circulated to the shops and workshops dated 20.10.2017.</p> <p>In LM, the list of stakeholders 2017 is available during the audit. The stakeholder's meeting conducted on 25.10.2017 attended by 17 people including the nearest estate, schools, suppliers, contractors, sustainability department, etc. Sighted the Action Plan as the result and Cadangan Penambahbaikan Social bagi Ladang Mutiara 2017.</p> <p>In LR, list of stakeholders 2017 was updated on 01.08.17 including government agencies, contractors, suppliers and surrounding estates approved by Rosfazihan, Senior Manager.</p>	Complied
<p>Criterion 6.3: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all effected parties.</p>			
6.3.1	<p>The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>- Major compliance -</p>	<p>Kulim (M) Berhad has implemented Grievance Procedure Plans dated 4/9/2007. The dispute resolution mechanisms are established through open and consensual agreements with affected parties. For internal stakeholders, the grievances are dealt through Consultative Committees. The management has developed Grievance Policy dated 1/1/2008. The time to process the complaints or grievances is 10 working days.</p>	Complied
6.3.2	<p>Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>- Major compliance –</p>	<p>For LTM, an Enquiry Register and Housing Complaint Logbook was implemented to record any request, complaints and grievances from the stakeholders. There is no any complaints recorded so far except for housing damages but resolved within timeframe.</p> <p>For LTU, there are Grievance Book for general complaint and Laporan Kerosakan Rumah 2017 for house damages. Sighted the issues were resolved within timeframe.</p> <p>For LM & LR, an Enquiry Register and Linesite Record South Division were implemented to record any request, complaints and grievances from the stakeholders. There is no any complaints recorded so far except for housing damages but resolved within timeframe.</p>	Complied

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Criterion 6.4: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.			
6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. - Major compliance -	Kulim (M) Berhad has established SOP to identify legal and customary rights as well as people entitled to compensation titled SPO negotiation concerning compensation program dated 04.09.07. The procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly.	Complied
6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. - Minor compliance -	Kulim (M) Berhad has established SOP to identify legal and customary rights as well as people entitled to compensation titled SPO negotiation concerning compensation program dated 04.09.07. The procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly.	Complied
6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. - Major compliance -	Kulim (M) Berhad has established SOP to identify legal and customary rights as well as people entitled to compensation titled SPO negotiation concerning compensation program dated 04.09.07. The procedure is to ensure any negotiation with regards to compensation for loss of local rights are dealt with fairly.	Complied
Criterion 6.5: Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.			

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<p>6.5.1 Documentation of pay and conditions shall be available. - Major compliance -</p>	<p>The mill and estates have employed local and foreign workers under direct and contract employment. Employment contract are available in language that understood by workers. The contract has detailing the payments and employment conditions such as period of working, working hour, medical assistance, holiday and annual leave, period of notice and etc. The contract was signed by the workers and sampled contracts as below:</p> <ul style="list-style-type: none"> a) Employee No.: 612196 joined on 14/01/2013 (LTM) b) Employee No.: 612250 joined on 11/1/2016 (LTM) c) Employee No.: 612246 joined on 10/2/2003 (LTM) d) Employee No.: 612089 joined on 04/9/1995 (LTM) e) Employee No.: 611052 joined on 28/11/2007 (LTU) f) Employee No.: 611144 joined on 14/8/2014 (LTU) g) Employee No.: 611122 joined on 11/10/2016 (LTU) h) Employee No.: 610243 joined on 09/11/2009 (LTU) i) Employee No.: 606771 joined on 24/11/2005 (LM) j) Employee No.: 606890 joined on 02/03/2017 (LM) k) Employee No.: 606009 joined on 16/05/2013 (LM) l) Employee No.: 606720 joined on 01/06/2015 (LM) m) Employee No.: 613813 joined on 03/10/2016 (LR) n) Employee No.: 613838 joined on 22/02/2017 (LR) o) Employee No.: 613164 joined on 01/07/2009 (LR) p) Employee No.: 613850 joined on 14/04/2017 (LR) <p>Consent form and letter of Extension of employment for PLKS Foreign Workers has been sighted and acknowledged by the workers who have worked more than 2 years. Sampled workers as below:</p> <ul style="list-style-type: none"> a) Employee No.: 612283 joined on 15.09.08 and the extension letter of employment valid until 12/09/18 (LTM). b) Employee No.: 612286 joined on 01.08.08 and the extension letter of employment valid until 18.06.18 (LTM). c) Employee No.: 610746 joined on 12.05.14 and the extension letter of employment valid until 22.10.18 (LTU). d) Employee No.: 610817 joined on 02.11.14 and the extension letter of employment valid until 29.10.18 (LTU). e) Passport No: 606720 joined on 01.06.15 and the extension letter of employment valid until 26.05.18 (LM). f) Passport No: 606752 joined on 01.09.15 and the extension letter of employment valid until 06.11.18 (LM). g) Passport No: AS 052928 joined on 09.09.15. h) Passport No: E 66514174 joined on 01.09.15. <p>All the terms were according to the initial contract of employment signed.</p>	<p>Complied</p>

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<p>6.5.2</p> <p>Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>- Major compliance -</p>	<p>The mill and estates have employed local and foreign workers under direct and contract employment. Employment contract are available in language that understood by workers. The contract has detailing the payments and employment conditions such as period of working, working hour, medical assistance, holiday and annual leave, period of notice and etc. The contract was signed by the workers and sampled contracts as below:</p> <ul style="list-style-type: none"> a) Employee No.: 612196 joined on 14/01/2013 (LTM) b) Employee No.: 612250 joined on 11/1/2016 (LTM) c) Employee No.: 612246 joined on 10/2/2003 (LTM) d) Employee No.: 612089 joined on 04/9/1995 (LTM) e) Employee No.: 611052 joined on 28/11/2007 (LTU) f) Employee No.: 611144 joined on 14/8/2014 (LTU) g) Employee No.: 611122 joined on 11/10/2016 (LTU) h) Employee No.: 610243 joined on 09/11/2009 (LTU) i) Employee No.: 606771 joined on 24/11/2005 (LM) j) Employee No.: 606890 joined on 02/03/2017 (LM) k) Employee No.: 606009 joined on 16/05/2013 (LM) l) Employee No.: 606720 joined on 01/06/2015 (LM) m) Employee No.: 613813 joined on 03/10/2016 (LR) n) Employee No.: 613838 joined on 22/02/2017 (LR) o) Employee No.: 613164 joined on 01/07/2009 (LR) p) Employee No.: 613850 joined on 14/04/2017 (LR) <p>Consent form and letter of Extension of employment for PLKS Foreign Workers has been sighted and acknowledged by the workers who have worked more than 2 years. Sampled workers as below:</p> <ul style="list-style-type: none"> a) Employee No.: 612283 joined on 15/09/08 and the extension letter of employment valid until 12/09/18 (LTM) b) Employee No.: 612286 joined on 01.08.08 and the extension letter of employment valid until 18.06.18 (LTM). c) Employee No.: 610746 joined on 12.05.14 and the extension letter of employment valid until 22.10.18 (LTU). d) Employee No.: 610817 joined on 02.11.14 and the extension letter of employment valid until 29.10.18 (LTU). e) Passport No: 606720 joined on 01.06.15 and the extension letter of employment valid until 26.05.18 (LM). f) Passport No: 606752 joined on 01.09.15 and the extension letter of employment valid until 06.11.18 (LM). g) Passport No: AS 052928 joined on 09.09.15 and the extension letter of employment valid until 10.09.19 (LR). h) Passport No: K 8414059 joined on 22.04.13 and the extension letter of employment valid until 14.04.20 (LR). i) Passport No: AS 052928 joined on 09.09.15. j) Passport No: E 66514174 joined on 01.09.15. <p>.....</p>	<p>Complied</p>

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	<p>All the terms were according to the initial contract of employment signed.</p> <p>The contract is available in Bahasa Melayu which Indonesian and Bangladeshi workers has their own translator during the induction training which first time arrived in estate. Seen the induction record, worker's handbook, attendant list with photos of the induction briefing conducted. During interview, it was confirmed that workers has been briefed and understand on their employment contract.</p> <p>There are JTK approval's on the deduction of the salary as long as not more than 50% of the salary and not more than 75% for salary with housing loan. Some deduction of the salary made agreed in the employment contract such as KWSP, SOCSO, Khairat Kematian & Tambahan, NUPW, exceeds electric and water limits while for insurances, mosque and community funds, there is other signed agreement sighted and workers aware on the deduction of their salary.</p>	
<p>6.5.3</p> <p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. - Minor compliance –</p>	<p>Kulim (M) Berhad has provided free housing and medical assistance to all the workers. Water and electricity was provided without any charges from workers. Government school was found in the compound of Tereh complex. Linesite inspection was conducted on weekly basis by Hospital Assistant and twice a month together with VMO. Apart from that, the water is treated for the domestic use for MTM, LTU & LM. As per SPAN instruction, the water samples should be taken and sent for analysis and the result has no detection of Total Coliform and E-Coli. In LR, the estate is using water source from the government, therefore no treated water.</p> <p>However, during the site visit at Ladang Mutiara, it was observed that there is an alteration done to some worker's houses. The extended houses has changed the original building structure and this is not allowed as per Worker's Housing & Amenities Act 1990. Management has already send the warning letter dated on June 2016 to the employee however, no action or follow up been done until todote.</p> <p>Thus, minor NC was raised.</p>	<p>Minor nonconformance</p>
<p>6.5.4</p> <p>Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food. - Minor compliance –</p>	<p>Site visit to the coffee shop operates in the estate who is selling cooked foods, processed snacks and beverages (Kantin LTM) and sundries (Halimahwati). All the foods and drinks sold are displayed with price. The nearest town is Kluang town is about 30 km. Clinic has been provided for free health service and the nearest Klinik Kesihatan dan Hospital Paloh are between 42 km from office LTU. For LM, the nearest town is Pekan Kahang, which is within 25km from office. In LR, Rengam town is the nearest town which is within 2 km.</p>	<p>Complied</p>
<p>Criterion 6.6: The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		

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6.6.1 A published statement in local languages recognising freedom of association shall be available. - Major compliance -	Kulim (M) Berhad has implemented Guidelines for General Workers where they respect the rights of the workers to join any association that recognized by the company. The guideline has distributed to each of the workers. Besides, the company has established Kulim Sustainability Handbook where under Core Labour Standards, the workers has been given rights to join or form trade union and to bargain collectively.	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. - Minor compliance -	Ladang Tereh Mill: Meeting with Union representatives was conducted on 06/10/2017 with total of 11 participants. Meeting minutes was sighted. An action plan to monitor the issues raised during the meeting was developed. The action plan was updated accordingly if any issue has been resolved. Ladang Tereh Utara: The minutes of meeting between NUPW and management was available during the audit. The meeting was conducted on 03.04.2017 and attended on 11 attendees. Sighted the Tindakan Penambahbaikan Mesyuarat NUPW 01/2017 covering the issues discussed in the meeting. Ladang Mutiara: Sighted the minutes of meeting 01/2017 dated 20.03.2017 attended by both workers and management representatives discussing the relevant issues regarding feedbacks and suggestion. Ladang Rengam: The minutes of meeting seen on 03.05.17 to all 12 attendees attended by both workers and management representatives discussing the relevant issues regarding feedbacks and suggestion.	Complied
Criterion 6.7: Children are not employed or exploited.		
6.7.1 There shall be documentary evidence that minimum age requirements are met. - Major compliance -	Kulim (M) Berhad has implemented Guidelines for General Workers and Kulim Sustainability Handbook where they will not employed Child Labour according to Children and Young Persons (Employment) Act 1966. Through document reviewed found that all the workers were above 18 years old. Training on 'No Child Labour Policy' was conducted on 05/03/2017, for LTM, the training was conducted on 07.03.17 to 302 workers. For LM, the training for 'No Child Labour' was conducted on 03.05.17 attended by 155 workers and for LR, the training for No Child Labour was conducted on 19.09.17 attended by 230 workers.	Complied
Criterion 6.8: Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.		
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. - Major compliance -	Kulim (M) Berhad has implemented Kulim Sustainability Handbook dated June 2007 and Guidelines for General Workers. People Policy dated 1/1/2008 has been developed and the management is committed to support non-discrimination in any form.	Complied

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6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. - Major compliance -	Migrant workers are recruited with 2 years contract for Indonesian and 3 years contract for Bangladeshi. Local workers are on a long term employment. No any kind of discrimination was noted. Job opportunities and amenities such as free housing, water and electricity supplies, medical care are given to all employees without discrimination. All employees are aware of the grievance procedures through the various Committees such as Gender Committee for women, foreign workers representation and union committee to highlight their concerns and grievances if any.	Complied
6.8.3 It shall be demonstrated that recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. - Minor compliance -	Recruitment selection, hiring and promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. It was noted during the audit that there is no discrimination based on nationality, race, gender, age, etc. Sighted the vacancy advertisement for workers, mentioned the criteria are based on skills, qualification, more than 18 years, etc. without discrimination (http://graduan.co/listing/kulim-malaysia-berhad/).	Complied
Criterion 6.9: There is no harassment or abuse in the work place, and reproductive rights are protected.		
6.9.1 Policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce. - Major compliance -	Policy Statement on Sexual Harassment has been developed 1/1/2008. Kulim (M) Berhad has maintained a safe and healthy work environment to all workers especially women from any form of harassment, humiliation and intimidation of a sexual nature. Awareness training on sexual harassment has been conducted on 18/06/2017 to all the workers for mill. For Ladang Tereh Utara, the policy was communicated through briefing on 09.05.2017 to all 283 workers. In Ladang Mutiara, the policy was communicated on 12.05.17 to all 155 attendants Comply while for Ladang Rengam, the policy was communicated on 20.09.17 to all 229 attendants.	Complied
6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. - Major compliance -	Kulim (M) Berhad has established a SOP for protect the rights of reproductive under SPO-Core Labour (04.09.17). There is the Policy of Right of Employees mentioned that KULIM recognizes and respects the rights of employees of their rights and freedom relating to reproduction and reproductive health. In LTU, LM & LR the policy was communicated through the briefing on 09.10.17, 18.10.17 & 12.09.17 to all 269 workers, 133 workers and 225 workers.	Complied

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<p>6.9.3</p> <p>A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>- Minor compliance -</p>	<p>The mill has established a Women on Wards (WOW) Committee which formed by female workers and wives of workers. A reporting procedure has been developed and to be utilized if there is any sexual harassment case reported. Last meeting was conducted on 06/8/2017 attended by 19/22 for the mill, 05.09.17 for LTU attended by 6 people, for LM on 28.8.17 attended by 18 people and for LR on 11.04.17 attended by 19 people. No sexual harassment case was reported thus far. Sighted the organization chart updated every 2 years. The committee members chosen by voting system through the meeting conducted early of year on every 2 years.</p> <p>There is Carta Alir Pengaduan Wow mentioning the flowchart of sexual harassment or any other complaint and had been communicated during WOW meeting.</p> <p>Kulim (M) Berhad has implemented Grievance Procedure Plans dated 4/9/2007. The management has developed Grievance Policy dated 1/1/2008. The time to process the complaints or grievances is 10 working days.(refer indicator 6.3.1)</p> <p>The WOW has organized activities such as cook session (Buku Resipi), Karnival Kesihatan Kompleks Tereh, Program Sambutan Sukan WOW Peringkat Kompleks Tereh, etc. For LTU, sighted the activities such as Kelas Manik (Brooch) on 25.04.17, Sukaneka 2017 on 26.04.17, Majlis Perpisahan @ Tarian Poco-Poco on 10.05.17, etc. There is Carta Alir Pengaduan Wow mentioning the flowchart of sexual harassment or any other complaint. For LM, there are fun walk (Aktiviti 1000 Langkah) on 27.08.17, 20.08.17, Marhaban Raya on 11.07.17 & 18.7.17, Projek Buku Resepi Wow 2017 on 6.8.17, etc.</p> <p>In Ladang Rengam, there are activities such as Expo Johor (8.10.17), Tribute to Women Malaysia Lifestyle Fest 2017 (20.8.17), Gotong Royong membuat bubur Asyura & Majlis Khatam (14.06.17), Majlis Berbuka Puasa (08.06.17), etc.</p>	<p>Complied</p>
<p>Criterion 6.10: Growers and mills deal fairly and transparently with smallholders and other local businesses.</p>		
<p>6.10.1</p> <p>Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>- Minor compliance -</p>	<p>No FFB purchased from smallholders as Tereh POM only processed FFB from company owned estate and two certified out-growers (Felda Paloh & Ladang Wawasan). The out-growers have signed an agreement with Tereh POM on selling of FFB for 1 year validity (01.01.17 – 31.12.17).</p>	<p>Complied</p>
<p>6.10.2</p> <p>Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation).</p> <p>- Major compliance -</p>	<p>No FFB purchased from smallholders as Tereh POM only processed FFB from company owned estate and a certified out-grower. The agreement signed by the out-growers has stated the FFB price calculation is based on monthly spot month average prices of CPO and PK which declared by MPOB.</p>	<p>Complied</p>

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Criterion / Indicator	Assessment Findings	Compliance
<p>6.10.3</p> <p>Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. - Minor compliance -</p>	<p>The contractors have signed an agreement with the management. Below are the sampled contracts:</p> <p>a) Marwan=Contract No.: CON/LTM 10/2017 provides JCB for grass cutting at Kolam Tadahan Air & Kiri Kanan Jalan hingga ke Pam Sg Sembrong at mill with commencement date on 1/4/2017 and completion date on 31/12/2017 (LTM).</p> <p>b) Lee Kim Joo=Contract No.: CON/LTM 11/2017 hiring JCB for General Works at Ladang Tereh Mills valid from 01.06.17 to 31.12.17 (LTM).</p> <p>c) Othman bin Ithnin=Contract No: MPSB/LTU 1/2016 for School Children Transport at Ladang Tereh Utara valid from 01.01.17 until 30.11.18.</p> <p>d) Ang Giat Ching=Contract No: EPA/LTU 2/2014 for loading and transporting of FFB in P97 (439.97 Ha) at Ladang Tereh Utara to Ladang Tereh Mill, Kluang, Johor valid from 01.06.14-31.05.17 and extended to 31.05.19.</p> <p>e) Tan Transport Service & Trading Co=Contract No: EPA/Mutiara 2/2010 for School Bus Transport From Ladang Mutiara to Sekolah Menengah Kahang valid from 30.11.16 to 30.11.17.</p> <p>f) Billion Replanting Replanting Works Sdn Bhd=Contract No: KMB/Mutiara 1/2017 for Replanting of P17 (263.68 Ha) valid from 1.7.17 until 31.12.17.</p> <p>g) Temasek Estate Contractor Sdn Bhd=Contract No: MPSB/Rengam 3/2017 for Replanting of P17 (232.89 Ha) valid from 01.07.17 until 31.12.17.</p> <p>h) Perusahaan Mewah Hijau=Contract No: MPSB/Rengam 1/2016 for Harvesting of FFB (FFB) in field P13 (261.77 Ha) at Ladang Rengam valid from 01.03.16 until 28.02.19.</p>	<p>Complied</p>
<p>6.10.4</p> <p>Agreed payments shall be made in a timely manner. - Minor compliance -</p>	<p>Payment shall be made in the manner and within the time as stipulated in the Second Schedule which stated in the contract agreement. The payment for the mill's contractor was paid on monthly basis.</p> <p>LTM: Contract stated that the payment shall be made RM 540/month for Marwan (RM 3,240 as at 05.10.17 for Sept'17) and RM 2,720.00/mth x 7 mths for Lee Kim Joo from the date of certification of submitted invoice by HO.</p> <p>LTU: Contract stated that the payment agreed with RM 2,813.00/month as stated in the payment record on each month end for Othman bin Ithnin and price breakdown by agreed yearly basis.</p> <p>LM: Payment of RM 5,808/month for 11 months as per contract sighted for Tan Transport Service & Trading Co and prices band appendix with 5% security deposit (RM 33,252.92) for Billion Replanting Replanting Works Sdn Bhd.</p> <p>LR: Payment record stated the agreed amount as per contracts for Temasek Estate in the bill of quantity with the price band 1-4 while for Perusahaan Mewah, RM120/MT for field year 01.03.16-28.02.17 RM95/MT for field year 01.02.17-28.02.18 and RM75/MT for field year 01.03.18-28.02.19.</p>	<p>Complied</p>
<p>Criterion 6.11: Growers and millers contribute to local sustainable development where appropriate.</p>		

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Criterion / Indicator	Assessment Findings	Compliance
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. - Minor compliance –	The mill and estates has made donation and contribution to any stakeholders’ requests. For eg: Sambutan Aidilfitri 2017 (RM 100) on 11.07.17, Sumbangan Kejohanan Balapan (RM100) on 31.03.17 (Tereh POM), etc. For LTU, the donation has been made to Tabika Kemas Istiqamah LTM (RM100) on 29.09.17, SK Ladang Tereh (RM 150) on 11.07.17 and (RM 100) on 27.02.17. For LM, the contribution made to SK Ladang Mutiara (RM 100), Sumbangan Majlis Maulidur Rasul (RM 100), Labour Office (RM100), etc. For LR, the contribution made for Sumbangan Expo Johor Program (RM500) on 12.10.17, Sumbangan As Sajadah (RM200) on 24.01.17, Sumbangan YDP. PIBG SK Bandar Rengam (RM100) on 30.01.17, etc.	Complied
6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity. - Minor compliance –	No scheme smallholder involved in the Tereh POM certification units.	Not applicable
Criterion 6.12: No forms of forced or trafficked labour are used.		
6.12.1 There shall be evidence that no forms of forced or trafficked labour are used. - Major compliance -	Kulim (M) Berhad has implemented Kulim Sustainability Handbook dated June 2007. People Policy has been developed and the management is prohibited to engage or support the use of forced labour in all of their operations and administrations. All the local and foreign workers were hold a valid identification card and passports prior to work. Passport of the foreign workers were kept by the management where it stated in the employment contract Section 9 for safety purpose. The workers had acknowledged and agreed on the safe keeping of passport.	Complied
6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. - Minor compliance –	Tereh & Sedenak Mill Complex has the Polisi Insan which mentioning the non-discriminatory practices and decent living condition. The policy of ‘No Contract Substitution’ was established with the agreed timeline for corrective action plan for Employees approved by the Deputy General Manager.	Complied
6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. - Major compliance -	Equal opportunity and non-discriminatory policy is implemented. No temporary workers. Migrant workers are treated equally as per the locals.	Complied
Criterion 6.13: Growers and millers respect human rights.		

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Criterion / Indicator	Assessment Findings	Compliance	
6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). - Major compliance -	Kulim (M) Berhad has implemented Kulim Sustainability Handbook under Core Labour Standards. Also sighted the Polisi Tenaga Insan publicly shown in the notice board. The management respects the human rights of the employees. The policy was communicated through a briefing conducted on 08.05.2017. LTU has conducted the human right briefing on 09.10.17 to 269 workers, LM has conducted the briefing on 17.10.17 to all 157 workers and LR has conducted the briefing on 27.3.17 to all 215 workers.	Complied
6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation.	This estate is located at Peninsular therefore, the requirement is not applicable.	Not applicable
<p>Principle 7: Responsible development of new plantings Tereh Palm Oil Mill Certification Unit and supply base did not carry out any new plantings since November 2005. Therefore, Principle 7 is not applicable during this annual surveillance assessment. The immature areas are replanted area.</p>			
<p>Principle 8: Commitment to continual improvement in key areas of activity</p>			
<p>Criterion 8.1: Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.</p>			
8.1.1	<p>The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides(Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); <ul style="list-style-type: none"> • Optimising the yield of the supply base. <p>- Major compliance -</p>	<p>Ladang Tereh Mill and supply bases have developed a Continual Improvement Plan for 2017 as below:</p> <ol style="list-style-type: none"> 1. Minimise use of certain pesticides 2. Maximizing recycling and minimizing waste or by-products generation 3. Monitoring of carbon emissions 4. Monitoring of HCVs within an adjacent operating units 	Complied

Appendix B: Approved Time Bound Plan

Project	Estate	Plan
Indonesia	PT RAJ	2019
	PT TPR	
Trader	Eng Lee Heng	2019

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

Appendix C: Certification Unit RSPO Certificate Details

Kulim (Malaysia) Berhad
Tereh Palm Oil Mill
K.B 538
86009 Kluang, Johor
Malaysia

RSPO membership number: 1-0080-09-000-00

BSI RSPO Certificate No. : RSPO 613086

Date of Initial Certificate Issued: 23/01/2009

Date of Expiry: 22/01/2019

Applicable Standards: RSPO P&C MYNI-2014; RSPO Supply Chain Certification Standard November 2014 Module D – CPO Mills: Identity Preserved)

Tereh Palm Oil Mill and Supply Base					
Location Address		Tereh Palm Oil Mill, K.B 538, 86009 Kluang, Johor, Malaysia			
GPS Location		103° 21' 5.00" E ; 2° 13' 3.06" N			
CPO Tonnage Total		75,349.00 mt			
PK Tonnage Total		19,653.00 mt			
CPO Claimed for Certification*		75,349.00 mt			
PK Claimed for Certification *		19,653.00 mt			
Own estates FFB Tonnage		359,084.00 mt			
Scheme Smallholder FFB Tonnage		-			
Estates	Production Area		Other use (ha)	Certified Area / Total land lease (ha)	Annual FFB Production (mt)
	Mature (ha)	Immature (ha)			
Tereh Utara Estate	2,858.56	0.00	233.64	3092.20	69,991.00
Tereh Selatan Estate	2,272.14	249.60	197.82	2,719.56	57,396.00
Selai Estate	1,377.14	243.92	179.11	1,800.17	30,954.00
Enggang Estate	1,232.24	423.57	78.57	1,734.38	31,810.00
Mutiara Estate	1,451.27	860.59	140.44	2,452.30	33,148.00
Sg Sembrong Estate	1,181.33	0.00	59.54	1,240.87	28,323.00
Sg Tawing Estate	2,066.84	0.00	162.16	2,229.00	42,248.00
Wawasan Estate	361.91	0.00	0.39	362.30	6,307.00
Felda Paloh Estate	1,226.77	0.00	105.03	1,331.80	15,730.00
Rengam Estate	2,171.54	170.15	139.18	2,480.87	43,177.00
TOTAL	16,199.74	1,947.83	1295.88	19,443.45	359,084.00

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Appendix D: Assessment Plan

Date	Time	Subjects	MH	NC	ELZY
Monday, 30/10/2017 Tereh POM	08:30-09:00	Opening Meeting: <ul style="list-style-type: none"> Opening Presentation by Audit team leader. Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation). Verification on previous audit findings 	√	√	√
	09:00-12:00	Tereh Palm Oil Mill Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment, staff, workers and contractor interview, housing and facility inspection, clinic, meeting stakeholders etc.	√	√	√
		RSPO Supply Chain for CPO mill, weighbridge and storage area.	-	-	√
	12:00-13:00	Lunch			
	13:00-16:30	Tereh Palm Oil Mill: Visit to laboratory, weighbridge and palm product storage area. Document Review P1 – P8: SOPs, Supply chain for CPO mill, Review on SEIA documents and records, wage records, employee data, training records, legal permits, mill inspection and internal monitoring records, CIP & implementation etc. Verify previous nonconformities.	√	√	√
16:30-17:00	Interim Closing Briefing	√	√	√	
Tuesday, 31/10/2017 Tereh Estate Utara	08:30-12:00	Tereh Utara Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	09:00-12:00	Meeting with stakeholders (Government, village rep, smallholders, Union Leader, contractor etc.)	-	-	√
	12:00-13:00	Lunch			
	13:00-16:30	Tereh Utara Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16:30-17:00	Interim Closing Briefing	√	√	√

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Wednesday, 1/11/2017 Mutiara Estate	08:30-12:00	Mutiara Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	09:00-12:00	Meeting with stakeholders (Government, village rep,smallholders, Union Leader, contractor etc.)	-	-	√
	12:00-13:00	Lunch			
	13:00-16:30	Mutiara Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	16:30-17:00	Interim Closing Briefing	√	√	√
Thursday, 2/11/2017 Rengam Estate	08:30-12:00	Rengam Estate Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill, , etc.	√	√	√
	09:00-12:00	Meeting with stakeholders (Government, village rep,smallholders, Union Leader, contractor etc.)	-	-	√
	12:00-13:00	Lunch			
	13:00-15:30	Rengam Estate Document review P1 – P8: (General Documentation e.g. Legal, Manual and Procedure, production & monitoring records, IPM & HCV records, SEIA documents & records, OSH records, review pay documents, records of communication with stakeholder/workers representatives, new planting, CIP and implementation etc).	√	√	√
	15:30-16:00	Verify any outstanding issues & Preparation for closing meeting	√	√	√
	16:00-17:00	Closing meeting	√	√	√

Appendix E: Stakeholders Contacted

<p>Internal Stakeholders</p> <p>Managers and Assistant Managers Staff and Clerks Foreign Workers Gender Committee Chairman Field workers</p>	<p>Union/Contractors/Local Communities</p> <p>NUPW representatives</p>
<p>Government Departments</p> <p>School Representative Police Representative</p>	<p>NGO</p>

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

Requirements	Compliance
D.1 Definition	
<p>D.1.1 A mill is deemed to be Identity Preserved (IP) if the FFB used by the mill are sourced from its own supply base certified to the RSPO Principles and Criteria (RSPO P&C). Certification for CPO mills is necessary to verify the volumes and sources of certified FFB entering the mill, the implementation of any processing controls (for example, if physical separation is used), and volume sales of RSPO certified products. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own certified land base. If a mill processes certified and uncertified FFB without physically separating the material then only Module E is applicable.</p>	<p>Ladang Tereh Palm Oil Mill only receives certified FFB. Therefore, qualifies for the Identity Preserved supply chain system and module. During the P&C assessment, the audit team verified the volumes and sources of certified FFB entering the mill, the implementation of processing controls and volume sales of RSPO certified products.</p>
D.2 Explanation	
<p>D.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the certification body (CB) in the public summary of the P&C certification report. This figure represents the total volume of certified palm oil product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</p>	<p>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill is recorded in this public summary report.</p>
<p>D.2.2 The mill must also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim).</p>	<p>The mill has met all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organization (RSPO IT platform or book and claim). The Palmtrace ID: RSPO_PO1000001263 and still active.</p>
D.3 Documented procedures	
<p>D.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all the elements in these requirements; b) The role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>Latest written documented procedures (Quality Procedure/LTM-QM 2: Core Process Procedure, Weighbridge Station), Doc no: LTM/SOP/5.2 dated 15.09.17 for the chain of custody is with Identity Preserved (IP) model covering all the RSPO Supply Chain Certification Standard and Traceability for handling certified products.</p> <p>The IP model is used because only certified FFB from own supply base is received and processed at Ladang Tereh Palm Oil Mill.</p> <p>The Senior Assistant Manager has overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. Seen the Distribution of Duties Among Assistant Mill Engineers at LTM letter dated 07.06.2017, Mr. Muhammad Nasir bin Mohd Shah is in charge for HALAL & RSPO.</p>
<p>D.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Tereh Palm Oil mill has documented procedures (as per above in D 3.1) for the incoming FFB, processing and outgoing palm products (CPO and PK). The procedure covers receiving and processing of certified FFBs.</p>
D.4 Purchasing and goods in	
<p>D.4.1 The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified</p>	<p>Similar to last assessment daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all</p>

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<p>FFBs received.</p>	<p>the certified FFB. Records verified by internal and external audit. Ladang Tereh mill have system to verify at the weighbridge.</p> <p>Sample of weighbridge ticket below:</p> <ol style="list-style-type: none"> 1. Dispatch No: C06012, Date: 28.04.2017, Delivery to ICOF, Product CSPO IP, Certificate No: SPO 613086, Volume: 40,050 kg. 2. Dispatch No: C06705, Date: 26.09.2017, Delivery to ICOF, Product CSPO IP, Certificate No: SPO 613086, Volume: 40,310 kg-
<p>D.4.2 The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p>	<p>The facilities aware of this requirement. During the audit conducted, it was verified that if any extension time/volume required for the changes in certified tonnage, site will inform CB. Further verification seen when no overproduction volume sighted.</p>
<p>D.5 Record keeping</p>	
<p>D.5.1 The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a three-monthly basis.</p>	<p>All the inventory records are maintained and updated on daily basis and monthly report shows monthly inventory. Computerized system in place. No PKO and Palm Kernel Cake at Tereh Palm Oil mill. PK is sold to 3rd party Kernel Crushing Plant. Daily records are prepared at the entry point at the weighbridge. Daily summary and monthly summary documented for all the FFB received. Records of certified FFB received verified during annual surveillance. Records verified by internal and external audit.</p> <p>CSPO contract sampled :</p> <p>Contract: CPOIP-M1728 (12.05.17)</p> <p>Buyer : ICOF Sdn Bhd</p> <p>Brokers: KL Palm Services Sdn Bhd</p> <p>Product: RSPO IP CPO In Bulk</p> <p>Quantity: 500 MT</p> <p>Delivery period : May 2017</p>
<p>D.6 Processing</p>	
<p>D.6.1 The site shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept segregated from noncertified material including during transport and storage.</p>	<p>During this assessment it was confirmed that only certified source of FFB from own plantation. This ensures that there is no possibility of mixing during processing. During transport and storage, the RSPO certified oil palm product is kept segregated from noncertified material.</p>
<p>D.6.2 The objective is for 100 % segregated material to be reached.</p>	<p>Processing and storage records can trace back to only certified segregated FFB and finish product (CPO and PK) through traceability records such as weighbridge records. This ensures that 100% segregated materials are reached.</p>

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Actual Tonnage Certified Palm Production – 01 Nov 2016 – 31 Oct 2017

Mill	Capacity	CPO	PK
Tereh Palm Oil Mill	60 mt/hr	65,514.26 mt	18,202.90 mt

Actual Tonnage Sales of Certified Palm Products – 01 Nov 2016 – 31 Oct 2017

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Tereh Palm Oil Mill	42,011 mt	8,398 mt	RSPO Scheme

Actual Tonnage Sales of Certified Palm Products (under other Scheme) - 01 Nov 2016 – 31 Oct 2017

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Tereh Palm Oil Mill	679	0	ISCC Scheme

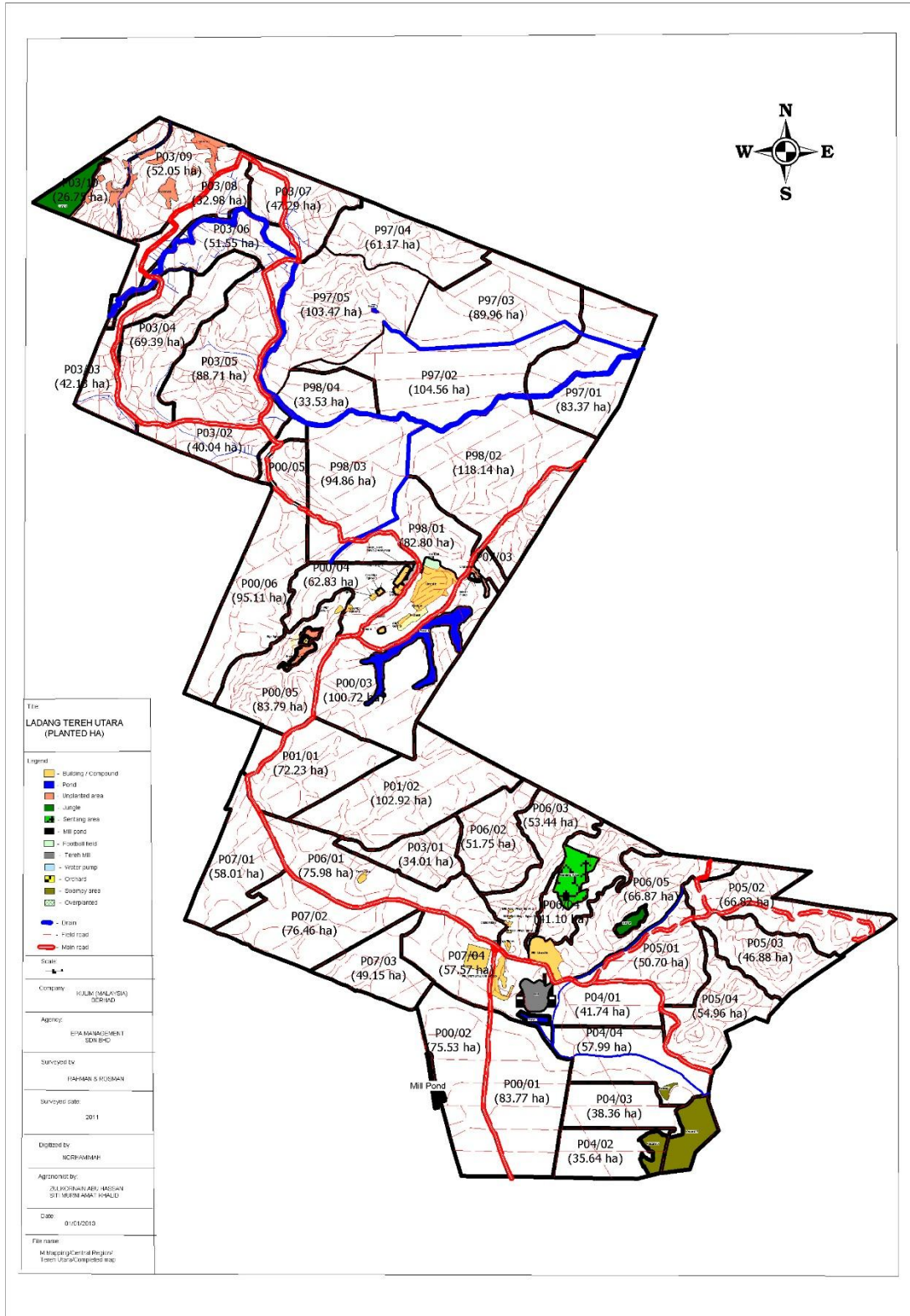
Actual Tonnage Sales of Conventional Palm Products - 01 Nov 2016 – 31 Oct 2017

Mill	Certified CPO Sales	Certified PK Sales	Remarks
Tereh Palm Oil Mill	1,665.50	6,814.44	

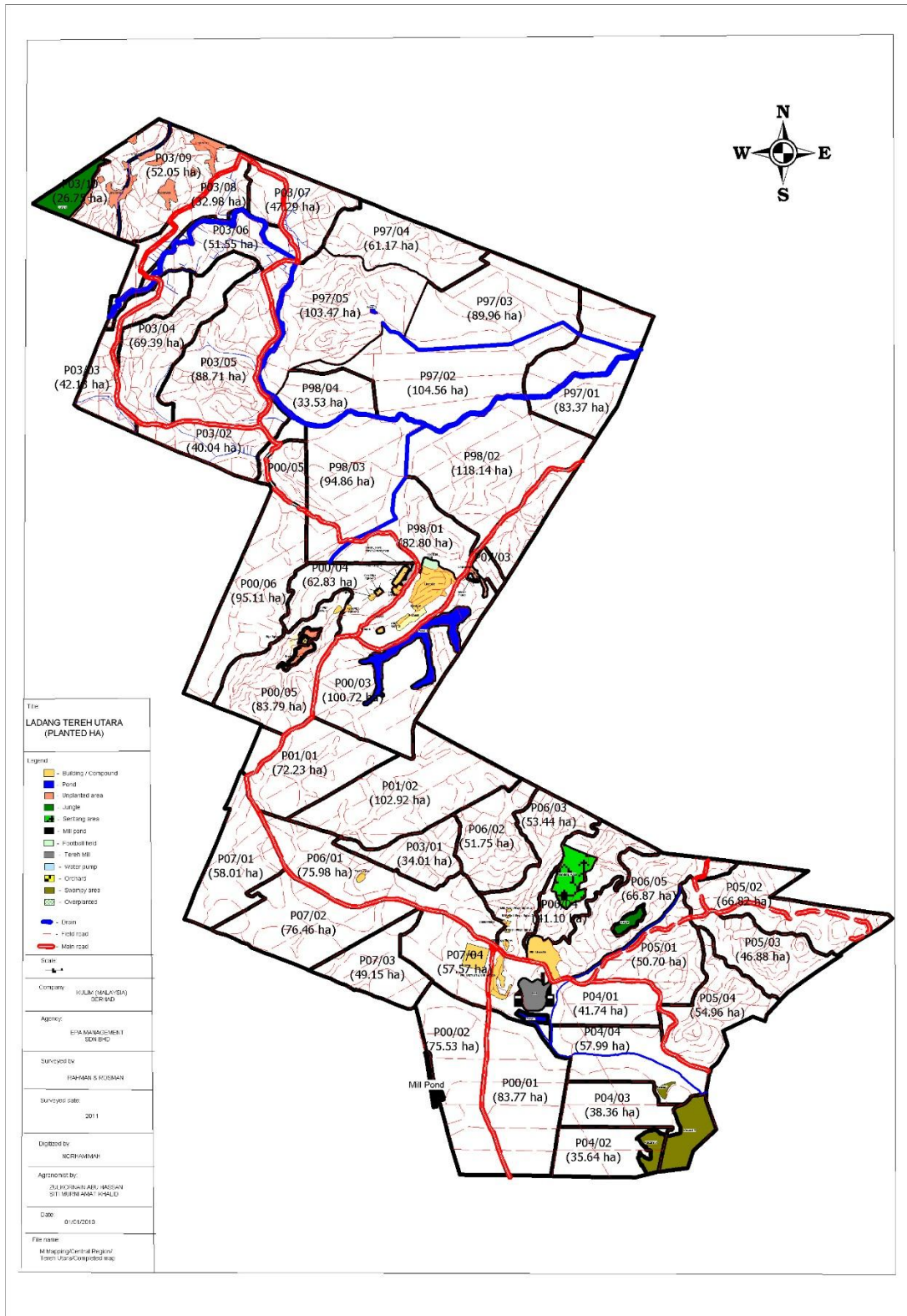
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Month	Tereh POM											Total FFB/Month (mt)
	Own estates										Other estate	
	Tereh Utara	Tereh Selatan	Selai Estate	Enggang	Mutiara	Sg Sembrong	Sg Tawing	Wawasan	Felda Paloh	Rengam	Sindora	
Nov 2016	7,023.20	5,697.97	2,643.38	2,494.99	3,438.01	2,658.94	4,195.37	565.04	1,605.93	0	924.73	30,322.83
Dec 2016	6,432.23	5,465.74	2,398.16	2,119.74	3,666.26	2,838.92	3,740.43	597.60	1,737.71	0	0	28,996.79
Jan 2017	5,656.25	4,641.62	1,827.19	1,722.95	3,245.89	2,386.50	3,047.24	448.38	1,314.21	0	0	24,290.23
Feb 2017	4,710.46	3,873.27	1,055.04	1,150.74	3,209.85	2,244.37	2,612.33	400.29	0	0	0	19,256.35
March 2017	4,768.61	3,833.99	1,316.78	1,281.93	3,262.64	2,384.89	2,803.18	390.27	0	0	0	20,042.29
April 2017	4,392.49	3,444.61	1,610.60	1,558.44	3,227.42	2,670.89	2,572.24	345.71	0	0	0	19,822.40
May 2017	4,363.21	3,800.29	2,121.11	2,177.80	3,355.13	2,300.85	2,358.41	336.08	0	0	0	20,812.88
June 2017	4,445.43	3,849.20	2,607.93	2,403.65	2,722.10	2,171.03	2,279.41	429.37	0	0	0	20,908.12
July 2017	6,182.38	5,295.28	4,110.27	3221	3,384.19	2,732.63	2,973.38	699.11	0	0	0	28,598.24
Aug 2017	8,077.83	5,533.75	4,843.45	3,797.19	3,318.39	2,920.61	3,794.68	643.12	0	3,949.92	0	36,878.94
Sept 2017	8,254.22	5,568.11	4,495.84	3,723.71	3,290.87	2,890.90	3,932.02	522.46	0	1,688.52	0	34,366.65
Oct 2017	7,470.00	6,120.00	2,970.00	2,582.00	3,440.00	3,190.00	4,420.00	662	0	4,489.00	0	35,343.00
Total	71,776.31	57,123.83	31,999.75	28,234.14	39,560.75	31,390.53	38,728.69	6,039.43	4,657.85	10,127.44	924.73	320,563.45

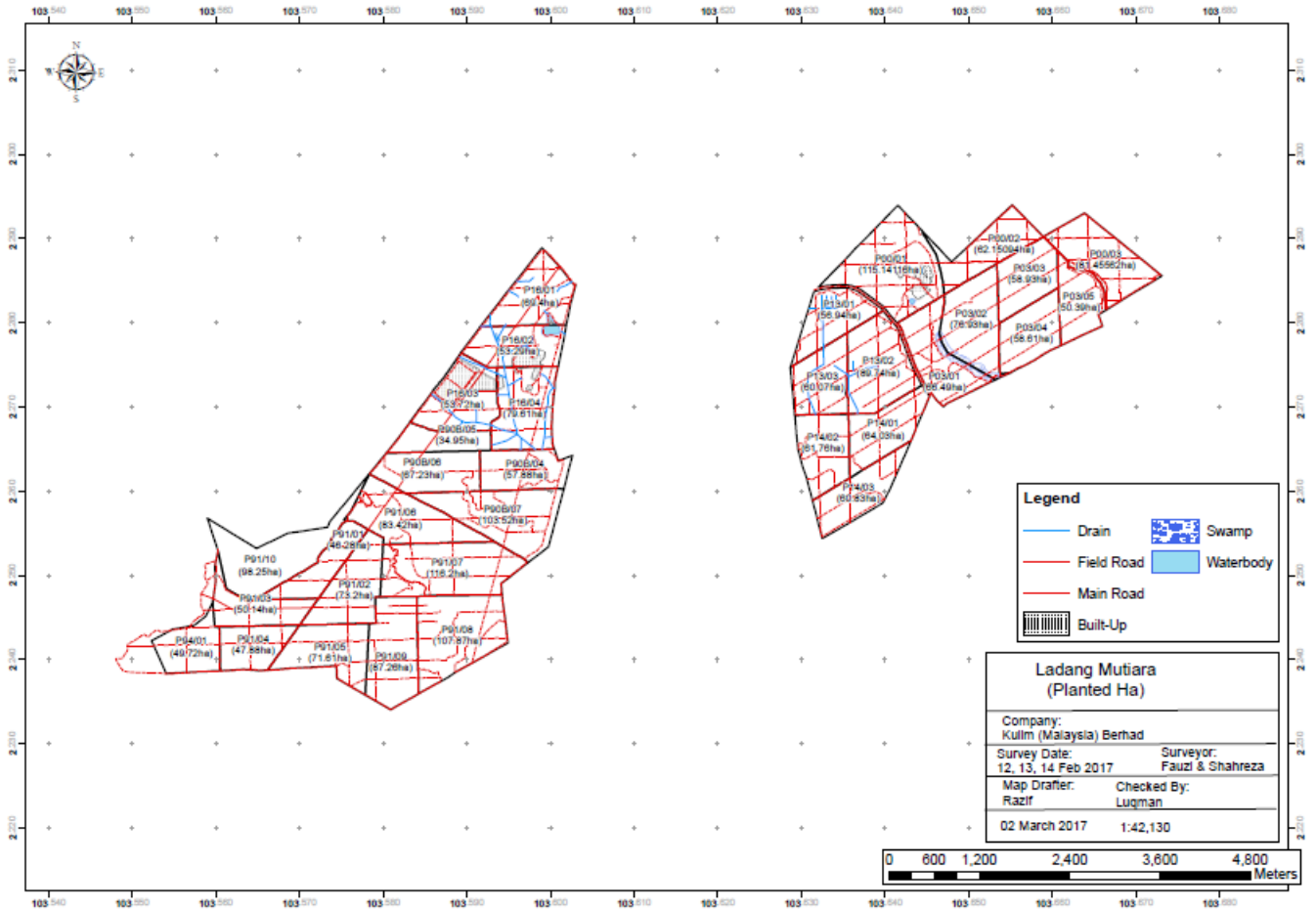
Appendix G: Location Map of Tereh Palm Oil Mill



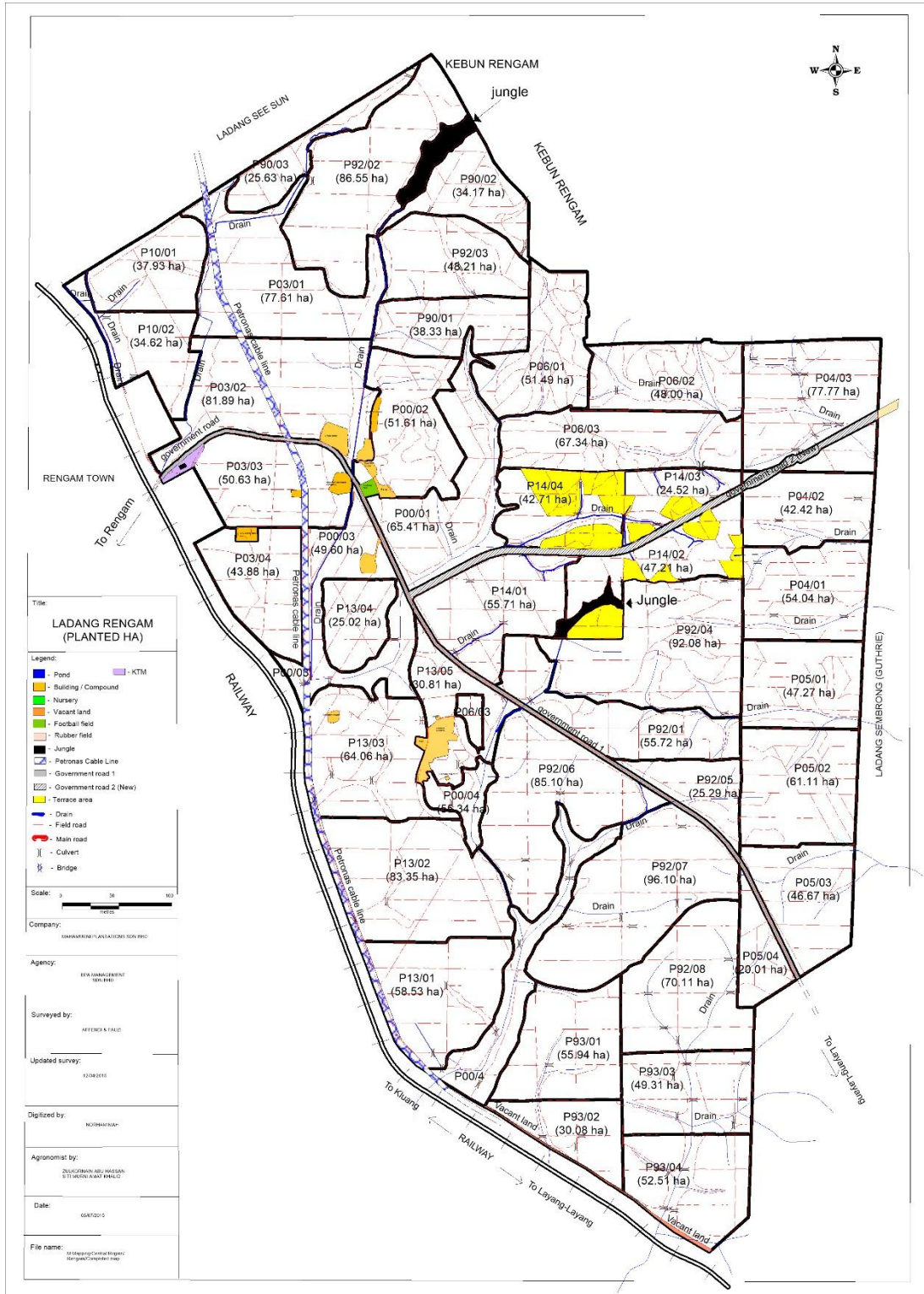
Appendix H: Tereh Utara Estate Field Map



Appendix I: Mutiara Estate Field Map



Appendix J: Rengam Estate Field Map



Appendix K: List of Smallholder Sampled

(Not applicable)

Appendix L: GHG Reporting Executive Summary

The GHG emissions that were produced in 2016 for Tereh Palm Oil Mill and supply base was calculated using the GHGpalm Calculator version 3.0. The assessment team had verified the data input in the GHGpalm Calculator against operations records. Palm GHG Calculation Options selected 'Full version' and 'Exclude LUC Emission' calculation option is not applied. The records verified includes:

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

The summary of the Net GHG emitted in 2016 for Tereh Palm Oil Mill and supply base are as following:

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

Extraction	%
OER	20.41
KER	5.54

Production	t/yr
FFB Process	305,239.32
CPO Produced	62,306.04
PKO Produced	16,902.96

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

Summary of Field Emission and Sink

	Own Crop*		Group		3 rd Party		Total	
	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB	tCO ₂ e	tCO ₂ e / FFB
Emission								
Land Conversion	125,045.03	0.45	586.13	0.63	7,495.73	0.27	133,126.89	1.35
CO ₂ Emission from fertilizer	4,669.16	0.02	11.63	0.01	60.07	0	4,740.86	0.03
NO ₂ Emmision	8,355.38	0.03	19.43	0.02	0	0	8,374.81	0.05
Fuel Consumption	3,257.90	0.01	23.32	0.03	101.72	0	3,382.94	0.04
Peat Oxidation	0	0	0	0	0	0	0.00	0.00
Sink								
Crop Sequestration	-119,020.58	-0.43	-550.92	-0.6	-3543.04	-0.13	-123,114.54	-1.16
Conservation Sequestration	-352.12	0	0	0	0	0	-352.12	0.00
Total	21,954.77	0.08	89.59	0.1	4,114.48	0.15	26,158.84	0.33

*Note: Includes estates

Summary of Mill Emission and Credit

	tCO ₂ e	tCO ₂ e/tFFB
Emission		
POME	82,318.55	0.27
Fuel Consumption	712.56	0
Grid Electricity Utilisation	0	0
Credit		
Export of Grid Electricity	-314.71	0
Sales of PKS	-441.34	0
Sales of EFB	0	0
Total	82,275.06	0.27

Summary of Kernel Crusher Emission and Credit (if applicable)

Emissions	tCO₂e
PK from own mill	23,139.46
PK from other source	0
Fuel Consumptions	0
Total Crusher emissions	0

*This mill has no kernel crusher operation.

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

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

Appendix M: List of Abbreviations Used

ASA	Annual Surveillance Assessment
BOD	Biological Oxygen Demand
CHRA	Chemical Health Risk Assessment
CIP	Continual Improvement Plan
CPO	Crude Palm Oil
DOA	Department of Agriculture
DOE	Department of Environment
DOSH	Department of Occupational Safety & Health
EFB	Empty Fruit Bunch
EIA	Environmental Impact Assessment
EMS	Environmental Management System
ERP	Emergency Response Plan
FFB	Fresh Fruit Bunch
HCV	High Conservation Value
HIRARC	Hazard Identification, Risk Assessment and Risk Control
IPM	Integrated Pest Management
ISCC	International Sustainable Carbon Certification
LTU	Ladang Tereh Utara
LM	Ladang Mutiara
LR	Ladang Rengam
Ldg	Ladang
LOTO	Log Out Tag Out
MPOA	Malaysian Palm Oil Association
MSDS	Material Safety Data Sheet
MSPO	Malaysian Sustainable Palm Oil
MY-NI	Malaysian National Interpretation
NGO	Non Governmental Organisation
OSH	Occupational Safety & Health
PEL	Permissible Exposure Limit
PK	Palm Kernel
PKO	Palm Kernel Oil
POM	Palm Oil Mill
PPE	Personal Protective Equipment
RED	Renewable Energy Directive
RSPO	P&C Roundtable on Sustainable Palm Oil Principle & Criteria
SCCS	Supply Chain Certification Standard
SEIA	Social & Environmental Impact Assessment
SHO	Safety and Health Officer
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
SPAN	Suruhanjaya Perkhidmatan Air Negara
WTP	Water Treatment Plant
VMO	Visiting Medical Officer