

Keck Seng (Malaysia) Berhad

RSPO Membership No: 2-0094-08-000-00

PLANTATION MANAGEMENT UNIT
Masai Palm Oil Mill and Estates
at Masai, Johor, Malaysia



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Assessment Report

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(188296-W)

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**ANNUAL SURVEILLANCE ASSESSMENT REPORT
ON RSPO CERTIFICATION**

PUBLIC SUMMARY REPORT

KECK SENG CORPORATION BERHAD

RSPO Membership No: 2-0094-08-000-00

PLANTATION MANAGEMENT UNIT
Masai POM and Estates at Masai, Johor, Malaysia

Certificate No:

Original Issued date (by previous CB):
Issued date:
Expiry date:

RSPO 930688

2 January 2013
2 January 2016 (by Intertek)
1 January 2018

Assessment Type

Annual Surveillance Assessment (ASA-04)
(Transfer CB)
1st On-site Verification for closure of Major NCs
Certificate suspension was effective from
2nd On-site Verification for closure of Major NCs
Certificate suspension was lifted effective from
Re-Certification Assessment

Assessment Dates

25 - 28 October 2016
14 - 15 December 2016
30 December 2016
14 - 15 February 2017
27 February 2017

Intertek Certification International Sdn Bhd

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1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Surveillance Assessment was conducted on the Plantation Management Unit (PMU) Masai Grouping of Keck Seng (Malaysia) Berhad (hereafter abbreviated as KECK SENG), from 25-28 Oct 2016, to assess the organization's operations of the mill and its supply bases for compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for the Palm Oil Mill.

Note 1: The plantation management unit (PMU) or management unit is equivalent to a certification unit as defined in the RSPO Certification Systems Document. Each PMU consists of one mill and its supply bases which are made up of estates owned and/or managed by KECK SENG.

Note 2: This surveillance is also a CB Transfer assessment for Masai Grouping from the previous CB.

1.2 Location (address, GPS and map) of palm oil mill and estates

Masai Grouping consists of 1 palm oil mill, namely Masai Palm Oil Mill and 8 estates as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The location maps are provided in Appendix C.

Table 1: Address of Palm Oil Mill, Estates and GPS Location

Name	Address	GPS Reference	
		Latitude	Longitude
Masai POM (Capacity: 60 MT/hour)	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'25.9"	E 103°57'53.8"
1. Keck Seng Oil Palm Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'23.4"	E 103°54'36.3"
2. Tong Hing Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°29'45.0"	E 103°38'04.3"
3. Sg. Layang Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°34'18.9"	E 103°58'55.9"
4. Kota Tinggi Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°33'33.1"	E 103°56'07.5"
5. Sin Lian Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°33'07.3"	E 103°57'39.5"
6. Lian Huap Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'08.7"	E 103°57'05.2"
7. Johore (Masai) Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'04.0"	E 103°57'08.3"
8. Lim & Lim Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°31'21.9"	E 103°59'39.2"

1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM at Masai Grouping PMU are from the abovementioned 8 estates which are owned by KECK SENG. The FFB supply from the said own estates contribute to about 30% of the total supply to the POM.

The POM has also been receiving FFB (about 70% of total FFB) from external suppliers' i.e. outgrowers / independent smallholders which are also located within the Masai region at Johor state, Malaysia throughout its certification period.

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Details of the planted hectareage for the FFB supply to the PMU (own estates) are as shown in Table 2 below.

Table 2: Estate Area Summary Table 2: Estate Area Summary

Estate	Area Summary (ha) – Previous year 2015		Area Summary (ha) – Current year 2016	
	Certified Area	Planted Area	Certified Area	Planted Area
Keck Seng Oil Palm Estate	351.41	332.34	351.41	332.34
Tong Hing Estate	651.38	639.37	651.38	639.37
Sg. Layang Estate	82.64	82.44	82.64	82.44
Kota Tinggi Oil Palm Plantations	254.69	250.79	254.69	250.79
Sin Lian Oil Palm Plantations	355.71	350.46	355.71	350.46
Lian Huap Oil Palm Plantations	464.82	449.39	464.82	449.39
Johore (Masai) Plantations	404.67	375.65	404.67	375.65
Lim & Lim Plantations	815.07	788.46	815.07	788.46
Total:	3,380.39	3,268.90	3,380.39	3,268.90
Percentage:	100 %	96.70%	100 %	96.70%

Notes:

1. This Assessment covered the overall land use for oil palm plantation areas, and the identified Conservation areas including HCV areas (if any) as marked out at the estates.
2. The estates sampled for this Assessment have been selected based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and any high conservation value areas.
3. There were no changes to the size of the certified and planted land areas as verified during current assessment in comparison with data as stated in the previous year assessment.

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1.4 Summary of plantings and cycle

The 8 estates has been progressively developed over a period since 1983 onward. Presently 6 of the 8 estates are in their 2nd cycle of planting. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm (Year: 2016)

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha)
Keck Seng Oil Palm Estate	1986-2001	1 st	332.34	0	332.34
Tong Hing Estate	1984-2001	1 st	639.37	0	639.37
Sg. Layang Estate	2004	2 nd	82.44	0	82.44
Kota Tinggi Oil Palm Plantations	2000	2 nd	250.79	0	250.79
Sin Lian Oil Palm Plantations	2000-2004	2 nd	350.46	0	350.46
Lian Huap Oil Palm Plantations	2003-2005	2 nd	449.39	0	449.39
Johore (Masai) Plantations	2001-2006	2 nd	375.65	0	375.65
Lim & Lim Plantations	1983-2000 2009-2015	1 st 2 nd	527.64	260.82	788.46
		Total	3,008.08	260.82	3,268.90

1.5 Summary of Land Use - Conservation and HCV Areas

The summary of Conservation and HCV Areas as identified in the PMU during this assessment is as shown in Table 4 below:

Table 4: Conservation and HCV Areas

#	Statement of Land Use (Ha)	Hectarage (Ha) Year 2015	Hectarage (Ha) Year 2016
1	Planted Area (ha) – Oil Palm		
	- Mature	3,008.08	3,008.08
	- Immature	260.82	260.82
2	Conservation Area (ha)		
	- comprising buffer zones along small streams, hilly areas, swampy and unplatable areas	54.44	54.44
3	HCV Area (ha)		
	- comprising buffer zones near forest reserves, water catchments, riparian areas, burial & religious sites	0	0

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1.6 Other certifications held and Use of RSPO Trademarks

Keck Seng - Masai POM is also certified to the Food Safety Management System (ISO 22001) which is still valid.

The RSPO's trademarks and logo are not being used by the PMU audited. Instructions for use were provided and acknowledged by the PMU through a signed Memorandum of commitment agreeing to adhere to the latest "RSPO Rules on Communications & Claims" during the assessment.

1.7 Organizational information / Contact Person

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Keck Seng (Malaysia) Berhad
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Keck Seng (Malaysia) Berhad
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1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all FFB tonnages as supplied to the Masai POM based on the reporting period for current assessment are as shown in Table 5 below:

Table 5: Tonnages Verified for Certification

(Jan - Dec 2016: Actual + Projected)

#	Estate /Supplier	FFB Processed (MT)	Main Processing Mill	Certified By
1.	Keck Seng Oil Palm Estate	6,300	Masai POM	Intertek
2.	Tong Hing Estate	10,500	Masai POM	Intertek
3.	Sg. Layang Estate	1,550	Masai POM	Intertek
4.	Kota Tinggi Oil Palm Plantations	4,300	Masai POM	Intertek
5.	Sin Lian Oil Palm Plantations	5,700	Masai POM	Intertek
6.	Lian Huap Oil Palm Plantations	8,800	Masai POM	Intertek
7.	Johore (Masai) Plantations	7,900	Masai POM	Intertek
8.	Lim & Lim Plantations	10,300	Masai POM	Intertek
	Masai Grouping estates (certified)	55,350		
	Other certified estates	0		
	Other suppliers/external FFB			
9.	Outside crop producers (OCP)*	149,650	Various POM	Not Certified
	Grand total	205,000		

Note: * The outside crop producers (OCP) comprise of over 20 outgrowers and independent smallholders which are supplying non-certified FFB.

1.8.2 Total annual tonnages of FFB supplied to Masai POM during the previous period, current assessment and projected period are as shown in Table 6 below:

Table 6: Annual Tonnages of FFB

Estate / Supplier	FFB Processed in Jan-Dec 2015 - Actual		FFB Processed in Jan-Dec 2016 - Actual + Projected		FFB Processed in Jan-Dec 2017 - Projected	
	MT	%	MT	%	MT	%
Masai Grouping estates – Certified FFB	65,541.79	24.1	55,350	27	65,000	29
Other suppliers/external - Non-certified FFB	206,209.14	75.9	149,650	73	160,500	71
Total	271,750.93	100.0	205,000	100	225,500	100
SCCS Model for POM	MB		MB		MB	

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1.8.3 The annual certified tonnages of CPO and PK production by the PMU verified during the current assessment on the data presented are shown in Table 7 below:

Table 7: Annual Certified Tonnages of CPO and PK

POM	Jan-Dec 2015 – Actual		Jan-Dec 2016 – Actual + Projected		Jan-Dec 2017 - Projected	
Total certified FFB Processed (MT)	65,541.79		55,350		65,000	
Total certified CPO Production (MT)	12,610.28	OER: 19.24%	10,649.34	OER: 19.24%	12,506	OER: 19.24%
Total certified PK Production (MT)	3,853.87	KER: 5.88 %	3,254.58	KER: 5.88 %	3,822	KER: 5.88%

The POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO at the mill. It is verified the POM has procedures for the ‘**Mass Balance – MB**’ model in accordance with the RSPO Supply Chain Certification Standards (SCCS) requirements. Verified activities and checked items for the SCCS of the POM are reported in **section 3.1.1**.

1.9 Time Bound Plan for Other Plantation Management Units

Keck Seng (Malaysia) Berhad (KSMB) is part of Keck Seng Group and is a public listed company with the Kuala Lumpur Stock Exchange since 1976. KSMB is a member of RSPO since 2008.

The KSMB group of companies and subsidiaries in Malaysia comprise of an integrated operations which comprise of Masai Palm Oil Mill (for FFB processing and production), Ragamo Sdn Bhd (a Kernel Crushing Plant), Masai Palm Oil Refinery (as palm oil refinery and specialty fats production) and Supervitamins Sdn. Bhd (a downstream production plant which recovers natural carotene, tocotrienols and tocopherol to produce oleochemical products). The entire complex operations are located nearby each other and which is located about 20 kilometers from Pasir Gudang Port, Johor state, Malaysia.

It is verified that as at todate KSMB owns only 1 Plantation Management Unit (PMU) at the Masai region, Johor and there are no other oil palm estates or Mill owned at other parts of Malaysia, Indonesia or elsewhere.

Intertek had also referred to the RSPO’s Complaints website and found that there were no issues which may be related to the KSMB group of companies.

Note: It is further confirmed that under the RSPO ACOP as declared by KSMB, its integrated downstream operations i.e. Ragamo Sdn Bhd (Kernel Crushing Plant), Masai Palm Oil Refinery (Refinery and specialty fats plant) and Supervitamins Sdn. Bhd (Oleochemical plant) were certified under the RSPO Supply Chain certifications.

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1.10 Abbreviations Used

CB	Certification Body	KER	Kernel Extraction Rate
CHRA	Chemical Health & Risk Assessment	KSMB	Keck Seng (Malaysia) Berhad
CPO	Crude Palm Oil	LTA	Lost Time Accidents
CSDS	Chemical Safety Data Sheets	MSDS	Material Safety Data Sheets
CSPO	Certified Sustainable Palm Oil	MTCS	Malaysia Timber Certification Scheme
CSPK	Certified Sustainable Palm Kernel	NCR	Non-Conformance Report
EFB	Empty Fruit Bunch	NGO	Non-Government Organization
EHS	Environmental Health & Safety	OER	Oil Extraction Rate
EIA	Environmental Impact Assessment	OHS	Occupational Health & Safety
ETP	Effluent Treatment Plant	PEFC	Programme for the Endorsement of Forest Certification
FFB	Fresh Fruit Bunch	PK	Palm Kernel
GAP	Good Agriculture Practice	PMU	Plantation Management Unit
HCV	High Conservation Values	POM	Palm Oil Mill
IPM	Integrated Pest Management	POME	Palm Oil Mill Effluent
ISCC	International Sustainability & Carbon Certification	PPE	Personal Protective Equipment
IUCN	International Union for Conservation of Nature	SCCS	Supply Chain Certification Standard
Intertek	Intertek Certification International Sdn Bhd	SOP	Standard Operating Procedures
JCC	Joint Consultative Committee		

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2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since 13 Sept 2016, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on the Masai Grouping regarding the environmental, biodiversity, community development and other relevant issues.

From 25-28 Oct 2016, the Assessment team conducted the Surveillance Assessment in which 3 out of the 8 estates of Masai Grouping namely Keck Seng, Sin Lian and Lim & Lim estates, as well as the palm oil mill were assessed for compliance against the RSPO requirements. The number of estates sampled was based on a minimum sample of $0.8\sqrt{y}$ where y is the number of management sub-units and the selection was made based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and high conservation value areas.

During the on-site assessment, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectare development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team using the process approach auditing technique covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

Masai POM was also assessed against the requirements for the Mass Balance (MB) Module as specified in RSPO Supply Chain Certification Standard for CPO mill. This part of the assessment covered the verification of implementation of documented procedures and availability of records to demonstrate compliance against all the elements for MB Module requirements. These include documented procedure, purchasing and goods in, record keeping, sales and goods out, processing, monitoring and traceability of the CSPO and CSPK quantities, training for staff and claims.

The details of the Assessment Plan (actual on-site) are provided in **Appendix B**.

After completion of the on-site field assessment, Intertek also performed the evaluation of conformity against the RSPO Certification System requirements for CB. The assessment report, findings and associated documents were evaluated through an independent review by the Intertek Internal Technical Reviewer/Panel (and an External Peer Review in the case of an Initial Assessment or Re-certification Assessment) prior to the approval of this report and decision on continued certification by Intertek.

2.2 Date of next scheduled visit

The next scheduled visit will be the Re- Certification Assessment which will be carried out within a 12-month period prior to the certificate anniversary date / annual certificate (eTrace license) expiry date.

2.3 Qualifications of the Lead Assessor and Assessment Team

Competency details of the Lead Assessor and Assessment Team are given in **Appendix A**.

2.4 Certification Body

Intertek Certification International Sdn Bhd is part of the Intertek Group, which is a worldwide technical services organization dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO SCC, ISCC, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of-Custody certification in applicable industry sectors including the agricultural and forestry sectors. Intertek operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Intertek Group's certification business is ranked in the top 10 worldwide, and is available globally offering certification across a wide range of industries.

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2.5 Process of stakeholder consultation

Stakeholder consultations began with notification of the upcoming assessment through the websites of RSPO and Intertek. E-mails were sent to applicable stakeholders including government agencies, NGOs and local communities. E-mails and telephone enquiries were made prior to the actual assessment and stakeholder's response and feedback received were followed up accordingly.

During the assessment, stakeholders were interviewed and their feedbacks were recorded. Among the stakeholders consulted were workers, trade union leaders, women representatives; local community leaders, representatives of government departments / agencies, NGOs, suppliers and contractors.

Details on stakeholders' feedback, PMU response and Intertek verification / comments are provided in **section 3.3**.

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

1. Department of Lands And Mines (Kuala Lumpur)
2. Department of Environment (Kuala Lumpur)
3. Department of Forestry Peninsular Malaysia (Kuala Lumpur)
4. Department of Immigration (Kuala Lumpur)
5. Department of Irrigation & Drainage (Kuala Lumpur)
6. Department of Labour (Kuala Lumpur)
7. Department of Occupational Safety & Health (Kuala Lumpur)
8. Department of Orang Asli Affairs (Kuala Lumpur)
9. Department of Wildlife & National Parks (Kuala Lumpur)
10. Department of Environment Johor
11. Department of Forestry Johor
12. Department of Immigration Johor
13. Department of Irrigation & Drainage Johor
14. Department of Labour Johor
15. Department of Occupational Safety & Health Johor
16. Department of Wildlife & National Parks Johor
17. Land and Mines Office Johor
18. Pertubuhan Keselamatan Sosial (SOCSCO)

Statutory Bodies (by emails)

19. Malaysian Palm Oil Board (MPOB) - HQ
20. Malaysian Palm Oil Board (MPOB) - Northern Region
21. Malaysian Palm Oil Board (MPOB) - Central Region
22. Malaysian Palm Oil Board (MPOB) - Southern Region
23. Malaysian Palm Oil Board (MPOB) - Eastern Region
24. Malaysian Palm Oil Board (MPOB) - Sarawak Region
25. Malaysian Palm Oil Board (MPOB) - Sabah Region
26. Malaysia Palm Oil Association Kuala Lumpur (MPOA)
27. National Union of Plantation Workers (NUPW)
28. Malayan Agricultural Producers Association (MAPA) - HQ
29. Malayan Agricultural Producers Association (MAPA) – Southern Region
30. UNION – AMESU

NGOs and others (by emails)

31. All Women's Action Society (AWAM)
32. Center for Orang Asli Concerns COAC
33. Centre for Environment, Technology and Development, Malaysia – CETDEM
34. EcoKnights
35. ENO Asia Environment
36. Environmental Protection Society Malaysia (EPSM)
37. Friends of the Earth, Malaysia
38. Global Environment Centre
39. HUTAN - Kinabatangan Orang-utan Conservation Programme
40. JUST - International Movement for a Just World
41. Malaysian CropLife & Public Health Association (MCPA)

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42. Malaysian Environmental NGOs – MENGO
43. Malaysian National Animal Welfare Foundation – MNAWF
44. Malaysian Plant Protection Society (MAPPS)
45. National Council of Welfare & Social Development Malaysia – NCWSDM
46. Partners of Community Organisations (PACOS)
47. Penang Institute previously known as Socio-Economic & Environmental Research Institute (SERI)
48. Pesticide Action Network Asia and the Pacific (PAN AP)
49. Proforest - South East Asia Regional Office
50. R.E.A.C.H. – Regional Environmental Awareness Cameron Highlands
51. SUARAM – Suara Rakyat Malaysia
52. SUHAKAM – National Human rights Society – Persatuan Kebangsaan Hak Asasi Manusia
53. Tenaganita Sdn Bhd
54. TRAFFIC – the wildlife trade monitoring network
55. Transparency International – Malaysian Chapter
56. Treat Every Environment Special Sdn Bhd (TrEES)
57. United Nations Development Programme – UNDP Malaysia
58. Wetlands International (Malaysia)
59. Wild Asia Sdn Bhd
60. World Wide Fund (WWF) - HQ

Local community (On-site interviews)

61. Consultative Committee & Gender representatives
62. Workers & Workers representatives
63. Village Heads & representatives
64. Suppliers & Contractors representatives

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3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

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.		
Indicators	Findings and Objective Evidence	Compliance
1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. Minor Compliance	The PMU has established and implemented documented procedures (Stakeholder Request – Corporate Level, Stakeholder Request – POM Level, Stakeholder Request – Estate Level) for providing adequate information on environmental, social and legal issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making. The procedure includes handling responses and requests from stakeholders. Records of participation and decision plans were verified to be maintained till the period of current assessment. Records of visits, inspections, minutes of meetings, attendance notes and correspondence with stakeholders such as DOSH (JKKP), DOE (JAS), BOMBA, TNB, MPOB and Energy Commission (“Suruhanjaya Tenaga”), employee consultative committees and local community leaders were verified to be maintained and update till current period. Note: Public notification for stakeholder consultation prior to assessment of the PMU was made on 13 Sept 2016. See details of Stakeholder feedback under section 3.3	Complied
1.1.2 Records of requests for information and responses shall be maintained. Major Compliance	The PMU had established and maintained an updated list of internal stakeholders, external stakeholders, government departments/agencies, consultants, contractors, suppliers, transporters, etc. The PMU had conducted its internal and external stakeholder consultations in stages between Mar and July 2016 held at the POM and Estate offices. Meeting minutes were adequately maintained. The meetings and consultations were noted to be attended by the various categories of stakeholders. The Register for issues and complaints/ grievances or negative feedbacks such as from the local community representatives were noted to be appropriately followed up. Records maintained were easily retrievable and made available upon request during the assessment.	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.		
Indicators	Findings and Objective Evidence	Compliance
1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to:	Management documents’ relating to environmental, social and legal issues was verified to be maintained and available to the public (notices and websites) and updated. Refer to website link:	Complied

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<p>Major Compliance</p>	<p>http://masai.keckseng.com/index.</p> <p>The organization's policies declared that upon request, the following types of mandatory documents are available to the public:</p> <ul style="list-style-type: none"> • land titles, • occupational health and safety policy & plan, • social responsibility policy, • environment policy and plan, • pollution prevention plans, • complaints & grievances procedure, • continuous improvement plan <p>The said publicly available documents had included performance indicators such as POME treatment, waste management, land and waste management, replanting programs, IPM planning.</p> <p>Continual Improvement Action Plans has included targets for waste reduction and pollution prevention for the mill and estates.</p>	
<ul style="list-style-type: none"> • Land titles/user rights (Criterion 2.2); 	<p>Copies of all land titles were available and have been maintained at the POM and Estates. HQ kept the original copies.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Occupational health and safety plans (Criterion 4.7); 	<p>Occupational Safety and Health Plan for the PMU was established which was approved by the GM in July 2008 for the mill and estates in Masai PMU.</p> <p>The Plan had been reviewed (annually) and up-dated for the POM and estates. The OSH Program was displayed prominently in notice boards in the Mill and respective estates. The Safety Control Plans and Measures was reviewed for the POM and estates in Feb 2016.</p> <p>The OSHA Plan include the establishment and implementation of CHRA (Medical surveillance and Health checks), Emergency Drill, First Aid training, Line site Inspection, Chemical Store Inspection, Audiometric test, PPE training, etc.</p> <p>POM has also conducted the annual Emergency Preparedness and Response (EPR) drill in Mar 2016.</p> <p>Safety Committee meetings were held on quarterly basis. Latest minutes was dated 10 Aug 2016.</p> <p>Programmes for protecting workers' health and safety were satisfactorily implemented.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>Environmental aspect and impact assessment conducted for the POM and estates and reviewed in Oct 2016. Management action plan documented and implemented.</p> <p>Social Impact Assessment was also carried out and suitably reviewed in Mar 2016 by the Management Sustainability team together with the respective Mill and Estate Managers. Positive and negative impacts and action plans were documented.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • HCV documentation summary (Criteria 5.2 and 7.3); 	<p>The Assessment reports on 'Internal HCV and Conservation Areas' for 2016 were available.</p> <p>It was verified that the Management Action Plans for HCV and Conservation areas were being monitored and progressively implemented at the respective Estates.</p>	<p>Complied</p>
<ul style="list-style-type: none"> • Pollution prevention and reduction plans (Criterion 5.6); 	<p>Pollution Prevention Management Plans were reviewed for 2016. Action items include measures for pollution control</p>	<p>Complied</p>

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	(smoke emission, POME / effluent discharge), pesticides reduction, schedule wastes (chemicals, drums, tyres, used PPE, hydraulic oil) and organic/domestic wastes disposal, reuse and recycling (paper, glass, scrap iron).	
<ul style="list-style-type: none"> Details of complaints and grievances (Criterion 6.3); 	The mill and respective estates had maintained the Complaints and Grievances Logbook. Employees Consultative Committee representatives interviewed had confirmed that there were no serious issues which warrant major actions from the PMU Management.	Complied
<ul style="list-style-type: none"> Negotiation procedures (Criterion 6.4); 	Presently, there is no conflict/dispute requiring negotiation or compensation pertaining to this criterion at this PMU. Negotiation procedure and flowchart was available and maintained.	Complied
<ul style="list-style-type: none"> Continual improvement plans (Criterion 8.1); 	The PMU has identified, documented and implemented Continuous Improvement Plans in key operations for the mill and estates. The plans includes bio-polishing for reduction in BOD level, reduction in the usage of pesticides, cultivation of beneficial plants, recycling, pollution prevention and environmental and social programs. Monitoring and implementation of the Continuous Improvement Plans is progressively ongoing. Verified that reviews were done by the Mill and Estate Managers in Oct 2016.	Complied
<ul style="list-style-type: none"> Public summary of certification assessment report; 	Public summary of certification assessment reports are available from the company upon request.	Complied
<ul style="list-style-type: none"> Human Rights Policy (Criterion 6.13). 	The statement of respect for Human rights and fair treatment of employees were included in the Social Policy as signed by the Managing Director dated Oct 2011. Copies of the policy found to be displayed at prominent locations in the POM and estates.	Complied
Criterion 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.		
Indicators	Findings and Objective Evidence	Compliance
1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations. Minor Compliance	The Policy of commitment to Codes of Ethical Conduct was documented in the Corporate Social Responsibility statement signed by the Managing Director in Oct 2011 and was communicated to all levels of the workforce and operations. Copies of the policy found to be displayed at prominent locations in the POM and estates.	Complied

Principle 2: Compliance with applicable laws and regulations

Criterion 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.		
Indicators	Findings and Objective Evidence	Compliance
2.1.1 Evidence of compliance with relevant legal requirements shall be available. Major Compliance	At the PMU, a legal register covering the applicable local and international laws and regulations are available. Compliance to each law and regulation is monitored by the PMU. The relevant laws and legislations identified and listed cover safety and health, environment, pollution management, chemical handling (usage and storage), schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.	Complied

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	<p>There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance.</p> <p>Based on the site observations, interviews and records checking at the POM and estates, there was sufficient evidence of compliance with the relevant laws, regulations, local and international laws.</p> <p>Licenses and permits (License for Foreign Workers Employment, Workers Wages Deduction Permit, License for Controlled Items – Diesel and Fertilizer, MPOB license, DOSH Certificate, DOE license, BOMBA Fire Certificate, Energy Commission License, etc.) were monitored for their expiry dates and found to be renewed and valid.</p> <p>Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Quarterly Return Form as per First Schedule of the Environmental Quality (Prescribed Premises) (Crude Palm-Oil) Regulations, 1977 maintained.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45): Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and chageman were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission).</p> <p>The POM has maintained the Boiler Register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH.</p> <p>Licenses maintained for diesel generators issued by Energy Commission (“Suruhanjaya Tenaga”); Authorized gas tester (ACT), authorized entrant and standby personnel for confined space activities in POM are verified to be valid.</p> <p>Safety and health meetings (as per the Occupational Health and Safety Act 1994) was conducted at quarterly intervals. Noise Monitoring Reports are verified to be maintained.</p> <p>Legal documents (work permits, passports) of foreign workers are available at the POM and Estates office. Boundary noise assessment done and actions taken to ensure that noise levels are controlled within the permissible limit for daytime and nighttime operations.</p> <p>Previous year OBS 01 (2015) closed.</p>	
<p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. Minor Compliance</p>	<p>The PMU has established and implemented a documented procedure for identifying, determining, reviewing and updating applicable legal and other requirements. It included the listing of laws and regulations that were being monitored for changes and reference.</p>	<p>Complied</p>
<p>2.1.3 A mechanism for ensuring compliance shall be implemented. Minor Compliance</p>	<p>Monitoring mechanism was done through a yearly evaluation checked against the items in the Legal Compliance Register.</p>	<p>Complied</p>

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<p>2.1.4 A system for tracking any changes in the law shall be implemented. Minor Compliance</p>	<p>The PMU subsequently ensured that the changes and tracking conducted was adequately updated. Based on the site observations, interviews and records updated, the system used is appropriate to the operations at the PMU.</p>	<p>Complied</p>
<p>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.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available. Major Compliance</p>	<p>Land ownership or lease for the POM and estates found to be in order. There has been no change in the land ownership since the previous assessment. Copies of the land titles of the POM and estates were maintained and available. The original copies are maintained by the Corporate Head Office, KL. The legal use of the land was confirmed for agricultural development purposes.</p>	<p>Complied</p>
<p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves. Minor Compliance</p>	<p>It was verified that there has been no change to the stated land titles and designated use for cultivation of oil palm and agricultural use. Locations of several boundary stones and pole markers were visited and verified to be within the boundary parameters of the estates. Demarcation was also evidenced by the dug up trenches and drains which were adjacent to neighbouring estates.</p>	<p>Complied</p>
<p>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</p>	<p>There has been no dispute on the land rights in the PMU. As such, the process of fair compensation and FPIC is currently not applied.</p>	<p>Not applicable</p>
<p>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</p>	<p>The estate lands at the PMU are legally owned or leased to Keck Seng and no other users were identified in the land area. The existing estates are not encumbered by any customary land rights and therefore participatory mapping is not required.</p>	<p>Complied</p>
<p>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 and relevant authorities where applicable). Minor Compliance</p>	<p>There are no land disputes in the PMU. As such the process of participatory mapping is not applicable for verification of implementation.</p>	<p>Not applicable</p>
<p>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</p>	<p>There has been no evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	<p>Not applicable</p>
<p>Criterion 2.3</p>		

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Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.		
Indicators	Findings and Objective Evidence	Compliance
<p>2.3.1 Maps of an appropriate scale showing the extent of recognised 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).</p> <p>Major Compliance</p>	<p>The estate lands at the PMU are legally owned or leased to Keck Seng and no other users were identified in the land area. The existing estates are not encumbered by any customary land rights and therefore participatory mapping is not required.</p> <p>Existing maps available at the PMU are verified to be within the legal boundaries of the PMU.</p>	Complied
<p>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:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>Minor Compliance</p>	<p>The estate lands were acquired from private plantation owners or leased from the State Government of Johor. Records are available to show such land acquisition complied with legal requirements without infringement of any legal rights that require free, prior and informed consent (FPIC).</p>	Complied
<p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.</p> <p>Minor Compliance</p>	<p>No conflict or dispute over the lands has occurred in the PMU. As such, this process is not available for verification.</p>	Not applicable
<p>2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel.</p> <p>Major Compliance</p>	<p>No conflict or dispute over the lands has occurred in the PMU. As such, this process is not available for verification.</p>	Not applicable

Principle 3: Commitment to long-term Economic & Financial Viability

Criterion 3.1		
There is an implemented management plan that aims to achieve long-term economic and financial viability.		
Indicators	Findings and Objective Evidence	Compliance
<p>3.1.1 A business or management plan (minimum three years) shall be documented that includes, where</p>	<p>Business Plans for five (5) years (till FY2020) was prepared and available at the Palm Oil Mill and Estates office.</p>	Complied

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<p>appropriate, a business case for scheme smallholders.</p> <p>Major Compliance</p>	<p>Details of the Business Plans for the POM include the following:</p> <p>(1) Mill extraction rates = OER and KER trends; (2) Cost of Production = Cost/MT CPO trends; (3) Forecast prices; (4) Financial indicators = Cost of labour, cost of supervision, depreciation costs, salaries/allowances, cost of materials, etc.).</p> <p>Details of the Business Plans for the estates include the following:</p> <p>(1) Replanting program (planting materials are DxP seedling; (2) Crop projection = FFB yield/ha trends; (3) Cost of Production = Cost/MT FFB trends; (4) Forecast prices; (5) Financial indicators = Cost of upkeep & cultivation, harvesting & collection cost, depreciation, cost of materials, cost of labour, cost of supervision, utilities, transport, depreciation costs, salaries/allowances, cost of materials, etc.).</p> <p>The Business Plans also include provisions for sustainability efforts and improvement programmes (environmental, social, Occupational Safety & Health, training, etc.).</p> <p>Mill and Estate Managers monitor the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.)</p> <p>There is evidence of monitoring of costs against budget to achieve specified targets.</p> <p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the HQ, KL.</p>	
<p>3.1.2 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.</p> <p>Minor Compliance</p>	<p>Annual replanting program were available and had been prepared up to FY2020 for the estates. Replanting at Keck Seng and Tong Hing estates are expected to commence in 2018 onwards. Replanting at Lim & Lim estate which commenced in 2009 is done progressively and expected to complete in 2017.</p>	<p>Complied</p>

Principle 4: Use of appropriate best practices by growers and millers

Criteria 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>Major Compliance</p>	<p>Documented SOPs had been maintained by the POM and the Estates which were verified to be in order.</p> <p>POM has documented the following SOPs:</p> <ul style="list-style-type: none"> • SOP for Palm Oil Mill Operations covering every station from FFB receiving until the delivery of processed oil and POME management. 	<p>Complied</p>

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	<ul style="list-style-type: none"> • SOP for pollution prevention includes measuring and monitoring mill effluents and waste disposal / recycling. • Occupational Safety & Health Manual and OSH Management System documents. SOP for safe working practices includes hazards identification, risk assessment and control measures. The hazards include noise, chemicals, heat, fire, fuel spillage, working at heights, working in enclosed space, hot work, lightning, electrocution, machinery, etc. Control measures include the use of PPE, fire drill training, first aid training, etc. and "permit to work system" for the mill. Records of 'Permit to Work' including gas entry and stand-by permits issued by NIOSH to the competent personnel at the POM was verified to be maintained and found to be in order. <p>The estates have the following SOPs:</p> <ul style="list-style-type: none"> • SOPs for Estate Operations. The SOP describes operational procedure for oil palm planting, planting density, pre-nursery seedlings, land clearing & preparation, oil palm planting technique, leguminous cover plant, fertilizer application for immature & mature palms, weeding, manuring, harvesting, integrated management of pests control, road maintenance, workshop and vehicle maintenance etc. SOP for pesticides specifies safe working practices and application of pesticides including annual medical surveillance for pesticides operators. SOP for riparian zone management with specified buffer zones. • Budget reports and cost controls specified for quality, environment, safety and social activities. 	
<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance</p>	<p>The implementation of the SOPs was verified to be consistently performed.</p> <p>Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work and these records would be checked by the Assistant Manager and the Manager regularly.</p> <p>On-site assessment confirmed that the records were satisfactorily maintained.</p>	<p style="text-align: center;">Complied</p>
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance</p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates.</p> <p>At POM, it is verified that the Checking Sheets were maintained for both day and night shift operations</p> <p>Daily Muster chits were available at estates and actual field activities were verified during on-site field inspection.</p> <p>Verified that spraying and manuring operations were carried out at the estates audited</p>	<p style="text-align: center;">Complied</p>
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance</p>	<p>FFB sourced were recorded and had indicated the origins of the supply. Daily and monthly summary of monitoring reports were available and maintained.</p>	<p style="text-align: center;">Complied</p>
<p>Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to</p>	<p>Annual fertilizer inputs had been monitored through fertilizer recommendations made by the appointed Agronomist which</p>	<p style="text-align: center;">Complied</p>

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<p>manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance</p>	<p>are available and verified. Agronomist reports done between Feb and March 2016 for the estates audited were sighted. GAP for minimization of soil erosion and maintenance of soil fertility is maintained via the frond stacking and fertilizer application as per the recommendation provided by the Agronomist.</p> <p>These had been verified through the records for fertilizer application and observation during field visit. Evidences provided were verified as following good agricultural practices. Soil sampling and leaf sampling records provided guide for the fertilizer application and all recommendations had been properly followed at estate levels.</p> <p>Noted that proper pesticide/herbicide spraying had also been done.</p>	
<p>4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance</p>	<p>Records of fertilizer application had been verified to be in order.</p>	<p style="text-align: center;">Complied</p>
<p>4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance</p>	<p>Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5 year cycle (2015-2020) was available to determine the nutrient levels.</p> <p>Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long term soil fertility and nutrient efficiency.</p> <p>Records of the sampling and analysis had been verified to be satisfactory.</p>	<p style="text-align: center;">Complied</p>
<p>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. Minor Compliance</p>	<p>Circle EFB mulching had been carried out at immature palms and for mature areas along the inter-row. Records of the quantities of EFB mulching including locations applied are maintained.</p> <p>Permit for the land application of effluent water discharges to the Keck Seng estate was available.</p>	<p style="text-align: center;">Complied</p>
<p>Criteria 4.3 Practices minimise and control erosion and degradation of soils.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance</p>	<p>Based on the soil maps and field visit verification, there was no significant areas of fragile soil or marginal soil existence on the estates. The soil series at the estates were noted to be:</p> <p>Kulai Series i.e. Deep (>100 cm) yellow silty clay. Strong coarse angular blocky; firm. Patchy clayskins (argillic). Soils over dacitic tuffs. Moderately well drained.</p> <p>Yong Peng Series i.e. Deep (>100 cm) red silty clay to clay. Strong coarse angular blocky; firm. Patchy clayskins (argillic). Moderately well drained. Soils over fine grained acid igneous rocks (dacite).</p> <p>Harimau Series i.e. Deep (>100 cm) brownish yellow to yellow medium sandy clay. Weak medium subangular blocky; friable. Patchy clayskins. Well drained. Soils over Older Alluvium.</p> <p>Ulu Tiram Series i.e. Moderately deep (50-100 cm) fine sandy clay loam over gravelly clay. Weak coarse angular blocky; firm. Thin patchy clayskins (kandic). Gravels consist of fine quartz gravels. Soils over Older Alluvium.</p> <p>Local Alluvium i.e. Soils found along the minor valleys. Variable textured. Imperfect to poorly drained condition.</p>	

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	<p>Noncompliance: Maps provided by the Estates did not contain geo referencing points i.e. without Latitudes and longitudes shown and also did not contain proper topography for slope identification. Note: This NC is also related to NC 4.3.2 issued in the previous audit report.</p>	<p>Refer to Major NC: AL-01, issued in ASA-04 (2016).</p>
<p>4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance</p>	<p>The PMU has a SOP under Best Management Practices for erosion control during replanting or any activities involving earth disturbance. Steps taken for erosion control are soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways.</p> <p>At the estates audited (Keck Seng, Sin Lian and Lim & Lim estates), the overall landscape was found to be undulating and gentle slopes with no steep hills (or areas with slopes of above 5 degrees) sighted. There was no significant soil erosion noted during the field visit at the said estates. Leguminous cover crop, <i>macuna bracteata</i> was established at ongoing replanted areas at Lim & Lim estate.</p> <p>Noncompliance: The respective estates under the grouping does not have slope / topography maps that identifies steep areas not suitable for planting. Note: Previous year Minor NC# M017 (2015) was NOT satisfactorily implemented at the estates audited. The NC is upgraded to a Major NC. Refer to Major NC: AL-01, issued in ASA-04 (2016).</p>	<p>Refer to above. Major NC: AL-01.</p>
<p>4.3.3 A road maintenance programme shall be in place. Minor Compliance</p>	<p>Road maintenance programmes for 2016 verified to be implemented progressively. The programme covers road grading and patching. Estate roads were noted to be satisfactorily maintained during the fields visit.</p>	<p>Complied</p>
<p>4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance</p>	<p>It was confirmed during assessment on site that there is no peat soil on the estates.</p>	<p>Not Applicable</p>
<p>4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance</p>	<p>There was no peat soil on the estates as confirmed by auditor's on-site assessment</p>	<p>Not Applicable</p>
<p>4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance</p>	<p>Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on the estates.</p>	<p>Not Applicable</p>
<p>Criteria 4.4 Practices maintain the quality and availability of surface and ground water.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.4.1 An implemented water management plan shall be in place. Minor Compliance</p>	<p>Documented water management plan verified to be in place for the palm oil mill and estates. The plan includes steps such as soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways.</p>	<p>Complied</p>

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	<p>Water samples were taken at monthly interval at the inlet and outlet of the final discharge at the palm oil mill effluent pond. Water samples taken twice a year at upstream, midstream and downstream of streams. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements.</p> <p>The water supply for domestic use to staff and workers' housing at the PMU estates are piped water from the water treatment plant operated by the government utility company. Suruhanjaya Perkhidmatan Air Negeri (SPAN) that comply with the Specification for Drinking Water Quality. Monthly water quality reports from Jan to Sept 2016 were verified to be within permissible specifications.</p> <p>Rainfall data is also verified to be monitored as part of the water management plan.</p> <p>Analysis records of treated water are available and verified that results including NTU levels were found to be within the permissible limits as per Standards for Water Quality for Domestic use.</p> <p>Previous year: OBS 02 (2015) closed.</p>	
<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>Water courses such as streams were noted to be partially protected with some buffer zone signages and markings done which were maintained along streams passing through the Keck Seng, Sin Lian and Lim & Lim, estates which were audited. The protection of water courses were not adequately done.</p> <p>Noncompliance:</p> <p>The requirements for buffer zones along water courses has not complied with the Jabatan Pengairan dan Saliran (JPS) guidance.</p> <p>The mitigation of soil erosion at some of the buffer provided is not adequately implemented (e.g. streams passing through Field F10 1984 at Lim & Lim estate, Field F2 and F4 at Sin Lian estate which also passes through Johore Masai estate).</p> <p>There was also lack of clear demarcation of the extent of the buffer zones.</p> <p>Note: This NC is a repeat major and could lead to a potential suspension of certification.</p> <p>Note: Previous year Minor NC# M018 (2015) was NOT satisfactorily implemented at the estates audited.</p> <p>A new Major NC. Refer to Major NC: AL-02, issued in ASA-04 (2016).</p>	<p>Major NC: AL-02, issued in ASA-04 (2016).</p>
<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance</p>	<p>The water at the outlet of the final discharge point of the palm oil mill effluent pond was analyzed at monthly intervals for pH, BOD, COD, Total Solids, Suspended Solids, oil & grease, Ammoniacal Nitrogen and Total Nitrogen. The monitoring of monthly analysis results/reports were available and had met the DOE requirement of BOD < 100 ppm.</p> <p>However, Stack emission monitoring under the CEMS was inadequately done – Refer to NC issued under C5.6.3</p>	<p>Refer to NC issued under 5.6.3</p>
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored.</p>	<p>Water usage in the mill from Jan 2016 to Sep 2016 ranged from 1.22 to 1.68 m³/tonne FFB with an average of 1.52</p>	<p>Complied</p>

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Minor Compliance	m ³ /tonne FFB which was noted to be slightly higher than the industry norm.	
Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance</p>	<p>The IPM Plans were maintained and includes the planting of beneficial plants and control of damage by rodents for 2016.</p> <p>The programme for planting of the beneficial plants was available at the estates audited but need improvement.</p> <p>Barn owls were also used for the control of rodents. Barn owl census carried out and location maps were available.</p> <p>Pest infestation such as by bagworms, rhinoceros beetles and rats attack was monitored and was noted to be minimal on the estates.</p> <p>Noncompliance: The implementation of the IPM such as the planting of Beneficial plants has not been adequately monitored and recorded at all the estates audited.</p>	Major NC: AL-03
<p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance</p>	<p>IPM training was conducted for all those involved in IPM implementation. Training records for staff and workers on IPM implementation were available and was verified to be satisfactory during estate office and field assessment.</p> <p>Training on IPM implementation was conducted and verified records maintained.</p> <p>Previous year: OBS 03 (2015) closed.</p>	Complied
Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.		
Indicators	Findings and Objective Evidence	Compliance
<p>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>	<p>Register of agrochemicals use with written justification had been reviewed. The types of chemicals used are as follows:</p> <ol style="list-style-type: none"> 1) Glyphosate isopropyl amine - Supremo 2) Metsulfuron methyl – Kenly / Ellytech 3) 2, 4 - Dimethyl amine – 2,4-D Amine 4) Triclopyr Butoxyethyl Esther – Kenlon / Garlon 5) Cypermetrin - Kencis <p>Specific pesticides had been used to deal with the respective target pest, weed or disease.</p> <p>Inventory and stock cards were maintained and updated.</p> <p>Justifications for use are updated and dosage recommendations were adhered. All MSDS were available.</p> <p>Previous year: OBS 04 (2015) closed.</p>	Complied
<p>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>	<p>Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications has been satisfactorily implemented. Over the past 12 months, the estates audited was verified to have used the new reporting format with the required details correctly completed.</p> <p>As was indicated in the SOP, the records are maintained are being kept for a minimum of 5 years. Verified that the records are satisfactorily maintained.</p> <p>Verified that data on the amount of a.i per pesticides used / ha per year is available and updated till Sep 2016.</p>	Complied

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	Previous year: OBS 05 (2015) closed.	
<p>4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance</p>	<p>It had been the policy of the estates to minimize the use of pesticides in accordance with IPM plan.</p> <p>The pesticide reduction program is monitored on usage per hectare basis. Overall, there has been a slight decline in pesticide usage per hectare on a year to year basis.</p> <p>No prophylactic use of pesticides had been carried out at the estates for the period concerned.</p>	Complied
<p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance</p>	<p>Verified that Paraquat had not been used since 2011 at the Keck Seng estates which were audited.</p> <p>Alternatives such as Glyphosate Isopropylamine, Metsulfuron Methyl, and Triclopyr Butoxyethyl Esther had been used with the elimination of paraquat.</p> <p>First Aid Kits were available during pesticides spraying in the fields (4th Schedule).</p> <p>Portable signboard noted to be displayed at areas of spraying activity (5th Schedule).</p>	Complied
<p>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</p>	<p>All pesticide operators (including the contractor's workers) have attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974.</p> <p>Appropriate safety and application equipment (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves and overalls) have been provided and used by the pesticides operators.</p> <p>All precautions attached to the pesticides (MSDS) have been observed, applied and understood by the workers.</p> <p>Programme and training records verified to be satisfactory. The training include spraying technique, precautions and symptoms of symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems.</p> <p>The PMU has adequate facilities for mixing of pesticides and cleaning up after work. There are suitable storage areas for PPE.</p>	Complied
<p>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). Pesticides shall be stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance</p>	<p>The storage of pesticides were found to be kept under lock and key and its usage was noted to be in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974.</p> <p>Emergency shower and eye wash are available near the pesticides store in case of accidents.</p> <p>Material Safety Data Sheets (MSDS) are available in the store. The MSDS were in English and Bahasa Malaysia These were generally understood by the workers during the field interviews conducted.</p> <p>Some used chemical containers were re-used as containers for spraying solution. The bulk are disposed as scheduled waste. The empty pesticide containers were noted to be triple rinsed and pierced at the bottom prior disposal.</p>	Complied

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	<p>Verified that monitoring on the disposal of empty chemical containers satisfactorily done. Previous year: OBS 06 (2015) closed.</p>	
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzles, spray drifts, spray quality and potential run-offs.</p>	Complied
<p>4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance</p>	<p>It is the policy of the company not to carry out aerial application of pesticides. This policy has been followed by the PMU.</p>	Complied
<p>4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance</p>	<p>The Annual Training Plan includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators (including the contractor's workers) attended continual training to enhance their knowledge and skills on pesticides handling.</p> <p>Information and safety precautions on the use of pesticides are displayed on notice boards and near the pesticides store.</p>	Complied
<p>4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance</p>	<p>Scheduled waste had been disposed by a licensed contractor approved by DOE i.e. Modern Energy Sdn Bhd.</p> <p>Records of scheduled waste collection within the period of 180 days interval was verified to be maintained.</p>	Complied
<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance</p>	<p>CHRA reports were available at the estates which is valid till 2021. It was verified that the CHRA recommendations has been satisfactorily followed.</p> <p>Annual medical surveillance in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2. The group of pesticide sprayers (i.e. 6 workers operating for the estates under the grouping) was carried in Aug 2016 were sent for the medical surveillance check.</p> <p>Medical surveillance reports of individual sprayers were available. No abnormalities reported by the Medical Doctor. The medical reports had indicated that there was no case of low blood cholinesterase levels of the workers.</p> <p>It is further verified that the company's policy is to re-allocate other work for any worker is found to unfit for work with pesticides.</p> <p>Pesticides operators were interviewed during field visits and feedback received that they do not have any symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems.</p> <p>Besides the annual medical surveillance, monthly clinical tests (to check lungs gastro intestinal, urinary system, nails, skin, etc.) also carried out by Health Assistant on sprayers and records maintained indicate no cases of toxic reactions.</p>	
<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance</p>	<p>Verified from records, field inspections and interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.</p> <p>Verified that no pregnant female workers were working with pesticides. Previous year: OBS 07 (2015) closed.</p>	Complied

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Criteria 4.7		
An occupational health and safety plan is documented, effectively communicated and implemented.		
Indicators	Findings and Objective Evidence	Compliance
<p>The occupational health and safety plan shall cover the following:</p> <p>4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>Major Compliance</p>	<p>Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory & Machinery Act 1967 was documented and implemented.</p> <p>OSH Policy found to be clearly displayed at POM and in the estates office. Adequate posters, regulations, newsletters were prominently displayed on notice boards. Interviewed workers demonstrated awareness towards occupational safety and health.</p> <p>The Safety & Health Officer is in charge of safety and health planning, operation and coordination. Mill Manager and Estate Managers / Assistants are also directly involved. Records on training had been verified on the Palm Oil Mill and the Estates.</p> <p>Analysis on the understanding of training by the workers on the PMU had been verified.</p> <p>Previous year Major NC# M019 (2015) was verified closed.</p>	<p>Complied</p>
<p>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>Major Compliance</p>	<p>Risk assessment carried out on operations where health and safety is an issue in order to determine the significant hazards. Significant hazards determined and documented include noise exposure, pesticides/ chemicals exposure, accident, fire. Procedures and actions implemented to mitigate the hazards.</p> <p>Noise levels report in the POM done in Sept 2016 is available. Work areas identified with high noise levels are the boiler station and engine room where noise level exceeded 85 db. Mill management have taken steps to reduce the noise levels by construction of a room to isolate the gen sets, reducing the exposure time to high noise and mandatory use of both ear plugs and ear mufflers.</p> <p>Annual audiometric test conducted for all mill staff and workers. Audiogram was carried out for all POM employees on Sept 2016.</p> <p>The PMU has identified the few employees whose audiometric reports indicated slight hearing impairment and taken measures to reduce noise exposure.</p> <p>Baseline audiogram and occupational and medical history records of workers maintained.</p> <p>The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers knew about the complaints process and mechanism available. "Permit to work" system applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entrant and stand-by involving work in confined space.</p> <p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear mufflers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues. Warning signs sighted at high noise areas and ear plugs and ear mufflers to be worn. There are also warning signs to use other PPE such as helmet and safety boots. Internal audit for determining compliance with the minimum standards had been conducted on all types of PPE used. Adequate fire extinguishers and hose reels found to be</p>	

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	<p>located at strategic locations, operational and maintained in good conditions. Location map of fire extinguishers is available.</p> <p>First Aid equipment was available at POM, estates and at worksites. Samples of First Aid box was checked and contents found to be complete and in usable order during field visit. Training for workers in First Aid was carried out in the mill and estates and records maintained. The POM and estates have established their accident reporting KPI and incident monitoring implemented. Yearly reporting of JKPP8 regulations was submitted to JKPP on time, i.e. in January of each year.</p> <p>Records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps as maintained by the respective Safety Officers and ESH Manager were verified.</p> <p>Noncompliance: Risk assessments for Safety and Health at the POM i.e. HIRADC done has not been adequately reviewed to include additional plants and/or infrastructure such as the commissioned Bio polishing plant in April 2016.</p>	<p>Major NC: AL-04</p>
<p>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance</p>	<p>Training programme planned for year 2016 had included all categories of workers.</p> <p>Appropriate trainings on safe working practices are planned for:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters - pesticides operators - manurers <p>The training programme included the various types of training such as firefighting and fire drill, exposure to high noise levels and control measures for protection of hearing and audiometric tests, understanding MSDS/CSDS and first aid training. Training conducted from Jan till Oct 2016 were recorded and maintained.</p>	<p>Complied</p>
<p>4.7.4 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 person (usually the Mandore or Field Supervisor) was identified.</p> <p>Verified that records of safety meetings and briefings between the responsible person and workers were maintained.</p>	<p>Complied</p>
<p>4.7.5 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</p>	<p>Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors.</p> <p>Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites.</p> <p>Records on all accidents had been verified to be maintained satisfactorily.</p> <p>Quarterly review on accident cases had been carried out during quarterly meeting of Safety & Health Committee.</p>	<p>Complied</p>

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shall be kept and periodically reviewed. Minor Compliance		
4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Medical care and insurance protection had been provided to all the workers under Chubb Insurance Malaysia Berhad. Local workers are also covered by SOCSO. Foreign workers are covered under the Foreign Workers Compensation Scheme with ACE Jerneh Insurance Berhad.	Complied
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Records on Lost Time Accident (LTA) metrics had been verified to be satisfactorily maintained. At the time of audit, some 20 cases (since Jan-Sept 2016) has been recorded with appropriate follow up actions and status.	Complied
Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.		
Indicators	Findings and Objective Evidence	Compliance
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	The training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System established was implemented. Refresher training for mill staff was conducted in July 2016 and interviews confirmed the satisfactory levels of understanding on requirements. Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed and found acceptable.	Complied
4.8.2 Records of training for each employee shall be maintained. Minor Compliance	Records of training for each employee, including new employees were available and maintained.	Complied

Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criteria 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.		
Indicators	Findings and Objective Evidence	Compliance
5.1.1 An environmental impact assessment (EIA) shall be documented. Major Compliance	A Social and Environmental Impacts Assessment was earlier conducted by Wild Asia in report dated 23 April 2012. The report had included the impact on Social, Environmental and HCV/RTE assessment. The assessment documents had included the identification of aspects from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones such as relevant conservation activities applicable to the PMU. Records made available during audit found to be satisfactory. There were no changes to the overall landscape level of the plantation.	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 action plan. The action plan shall	There were no major changes to the identified impacts since the establishment of the documents above. Impacts such as smoke emissions, noise levels, POME and EFB management were verified at the PMU.	Complied

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<p>identify the responsible person/persons.</p> <p>Minor Compliance</p>	<p>Data were collected and it ensured compliance with relevant regulations. The action plan has also identified the responsible persons being Mill Manager and respective Estate managers.</p> <p>Note: Previous year - OBS 08 (2015) was addressed and closed.</p>	
<p>5.1.3 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>For the audit period, implementation and monitoring of the documented environmental improvement plans was reviewed on 19 October 2016. The review had taken into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone, clearing of overgrown natural vegetation and debris along the streams.</p> <p>The implementation of monitoring protocol was performed but was considered to be ineffective.</p> <p>Noncompliance: Although there is some marking sighted on the intended riparian buffer zones, the extent of the buffer zones was not clearly demarcated on the ground.</p> <ol style="list-style-type: none"> 1. The water pond at the mill is used to supply water for domestic use. It was found that signages for the protection of the water pond from any undesirable activities (no fishing, no swimming, no spraying, etc.) are available. However, the extent of the riparian buffer zone was not demarcated on the ground. 2. At Keck Seng estate, the extent of the riparian buffer zones along the water catchment area (reservoir) and also along the streams was not demarcated. 3. At Sin Lian estate, the extent of the riparian buffer zones were not demarcated along the stream, tributary of Sg. Layang, and along the water catchment area. 4. At Lim & Lim estate, no demarcation on the riparian buffer zone along streams near the South Johore Forest Reserve. <p>Signage to indicate the activities not to be carried in the riparian buffer zones areas was also not available. This was observed in all the estates visited.</p>	<p>Minor NC: SH-01</p>
<p>Criteria 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 operations managed to best ensure that they are maintained and/or enhanced.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.2.1 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 assessment has taken into consideration all aspects of environmentally sensitive areas such as ponds, streams, wildlife boundaries. There was no HCV identified in their plantation areas.</p> <p>The conservation areas are:</p> <ol style="list-style-type: none"> (1) Buffer zones along streams, (2) Buffer zones bordering the forest reserves. <p>Visits to site confirmed that the Keck Seng estate and Sin Lian estate bordered the Sungai Johor Water Catchment area/ Sungai Johor Forest Reserve respectively. Tributary of Sg Layang passes through the estate.</p>	

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	<p>Lim & Lim Estate is surrounded by palm oil estates along its west border. East of the estate is bordered with the South Johor Forest Reserve. Sg. Serai passes through the estate.</p> <p>HCV and other environmentally sensitive areas were documented and inspected on site. Boundaries bordering the forest reserves were well demarcated.</p> <p>Conservation areas/environmentally sensitive areas i.e. buffer zones along the stretches of streams which pass through the estates had also been identified, demarcated and being monitored.</p> <p>Note: Previous Major NC# M020 (2015) was followed up for closure as follows: Verified that as part of monitoring needed, the management had sent samples of the river water (Sungai Serai, Sungai Johor, and Sungai Penderam) and lower water reservoir and upper water reservoir of the SAJ water catchment to Lotus Laboratory Services (M) Sdn Bhd in Dec 2015 with the results received on 8 Jan 2016. The results had indicated compliance with the DOE limits. Verified that monthly water samples were collected, analysed and reported to DOE from Feb to current audit period, with records showing compliance to the DOE permitted levels.</p> <p>Additionally, the management's field staff had made a visit on 22 Jan 2016 to the village of the Seletar people and all the HCV and buffer zone areas for consultation and further investigation. The issue of potential encroachment was reported via a letter to the Johor Forestry Department of Johor and records of the said actions were verified to be available.</p> <p>Thus the above corrective actions taken on the issues related to the previous NC was accepted for closure.</p> <p>Noncompliance: Map of all the estates visited is not updated to exactly show the exact location and landscape level of the plantation. The existence of ponds and other prominent features like streams were not shown in the given map.</p>	<p>Major NC: SH-02</p>
<p>5.2.2 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 an action plan.</p> <p>Major Compliance</p>	<p>Management Plan / Action Plan dated 19th October 2016 documented in all the estates with specific actions to be taken by the Estate Manager / Assistant Manager for the identified conservation/HCV areas. The action plan includes the following:</p> <p>(1) Regular patrols within the POM and estates were being carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas.</p> <p>(2) Monitoring and control of any illegal hunting, fishing or collecting activities was also carried out by the patrolling activities conducted.</p> <p>(3) Also, signage that prohibit hunting, fishing and water polluting activities were verified on-site at all estates visited,</p> <p>(4) Water sampling analysis of stream and final discharge of effluent pond.</p>	<p>Complied</p>
<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and</p>	<p>There was evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.</p>	<p>Complied</p>

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<p>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>Training programme on HCV, RTE and Integrated Pest Management has also been organised and attended by personnel across the organisation. The training was conducted on 17th and 18th October 2016 by Wild Asia.</p> <p>Other trainings which included buffer zones, integrated pest management and its importance were also conducted to the field workers and verified that these records were maintained.</p> <p>Previous year: OBS 09 (2015) was addressed and closed.</p>	
<p>5.2.4 Where an action 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 action plan. <p>Minor Compliance</p>	<p>Management plans were established and monitoring outcomes were reviewed by the Estate managers.</p> <p>Verification were also made during on-site assessment and found to be satisfactory implemented at estates visited.</p> <p>The overall management plan on the status of HCV/RTE of the PMU is collated, reviewed and monitored by the management team in consultation with other stakeholders.</p> <p>Previous year OBS 10 (2015) is partly addressed as related actions needed were inadequate. Refer to Major NC: SH-02 issued under indicator 5.2.1</p>	<p>Refer to Major NC: SH-02 issued under indicator 5.2.1</p>
<p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>Minor Compliance</p>	<p>It was verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates. The HCV is located outside their perimeter boundary and belongs to the State Government of Johore. Thus negotiated agreement of such nature is not applicable.</p> <p>Previous year OBS 11 (2015) is partly addressed as related actions needed were inadequate. Refer to Major NC: SH-02 issued under indicator 5.2.1</p>	<p>Refer to Major NC: SH-02 issued under indicator 5.2.1</p>
<p>Criteria 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.3.1 All waste products and sources of pollution shall be identified and documented.</p> <p>Major Compliance</p>	<p>Visits made to POM and estates showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste, clinical waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the POM.</p> <p>Scheduled Waste identified included spent hydraulic oil (SW 305), spent lubricant oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410), clinical waste (SW 404) and used batteries (SW 102). Records on the usage and disposal were well recorded and documented.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the PMU.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory carried out in the mill and estates. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p>	<p>Complied</p>
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly.</p> <p>Major Compliance</p>	<p>At the mill, the disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned.</p> <p>Stores for scheduled waste were inspected and audited at site i.e. POM and disposal was done by scheduled waste disposal</p>	<p>Complied</p>

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	<p>company authorized and licensed by Department of Environment. The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor (Modern Energy Sdn Bhd). Latest disposal was recorded on 11 May 2016. Inventory on the schedule waste was properly recorded and up to date.</p> <p>As for the estates, schedule waste will be sent to the mill for collection and proper disposal accordingly to comply with the requirement of the law. Labelling has been practised in all the Mill and estates.</p> <p>Previous Major NC# M021 (2015) was satisfactorily implemented at the estates audited and closed.</p>	
<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>Minor Compliance</p>	<p>The waste management and disposal plan were in place at both the POM and estates. It has been documented and implemented as required and is being carried out responsibly.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in all the Plantations visited. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p> <p>Waste disposal was done by an appointed contractor that is licensed by the Department of Environment.</p> <p>The solid waste management and disposal plan using landfills was not available at estates. Waste disposal was by using services of waste contractor and disposed off by the Pasir Gudang local authority.</p> <p>Recycling of crop residues / biomass i.e. EFB and POME had been implemented. Management on EFB application plans and progress reports were verified to be satisfactory.</p> <p>Recycling bins of three different colour codes for specific recycle waste were available in both POM and estates and were used for solid waste segregation and recycling.</p> <p>Noncompliance:</p> <p>At the mill, it was discovered that empty plastic containers were seen lying all over the places in the mill. In addition, there was no signage placed to indicate the designated area meant for metal waste.</p>	<p>Minor NC: SH-03</p>
<p>Criteria 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>Minor Compliance</p>	<p>Monthly record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Records were satisfactorily documented.</p> <p>Visit to mill showed evidence that they are compiling the data, document it for further action to improve on their efficiency of using the renewable and non-renewable energy.</p> <p>Apart from use of diesel for generating electricity, pressed fibre, fibre and shell was also used to generate electricity through steam turbine and boiler. The processing of the CPO was done using the turbine generation. This is in line with the plan to reduce the usage of fossil fuels.</p> <p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and</p>	<p>Complied</p>

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	<p>boiler where Palm fiber and PK shells were used as renewable energy/fuel.</p> <p>It was verified that energy usage are being monitored daily, especially at the POM for better control and comparison of trends.</p> <p>Previous year - OBS 12 (2015) was addressed and closed.</p>	
<p>Criteria 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.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>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.</p> <p>Major Compliance</p>	<p>The company had observed the policy of 'Zero open burning' for replanting, if any, at the estates.</p> <p>Field inspections made at estates showed no evidence of open burning.</p>	Complied
<p>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.</p> <p>Minor Compliance</p>	<p>During the audit, there were no replanting activities carried out in the plantation group.</p> <p>Also, there was no evidence of any burning of domestic waste at the housing line sites. Sanitary landfill was not practised at the estates but using the facilities of the local authority.</p>	Complied
<p>Criteria 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>Major Compliance</p>	<p>Report showed evidence that the emission is within the permissible limits of DOE as verified by documents made available during the on-site visit to the mill.</p> <p>POME treatment, monitoring and land application is monitored, maintained and adhered to DOE regulations.</p>	Complied
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Major Compliance</p>	<p>Identification of significant pollutants and greenhouse gas (GHG) emissions has been done e.g. POME, diesel / fuel and fertilizer. Their usage have been recorded and documented at both the POM and PMU.</p> <p>GHG report calculation using the version 2.1.1 has also been submitted to RSPO Secretariat on 5 October 2016.</p> <p>Previous year - OBS 13 (2015) was addressed and closed.</p>	Complied
<p>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.</p> <p>Minor Compliance</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place.</p> <p>Previous year Minor NC: M022 (2015) was addressed and closed.</p> <p>Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements</p> <p>Water samples were regularly taken and tested by mill environment officer in charge and analyzed to ensure</p>	

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	<p>compliance to DOE requirements at final discharge points. The water samples were sent for analysis. This was conducted by Lotus Laboratory Services Sdn Bhd. Records are maintained and verified on-site to have met the permissible regulatory limits.</p> <p>Noncompliance: However, the monitoring system tool used to monitor the emission of pollutants and emissions was not adequately monitored. At time of audit, the CEMS and Ringelmann chart recorder was found to be not functioning and repairs had not been done for more than a month.</p>	<p>Minor NC: SH-04</p>
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Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills

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.		
Indicators	Findings and Objective Evidence	Compliance
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented. Major Compliance</p>	<p>Social Impact Assessment [SIA] was initially conducted at the Keck Seng PMU by WildAsia on 12 June 2012 at the external and internal level.</p> <p>The process and the findings of the SIA is documented and available for verification. The SIA clearly covered issues such as access and use rights, economic livelihoods and proper working conditions, subsistence activities, etc. not only for the workers but for the communities surrounding the PMU.</p> <p>SIA document is available in the estate administration office and updated annually, e.g. external stakeholder consultation for the whole PMU was conducted on 16 Mar. 2016 with attendance of 11 stakeholders. In addition Joint Consultative Committee meeting was also conducted on 13 Jan. 2016 with attendance from workers and contractors representatives.</p>	<p>Complied</p>
<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance</p>	<p>The assessment made in the SIA involved consultation with the affected parties, externally and internally. In 2016 external stakeholder consultation with local communities was conducted for the whole PMU on 16 Mar. 2016 with attendance of 11 stakeholders from local villages, government agencies, suppliers and contractors. Internal stakeholders were also conducted in for the whole PMU in the form of JCC on 13 Jan. 2016 with attendance from workers and contractors representatives.</p> <p>In all consultations, all participants are were able to express their own views freely. Records of meeting with stakeholders indicated discussions held were generally on matters pertaining to access roads and use rights, working conditions, cultural/festival activities, health facilities and other community concerns.</p>	<p>Complied</p>
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of</p>	<p>A time table of activities identified was sighted with time frame on implementation plans. Site inspection carried out confirmed that the implementations were in progress. Latest mitigation</p>	<p>Complied</p>

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<p>impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>Major Compliance</p>	<p>plans for 2016/2017 were sighted dated 13 Sep. 2016 at the estates and Keck Seng POM.</p> <p>The Social Impact Assessment reports and Management plans were reviewed and timetables established were also updated appropriately to reflect current changes. Reviewed process has been done with the participation of stakeholders (including migrant workers) appropriately. Records of meetings were available and indicated that concerns were generally working conditions, cultural/festival activities, health facilities and other community concerns.</p>	
<p>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.</p> <p>There shall be evidence that the review includes the participation of affected parties.</p> <p>Minor Compliance</p>	<p>The PMU social plans are reviewed annually and the plans for 2016/2017 period dated 13 Sep. 2016 are available for verification. During the site inspection it is confirmed that the mitigations plans identified were in progress or already completed.</p>	Complied
<p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>Minor Compliance</p>	<p>There are no smallholder schemes at the PMU. Thus this is not applicable</p>	Not applicable
<p>Criterion 6.2</p> <p>There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.2.1 Consultation and communication procedures shall be documented.</p> <p>Major Compliance</p>	<p>List of stakeholders are available in the PMU and communication procedures are available in the SOP Doc. No: RSPO CRI-1.12 <i>Procedures to handle and respond to the request enquiries from stakeholders</i> established on 17 May 2011.</p> <p>The PMU has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings.</p> <p>The communication procedures were also explained to all stakeholders in each consultations either externally or internally.</p>	Complied
<p>6.2.2 A management official responsible for these issues shall be nominated.</p> <p>Minor Compliance</p>	<p>Nominated respective officers are responsible to represent the PMU when any relevant issues raised by local communities and other affected or interested parties.</p> <p>For example Mr. Mohd. Rosli Bin Mohd is the JCC representative and communication officer for Keck Seng Complex. Appointment letter from Mr. James Ho (General Manager) to Mr. Rosli is available for verification dated 1 Jan. 2015. Mr. Mohd. Hanifah Abu Bakar is the JCC representative and communication officer for Kong Kong Complex.</p>	Complied

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	Appointment letter from Mr. James Ho (General Manager) to Mr. Hanifah is available for verification dated 30 Sep. 2016.	
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort 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>The maintenance of the list of stakeholders at the Keck Seng PMU is adequate and has ensured that the list is kept current. Noted that there are open and transparent methods for communication and consultation which has taken into consideration the local mechanisms including migrant workers and languages.</p> <p>Previous year - OBS 14 (2015) was adequately addressed and closed.</p>	Complied
<p>Criterion 6.3</p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.3.1 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>In Keck Seng PMU complaints and grievances procedures is well implemented. Complaints and Grievances forms were sighted in the administration office visited and are actively used by workers. The responsible persons are the as the Social Liaison identified in complexes and the POM. Joint Consultative Committee (JCC) representatives interviewed understood that roles, responsibility and treated them as an important matter.</p> <p>Complaints and Grievances forms are for complaints which are not private and confidential in nature. Reports which are related to private matters such as sexual harassment a separate logbooks will be prepared and kept under locked and key locations. Complainants are given the option whether the make the report personally or through nominated workers' representatives or directly to the assigned social liaison officer.</p> <p>It is verified during on-site interviews that there were no incidences of dispute or grievance of a serious nature.</p>	Complied
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>Major Compliance</p>	<p>The Keck Send PMU have a system for handling compensation claim in an effective, timely and appropriate manner. So far there has not been any dispute raised which was verified during on-site interviews with the workers.</p>	Complied
<p>Criterion 6.4</p> <p>Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>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.</p> <p>Major Compliance</p>	<p>The SOP mentioned earlier, i.e. RSP0 CRI-1.12 <i>Procedures to handle and respond to the request enquiries from stakeholders</i> includes the procedures for identifying legal and customary rights and people entitled to compensation.</p> <p>Verified that there has been no case of dispute on land rights at this PMU to-date.</p>	Complied
<p>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</p>	<p>The Keck Seng PMU has a procedure for calculating and distributing compensation which is available. To-date there has been no dispute by any parties reported at the PMU.</p>	Complied

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<p>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.</p> <p>Minor Compliance</p>		
<p>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.</p> <p>Major Compliance</p>	<p>To date, there has been no dispute by any parties reported. Therefore the process and outcome of compensation could not be observed.</p>	<p>Complied</p>
<p>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.</p>		
<p>Guidance: Refer to Minimum Wage Order 2012.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.5.1 Documentation of pay and conditions shall be available.</p> <p>Major Compliance</p>	<p>There are different types of employment arrangements in offered in Keck Seng PMU. The arrangements are stated clearly in the workers contract, e.g. between the PMU with its own workers, the contract stated employment as permanent staff with monthly or daily wages and between the contractors their workers employment as piece rated workers is clearly stated. Documentation and conditions of pay for foreign workers hired in the POM and all estates visited are available for verification. Employment agreement with foreign workers, from Myanmar, Nepal and Indonesia, stated all statutory fringe benefits and eligible incentives, e.g. working hours, overtime, leave and medical benefits, maternity leave for women, insurance coverage, deductions, resignation notice period, company rules. Keck Seng PMU procedures require the employment contract to be explained by management to potential migrant workers before the contracts are signed.</p> <p>The payment slips for foreign workers at the POM and estates visited are easy to understand and this fact was further verified with migrant workers. Payments are made latest by 7th of each month. Payment slips for foreign and local workers hired by the contractors were also verified to be in compliance with the Minimum Wages Order 2016.</p>	<p>Complied</p>
<p>6.5.2 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>With effect from 1 July 2016, Keck Seng PMU revised the wages scale to be in accordance with Minimum Wages Order 2016. Payment slips in July 2016 shows all daily rated workers received minimum wages of RM1, 000. In Feb. 2016, whilst the Minimum Wages Order 2012 still in effect, the PMU made payment adjustment due to the wages paid to the workers are below minimum wages as number of days offered less than 26 days. No workers received less than minimum wages since Jan. 2016 till the period of audit.</p> <p>The passports and work permits are in proper order in all estates visited. The obligatory Foreign Workers Compensation Scheme [FWCS] for foreign workers were issued by CHUBB.</p>	

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	<p>Noncompliance: In Keck Seng and Lim & Lim Estates:</p> <ol style="list-style-type: none">Article 10 of offer letter version 1 July 2016 stated that for workers serving 2 years and more, they are entitled for 16 days of sick leave. However, this does not comply with the Employment Act, Article 60F which states that workers serving 2 years and more are entitled for 18 days of sick leave and 22 days for workers serving for 5 years and more.One worker who served for more than 5 years, took 24 days of sick leave in 2015. He is entitled for 22 days of sick leave according to the law. <p>However, he was paid equivalent to 16 days of sick leave only. The extra 6 more days of sick leave taken has not been paid by the company.</p>	<p>Major NC: JMD- 01</p>
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<p>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>Minor Compliance</p>	<p>The requirements in the Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) are very well implemented in Keck Seng PMU. The PMU is noted to have provided adequate amenities to their local and foreign workers as well the grouping has provided adequate housing, water supplies, medical, educational and public amenities.</p> <p>Site visits to the workers' quarters as well as the staff quarters and interviews with their dependents revealed their general satisfaction with their housing conditions and amenities.</p> <p><u>Housing, electricity and water supply</u> Workers are given a small patch of land to grow vegetables/ fruit in order to reduce the cost of living. The workers staying Keck Seng linesite are provided with free electricity and treated pond water 24 hours daily. Workers staying in Lim & Lim linesite are provided with subsidized electricity and water. Linesite inspection is conducted regularly by the EHA to ensure the safety and cleanliness at the linesites.</p> <p><u>Schools</u> Transport to and from the schools for children of all local workers are subsidised by the PMU.</p> <p><u>Sundry shops</u> Sundry shop is available within the estate compound. From interviews with the workers in the PMU it was found that most household sundries, including frozen foodstuffs were available on sale. As the PMU is located near to towns such as Pasir Gudang and Masai, the workers purchased their sundries from the towns at least once a month.</p> <p><u>Kindergarten</u> Kindergarten is available in Keck Seng estate and cater for the children of local workers. Registration in the kindergarten is covered by the PMU.</p> <p><u>Clinics</u> Health services is available at Keck Seng Estate for the whole PMU. No limit for medical services at the clinic within the PMU but a limit of RM200/year is set for services acquired from panel clinics outside of the PMU. Public fogging is conducted monthly at Keck Seng linesite with advice from the Dept. of Health and the visiting medical officer. Special session for women workers and their female dependents is planned at least once a month.</p> <p>Previous year NC: Minor M023 (2015) was adequately addressed and closed.</p>	<p style="text-align: center;">Complied</p>
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>Minor Compliance</p>	<p>Keck Seng PMU has ensured that the workers have access to adequate, sufficient and affordable food by providing the workers with local sundry shops within their compound.</p> <p>It is verified that the foreign workers were allowed to go shopping for sundry items in the towns nearby, i.e. Pasir Gudang and Masai at month end i.e. after pay day.</p>	<p style="text-align: center;">Complied</p>

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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.		
Indicators	Findings and Objective Evidence	Compliance
6.6.1 A published statement in local languages recognising freedom of association shall be available. Major Compliance	The published statements of policy which recognizes the employee's freedom of association, was noted to be available in Bahasa Malaysia and English. The PMU also had formed the JCC as a mechanism to cater to the collective bargaining needs of the workers. Results of JCC meetings were minuted and available for verification.	Complied
6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented. Minor Compliance	Minutes of JCC meeting conducted on 13 Jan. 2016 were sighted. All previous meeting minutes are kept properly and majority of the discussions were related to social matters. In all meeting list of attendance of the session were kept in file showing evidence of participation of affected parties.	Complied
Criterion 6.7 Children are not employed or exploited.		
Indicators	Findings and Objective Evidence	Compliance
6.7.1 There shall be documentary evidence that minimum age requirements are met. Major Compliance	Employees and workers profile were sighted during the audit. No underage workers found. This fact was further verified through interviews with staff and workers in the PMUs. Passport photos and birthdays of the foreign workers hired by the estates, contractors and POM were checked and none of them found to be underage. Social policy adopted by the Keck Seng PMU clearly stated that no underage persons are to be hired. Recent employee - Mohd Ismail Nisam Jamaluddin, age 19 on date joined, i.e. 20 May 2016.	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.		
Indicators	Findings and Objective Evidence	Compliance
6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	The social policy statements adopted by the PMU recognises equal opportunity and this policy is widely available and displayed in English and Bahasa Malaysia. Inspections including interviews in the Keck Seng PMU, employment records including foreign workers, pay slips and allowable deductions of wages confirmed that this criteria has been maintained.	Complied
6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against. Major Compliance	Based on interviews and feedback from the employees, foreign workers and review of JCC meeting minutes, it is verified that there has been no issue of discrimination at the PMU. All workers, local or foreign, male or female, listed or contract workers, are all entitled to similar benefits and treatment offered by the PMU.	Complied

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<p>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.</p> <p>Minor Compliance</p>	<p>Keck Seng PMU demonstrated that staff are hired and promoted based on specific criteria of competency and related work experiences. Promotion to higher position are offered to experienced personnel when there are vacancies available.</p>	<p>Complied</p>
<p>Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The established social policy has covered aspects on sexual harassment, gender and women reproductive rights. There was a documented procedure on the management of sexual harassment. There is also a gender committee specifically to address areas of concern to women. This committee is oversee by the estates manager and, representatives from all areas of work. In Keck Seng POM latest Gender Committee meeting was on 23 Aug. 2016 with attendance from different workers 22 representatives including males and females.</p> <p>The policy statements on prevention of sexual harassment and recognition of gender and women reproductive rights were widely available and displayed in English and Bahasa Malaysia.</p> <p>Pregnant and breastfeeding women were exempted from work.</p>	<p>Complied</p>
<p>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>Major Compliance</p>	<p>Social policy adopted by the Keck Seng PMU include protection of women workers and their reproductive rights. However, pregnant and breastfeeding women were exempted from work on the advice from the EHA and the Immigration Dept.</p> <p>Protection of reproductive rights also carried out by providing free ambulance ride to the nearest hospital.</p>	<p>Complied</p>
<p>6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce.</p> <p>Minor Compliance</p>	<p>The mechanism of recording and procedures verified during the audit. Female workers are treated fairly at the work place and the Gender Committee is responsible in matters concerning to the female workers. These mechanisms are stated in the following documents:</p> <ul style="list-style-type: none"> - Principle 6: Criterion 6.9 SOP <i>Pertubuhan Jantina Carta aliran Pertubuhan Jantina KSM</i> (RSPO-CRI-6.9.1 dated 19/08/2013) - RSPO-CRI-6.9.2A dated 18/08/2011 –<i>Kod Amalan Cara Menghadapi dan Mengatasi Gangguan Seksual di Tempat Kerja</i> 	<p>Complied</p>
<p>Criterion 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available.</p> <p>Minor Compliance</p>	<p>All the estates in the Keck Seng PMU do not have any dealings with smallholders.</p> <p>There was also no evidence to suggest of any unfair business practices with the local businesses.</p>	<p>Complied</p>
<p>6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be</p>	<p>Keck Seng PMU maintained records on current and past prices paid for FFB. Monthly prices are displayed at the POM office.</p>	<p>Complied</p>

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documented (where these are under the control of the mill or plantation). Major Compliance		
6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	Based on employee contracts, JCC meeting minutes, agreement between the PMU and the contractors, it is evidenced that all parties understand the agreements they have entered into, and that the contracts signed are fair, legal and transparent. Interviews with parties concerned confirmed that business practices with local businesses are conducted in a fair and transparent manner. Work tenders are open to appropriate parties and reviewed by Tender Committee before approval. The contractors are monitored during work in progress to follow safety requirements.	Complied
6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance	The PMU has a policy to ensure agreed payments were made in a timely manner as per the contracts of agreements signed. Payments most of the time are made on according to common practice of 60-day grace period. For example the payments to workers at the estates and the mill are always before the 7 th and payments to the contractors are always before 20 th of each month.	Complied
Criterion 6.11 Growers and millers contribute to local sustainable development where appropriate.		
Indicators	Findings and Objective Evidence	Compliance
6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	Main contribution of the estates to the local development was demonstrated in the provision of facilities and monetary contributions, where feasible. Some of the examples are as listed below: 1. Subsidised transport for children to and from their schools. 2. Low eligibility criteria for annual leave pay compared to the criteria set in the Employment Act. 3. Number of paid annual leave and sick leave for contract foreign workers are higher than set in the Employment Act based on agreement between the PMU and the contractors. 4. Sick leave pay for contract foreign workers are assured irrespective with or without application submission from the workers based on agreement between the PMU and the contractors.	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	There are no scheme smallholders under this PMU.	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	For foreign workers, hiring is based on agents' recommendation and contract will be signed once the workers are already in the country. Interview with workers indicated the willingness of workers to dedicate their services in the company. Keck Seng social policy stated that company will never engage any forced labour.	

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	<p>Noncompliance: Keck Seng Estate, Lim & Lim Estate and Keck Seng POM:</p> <p>It was found that there are no records to show that the Foreign workers had voluntarily handed their passports to the management for safekeeping purposes. This also included the passports of foreign workers working under some of the contractors.</p> <p>The movement of the passports are recorded in “Rekod Peminjaman & Pemulangan Passport Pekerja Asing [Indonesia]” at the Estates only and was not practiced at the POM.</p>	<p>Major NC: JMD- 02</p>
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance</p>	<p>No incidents have been found and this is confirmed that during interviews with external stakeholders this issue has not been raised.</p>	<p>Complied</p>
<p>6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance</p>	<p>The social policy adopted by the PMU is noted to have adequately covered all necessary aspects of foreign workers related issues.</p>	<p>Complied</p>
<p>Criterion 6.13 Growers and millers respect human rights.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>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</p>	<p>Social policy adopted by the PMU covers all necessary aspects of human rights. This policy is communicated to all stakeholder related to the PMU.</p>	<p>Complied</p>
<p>6.13.2 As long as children of plantation workers of Sabah and Sarawak are not secured a right to go to government school, the plantation companies should engage in a process to secure the children of the plantation workers access to education as a moral obligation. Minor Compliance</p>	<p>Not applicable as the Masai PMU is situated in Johor, Peninsular Malaysia.</p>	<p>Not Applicable</p>

Principle 7: Responsible development of new plantings

It is confirmed by the Management of Keck Seng - Masai grouping that the organisation has no long term business plans to enter into the development of any new plantings or to make any acquisitions of new plantings.

Today, the PMU has not carried any new plantings after Nov 2005 which may be applicable under requirements of the RSPO New Planting Procedure.

On overall the requirements of Principle 7 is verified as being 'Not applicable' to this PMU during this assessment.

It is verified during current on-site assessment that the PMU has declared and submitted its Land Use Change details for analysis for its plantings since Nov 2005 as per the calculations specified in the RSPO PalmGHG v 2.1.1. The record of submission made to the RSPO Secretariat for the current year was done in Sept 2016.

Based on the details provided in the record of submission, it is verified that there is no potential liability under the RSPO Remediation and Compensation Procedure at this PMU.

Principle 8: Commitment to continual improvement in key areas of activity

Criteria 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.		
Indicators	Findings and Objective Evidence	Compliance
<p>8.1.1 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); • Encourage optimising the yield of the supply base. <p>Major Compliance</p>	<p>Action plans for continual improvement at the POM and Estates were documented, monitored and implemented. These include:</p> <p><u>At POM:</u></p> <ul style="list-style-type: none"> • Upgrading of the water tank at the pump house meant for domestic use. • Installation of a Polishing Plant for the reduction in BOD level. <p><u>At PMU estates:</u></p> <ul style="list-style-type: none"> • Planting of more cover crops along steep slopes and streams. Increase planting of beneficial plants (<i>Turnera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>) along the roads; • Recycling of Fertilizer bags and empty pesticide containers to be returned to supplier. In addition, waste will also be segregated accordingly to the plastic and organic materials; • Construction of more barn owls boxes; <p><u>Social aspects:</u></p> <ul style="list-style-type: none"> • Subsidised transport for children to and from their schools. • Low eligibility criteria for annual leave pay compared to the criteria set in the Employment Act. • Number of paid annual leave and sick leave for contract foreign workers are higher than set in the Employment Act based on agreement between the PMU and the contractors. • Sick leave pay for contract foreign workers are assured irrespective with or without application submission from the workers based on agreement between the PMU and the contractors. 	Complied

3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

The Supply Chain model applied at Keck Seng - Masai POM during this assessment is Mass Balance (MB) – CPO Mills.

Details of findings are as follows:

E.1 Definition		
Indicators	Findings and Objective Evidence	Compliance
<p>E.1.1</p> <p>Certification for CPO mills is necessary to verify the volumes of certified and uncertified FFB entering the mill and volume sales of RSPO certified producers. A mill may be taking delivery of FFB from uncertified growers, in addition</p>	<p>The POM has processed FFB from its both its own supply base and external suppliers / outgrowers (see Section 1.3).</p> <p>The CPO Mill is therefore applying the Mass Balance (MB) module.</p>	Complied

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<p>to those from its own certified land base. In that scenario, the mill can claim only the volume of oil palm products produced from processing of the certified FFB as MB.</p>	<p>Note: The MB module has been applied and maintained in the previous assessment.</p>	
<p>E.2 Explanation</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>E.2.1 The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill must be recorded by the 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 should 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 POM is recorded in this Assessment 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 has been recorded in the annual surveillance report (see Section 1.8.2, Table 6 and Section 1.8.3, Table 7).</p>	<p>Complied</p>
<p>E.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>Verified that the POM 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).</p>	<p>Complied</p>
<p>E.3 Documented procedures</p>		
<p>E.3.1 The site shall have written procedures and/or work instructions to ensure the implementation of all the elements specified in these requirements. This shall include at minimum the following:</p>	<p>The documented Supply Chain Procedure Doc No. RSPO SC-01 (R03, effective 01 Dec 2015) was established and available at the POM for RSPO Supply Chain Certification System using Module E: Mass Balance (MB) implementation. Note: Previous year - OBS 15 (2015) was addressed and closed.</p>	<p>Complied</p>
<p>a) Complete and up to date procedures covering the implementation of all the elements in these requirements</p>	<p>The documented procedure and its implementation confirmed to have complied with all the specified requirements of Mass Balance (MB) Module E.</p>	<p>Complied</p>
<p>b) The name of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the site's procedures for the implementation of this standard.</p>	<p>Mill Manager, AC Teo has been appointed as the person with overall responsibility for the Supply Chain aspects of FFB receipts, processing and shipping of CPO, PK and palm products. All Etrace entries and tracking done by the Marketing Dept. Head. Interview of the Mill Manager and other relevant staff i.e. Assistant Mill Executives and Marketing personnel confirmed their knowledge of the RSPO Supply Chain Certification requirements and its implementation for the respective areas of operations. The POM Organization Chart and job responsibilities of employees (Mill Assistants, Technicians, Administrative personnel, Security Officers, Weighbridge Operators,</p>	<p>Complied</p>

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	Laboratory Chemists and clerks) have been appropriately documented.	
E.3.2 The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	<p>The Supply Chain procedure documented had adequately covered controls for receiving and processing both certified and non-certified FFB (from external sources).</p> <p>All supplies of FFB were subjected to verification of FFB Consignment Note by weighbridge personnel and quality checks (Crop Quality Report - grading chit) by the mill personnel to determine the origin, quantity and quality of the FFB. The Weighbridge Ticket for FFB indicated the date, vehicle number, estate & field number, harvesting date and weight.</p> <p>Monthly FFB and CPO/PK summary report till Oct 2016 and the 3-monthly reports were verified to have complied with requirements of the MB Module.</p> <p>It is verified that the POM has maintained the records of all FFB received and processed from both its own estates and the external sources.</p>	Complied
E.4 Purchasing and goods in		
Indicators	Findings and Objective Evidence	Compliance
E.4.1 The facility shall verify and document the tonnages and sources of certified and non-certified FFBs received.	<p>The Mill verifies and records tonnages and supply source of FFB received at the weighbridge in the delivery notes and weighbridge tickets and all FFB data are entered by the weighing clerk into the computer system or reporting spreadsheet on daily basis. Calibration certificates of the weighbridges at the POM are found to be valid.</p> <p>All deliveries of FFB are made by external transport contractors appointed by the POM.</p> <p>It is verified that FFB received from external sources which are also processed by the POM, are considered as non-certified FFB via the Mass Balance Module.</p> <p>It is verified in the POM production reports that for the certified palm products over the past 12 months till todate is under Mass Balance.</p> <p>Observation raised: During on-site verification in Dec 2016, it was confirmed by the current / new GM that 2 other estates (supplying uncertified FFB to the POM) are presently still managed under Keck Seng. The said 2 estates will undergo preparations to be included for certification by 2017. Noted that the said 2 estates land were initially planned since 2014 to be used for property development.</p>	OBS: AL-01
E.4.2 The facility shall inform the CB immediately if there is a projected overproduction of certified tonnage.	<p>The documented Supply Chain SOP has specified that the responsible POM personnel shall check production quantity against the certified amount and will notify RSPO and the CB of any projected overproduction of certified tonnage.</p> <p>Note: Previous year - OBS 16 (2015) was addressed and closed.</p> <p>As at todate, there has been no reports of any projected overproduction.</p>	Complied
E.5 Record keeping		

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Indicators	Findings and Objective Evidence	Compliance
<p>E.5.1</p> <p>a) 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>b) All volumes of palm oil and palm kernel oil that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c) The site can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three months. However, a site is allowed to sell short.(i.e. product can be sold before it is in stock).</p>	<p>As stated in the SOP, all pertinent records and reports will be retained for a minimum period of 10 years.</p> <p>The main records retained are FFB Consignment Note, Weighbridge Tickets, Collection Note, Despatch of CPO, MPOB L3 form. Inspection of records at the POM confirmed these were accurate and complete.</p> <p>The POM had maintained a monthly summary of all receipts of FFB, production tonnage and dispatch of CPO and PK. Records of inventory as balanced on a 3-monthly basis has also been maintained.</p> <p>Note: Previous year Major NC# M024 (2015) was addressed and closed.</p> <p>Transaction documents and bookkeeping of CPO and PK are done daily and monthly summary report of FFB receipt, FFB processed, CPO production, PK production and balance stocks submitted to the Keck Seng Group Head Office at Singapore.</p> <p>Deduction and conversion ratios for the volumes of CPO delivered from the POM have been appropriately done and recorded.</p> <p>Verified that all deliveries of the MB sales are from positive stock.</p>	<p>Complied</p>
<p>E.5.2</p> <p>In cases where a mill outsources activities to an independent (not owned by the same organization) palm kernel crush, the crush still falls under the responsibility of the mill and does not need to be separately certified. The mill has to ensure that the crush is covered through a signed and enforceable agreement.</p>	<p>Verified that there has been no outsourcing activity done at this POM. All PK are supplied to a Kernel crushing plant nearby i.e. Ragamo Sdn Bhd which is also a subsidiary under the Keck Seng Group.</p> <p>The CPO and PK are further processed by another subsidiary i.e. Keck Seng Refinery Sdn Bhd, which is also located nearby.</p>	<p>Complied</p>

3.1.2 Status on Supply Chain on POM

Based on the documents and records presented during the on-site verifications made, it is concluded that the POM has been able to comply with the requirements of the RSPO SCCS under the 'MB' model and is thus eligible for 'MB' trading for its palm products for year 2016/2017.

3.1.3 Status on Trading of Certified Palm Products by PMU

The POM has monitored the trading of the RSPO CSPO and CSPK via RSPO eTrace. The records maintained at the POM relied on internal communications and instructions received from the Marketing Dept. and HQ, KL on the deliveries of the CSPO and CSPK. The tonnages of certified products traded as verified during current assessment are as follows:

	CSPO - Actual Jan-Dec 2015 (MT)	CSPK - Actual Jan-Dec 2015 (MT)	CSPO - Actual Jan 2016 till current (MT)	CSPK - Actual Jan 2016 till current (MT)
RSPO MB	12,610.28	3,658.42	7,174.14	1,043.57
Book & Claim (GreenPalm)	0	0	0	0
ISCC	n/a	n/a	n/a	n/a
Total Traded	12,610.28	3,658.42	7,174.14	1,043.57
Actual Produced	12,610.28	3,853.87	7,432.02	2,318.53

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Notes:

1. Todate, there has been no trading conducted under the 'Book & Claim' (GreenPalm).
2. There is no trade under ISCC as the PMU is not certified for ISCC.
3. Based on records maintained, it was verified that the total volume of certified CSPO and CSPK traded has not exceeded the annual certified quantities.

3.2 Status of Identified Noncompliance and Corrective Actions, Observations and Positive Elements.

The status of the Noncompliances (NCR) and Observations (OBS) identified against the MYNI Compliance Indicators is as per the details below:

Assessment Type	Year	Noncompliance (NCR)	Observations (OBS)	Follow up status
Annual Surveillance-03 (by previous CB-SGS)	2015	8 (5 Major, 3 Minor)	16	Actions taken on the NCRs and OBS were verified during ASA-03. Note: Previous NCRs and OBSs which were not effectively implemented were issued with new NCRs in ASA-04.
Annual Surveillance-04 (by Intertek)	2016	10 (7 Major, 3 Minor)	1	Next assessment: Re-Certification

3.2.1 Year 2015: ASA-03 (5 Major & 3 Minor NCRs) by previous CB-SGS

NCR	MYNI Indicator	Details of NCR	
Minor M017	4.3.2	Date issued: 2 Dec 2015	
		Noncompliance: A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. However the estate does not have slope/ topography maps that identifies steep areas not suitable for planting.	
		Root Cause and Corrective Action: There was a lack of follow up on the said matter. Corrective action: Management will engage a surveyor to produce the type of maps needed.	
		Verification (Corrective Action): The corrective action plan is received. However as actual evidences will be followed up during the next assessment.	
		NC status: Closed by SGS (with conditions)	Date closed: 1 Feb 2016
		Verification of effectiveness: Verified during ASA-04 that the corrective action taken on the above issues are NOT satisfactorily implemented at the estates audited. The NC is upgraded to a Major NC. Refer to Major NC: AL-01, issued in ASA-04 (2016).	
		NC status verified by auditor: AL	Date verified: 28 Oct 2016

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NCR	MYNI Indicator	Details of NCR		
Major M018	4.4.2	Date issued: 2 Dec 2015		
		<p>Noncompliance:</p> <p>Protection of water courses: According to the Social Officer, En. Rosli there was nothing much the estate is able to do as these <i>orang kampung</i> are building their houses outside their boundary and the local forestry authorities are not doing anything. However the estate has not followed up with the local authorities to address the intrusion/encroachment.</p> <p>Interview with the spray operators at Johor Masai, Umar and Habib , showed that they are aware that the marked buffer-zone should not be sprayed however during field visit , the marked buffer-zone along the stream at Block 2-4 was sighted to be circled-sprayed</p> <p>Water catchment area was also sprayed along the fence.</p>		
		<p>Root Cause and Corrective Action:</p> <p>The Management was not unaware of the need to take further action on this issue.</p> <p>Corrective action: Management will communicate this issue to the proper authorities and personnel involved will be provided refresher training.</p>		
		<p>Verification (Corrective Action):</p> <p>Keck Seng (Malaysia) Bhd submitted the following evidence:</p> <p>a) Submitted letter to Jabatan Perhutanan Johor dated 14/12/15 to report of the intrusion/encroachment into the riparian zone of the Reserve.</p> <p>b) Evidence of training date 15/12/15 conducted by estate personnel En Saleh Safawi and Solahim to the spray operators on riparian zone –No spraying awareness</p> <p>c) Placement of 'No Spraying' signboard at the fence of the Water catchment pond</p> <p>Note: Verification of NCR was carried out by previous CB (SGS).</p>		
		<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by SGS</td> <td style="width: 40%;">Date closed: 1 Feb 2016</td> </tr> </table>	NC status verified by auditor: Closed by SGS	Date closed: 1 Feb 2016
		NC status verified by auditor: Closed by SGS	Date closed: 1 Feb 2016	
		<p>Verification of effectiveness:</p> <p>Verified during ASA-04 that the corrective action taken for the issues in the said indicator are NOT satisfactorily implemented at the estates audited.</p> <p>New Major NCR: AL-02, issued in ASA-04 (2016).</p>		
<table border="1" style="width: 100%;"> <tr> <td style="width: 60%;">NC status verified by auditor: AL</td> <td style="width: 40%;">Date verified: 28 Oct 2016</td> </tr> </table>	NC status verified by auditor: AL	Date verified: 28 Oct 2016		
NC status verified by auditor: AL	Date verified: 28 Oct 2016			

NCR	MYNI Indicator	Details of NCR
Major M019	4.7.1	Date issued: 2 Dec 2015
		<p>Noncompliance:</p> <p>An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>Although they have a OSHA file that files the policy, Org chart, Safety Meetings, OSH visit, accident records, annual submission to JKKP, however a Safety & Health Plan that include targets, implementation, monitoring and action plan and review was not available.</p>
		<p>Root Cause and Corrective Action:</p> <p>The Management was not unaware of the need to take further action on this issue.</p> <p>Corrective action: Management will communicate this issue to the proper authorities and personnel involved will be provided refresher training.</p>

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		<p>Verification (Corrective Action):</p> <p>Keck Seng (Malaysia) Bhd submitted the Health and Safety Plan EST-OSH Plan 15/12/15 written by Asrul Mohd Bahri and approved by Mr James Philip Ho, General Manager covering topics and activities that include :</p> <ul style="list-style-type: none"> 1.0 Introduction 2.0 Scope 3.0 Policy 4.0 Organization 5.0 Responsibilities 6.0 Action Plan for Implementing the Policy 6.1 Hazards of the Workplace 6.2 Instruction and Training 6.3 Third Parties 6.4 Safety Audits 6.5 Accident Investigating and Report 6.6 Reporting Unsafe or Unhealthy Conditions 6.7 Emergency Planning 6.8 Protective Clothing and Personal Protective Equipment (PPE) 6.9 Health and Safety Evaluation 6.10 Safety System of Work (Permit to Work) 6.11 Health 6.12 Safety Committee 6.13 Tool Box Meeting 6.14 Enforcement of Breach of Health and Safety Rules 7.0 Suppliers 8.0 Warning Notices 9.0 Accident Reporting Procedure 10.0 Procedure on Fire Prevention Plan <p>In the document it includes information on targets , implementation, monitoring and action plan and review</p> <p>Note: Verification of NCR was carried out by previous CB (SGS).</p>	
		NC status verified by auditor: Closed by SGS	Date closed: 1 Feb 2016
		<p>Verification of effectiveness:</p> <p>Verified during ASA-04 that the corrective action taken on the above issues are satisfactorily implemented at the POM and Estates audited.</p>	
		NC status verified by auditor: AL	Date verified: 28 Oct 2016

NCR	MYNI Indicator	Details of NCR
Major	5.2.1	Date issued: 2 Dec 2015

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M020		<p>Noncompliance:</p> <p>HCV assessment is conducted by Wild Asia on March 2012 with the report dated 05/06/2012. From the assessment report, Wild Asia has identified the presence of HCV 1.1, 1.2, 2, 3, 4.1 and 5. The assessment is conducted through field visits and interviews with local stakeholders. Some key recommendations are given by Wild Asia to the management as such:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Due to the vital importance of maintaining water quality in the Sg Johor Forest Reserve and two water catchments, maintenance of riparian buffer zones must be a high priority. Where incursions are noted into river reserve (under either SAJ or JSDF), efforts should be made to alert the relevant authority quickly so the legality of these can be investigated. <input type="checkbox"/> Liaising with other stakeholders, especially the <i>orang Seletar</i> community, to develop adequate management plans to ensure maintenance of biodiversity values necessary for their livelihood. <input type="checkbox"/> Develop an appropriate awareness-raising programme and materials for workers and stakeholders to highlight the importance of protecting HCVs within the area. <p>However, the management has yet to take any action of the recommendations.</p>		
		<p>Root Cause and Corrective Action:</p> <p>The Management was not unaware of the proper actions needed on this issue. Corrective action: Management will take further action and personnel involved will be provided refresher training</p>		
		<p>Verification (Corrective Action):</p> <p>The management has sent samples of river water (Sungai Serai, Sungai Johor, Sungai Penderam) and lower water reservoir and upper water reservoir for SAJ water catchment to Lotus Laboratory Services (M) Sdn. Bhd. on 22/12/2105 and the result was received on 08/01/2016.</p> <p>In addition, the management has made visit to the Seletar people and all the HCV and buffer zone area on 22/01/2016 with two field staff involved. The management has reported the encroachment into Tanah Rezab Sungai by the local to the Forestry Department Johor.</p> <p>Note: Verification of NCR was carried out by previous CB (SGS).</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by SGS</td> <td style="width: 40%;">Date closed: 1 Feb 2016</td> </tr> </table>	NC status verified by auditor: Closed by SGS	Date closed: 1 Feb 2016
NC status verified by auditor: Closed by SGS	Date closed: 1 Feb 2016			
		<p>Verification of effectiveness:</p> <p>Verified during ASA-04 that the corrective action taken on some related issues on the said indicator are satisfactorily implemented at the estates audited.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: SH</td> <td style="width: 40%;">Date verified: 28 Oct 2016</td> </tr> </table>	NC status verified by auditor: SH	Date verified: 28 Oct 2016
NC status verified by auditor: SH	Date verified: 28 Oct 2016			

NCR	MYNI Indicator	Details of NCR
Major M021	5.3.2	Date issued: 2 Dec 2015

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		<p>Noncompliance:</p> <p>The last disposal of SW (empty chemical containers and waste solvent) is carried out on 29/10/2015 which is exceeded the allowable days of 180 days. The storage period for the SW was about 204 days.</p> <p>The estate has yet to generate the empty chemical container and Scheduled waste inventory. Records of disposal for empty chemical containers are not sighted during audit. According to the Assistant, the estate will send the Scheduled waste to the POM and disposal is arranged by the POM. The last batch of Scheduled waste sent to POM was on 28/11/2014 which means the current batch of Scheduled waste is exceeded the allowable 180 days to keep according to EQA.</p> <p>During on-site visit to the Scheduled Waste stores, it is sighted that no labelling on the Scheduled waste containers as per EQA requirements.</p>	
		<p>Root Cause and Corrective Action:</p> <p>There was oversight on the issue on the disposal of the SW materials.</p> <p>Corrective action: We will contact the SW contractor to dispose the material promptly.</p>	
		<p>Verification (Corrective Action):</p> <p>The management has disposed SW 409 Contaminated Filter by Positive Chemicals Sdn. Bhd. on 26/01/2016. They will ensure the scheduled waste do not keep more than 180 days.</p> <p>Note: Verification of NCR was carried out by previous CB (SGS).</p>	
		NC status verified by auditor: Closed by SGS	Date closed: 1 Feb 2016
		<p>Verification of effectiveness:</p> <p>Verified during ASA-04 that the corrective action taken was satisfactorily implemented at the estates audited.</p>	
		NC status verified by auditor: AL/SH/JM	Date verified: 28 Oct 2016

NCR	MYNI Indicator	Details of NCR	
Minor M022	5.6.3	Date issued: 2 Dec 2015	
		<p>Noncompliance:</p> <p>The greenhouse gases emissions are not monitor in the POM and the estates. The PalmGHG calculator is not available.</p>	
		<p>Root Cause and Corrective Action:</p> <p>The Management was unaware of that new version of PalmGHG calculator has to be used and data submitted to RSPO.</p> <p>Corrective action: The PalmGHG will be promptly downloaded and the data will be submitted to RSPO.</p>	
		<p>Verification (Corrective Action):</p> <p>The POM provided evidence that PalmGHG data was submitted to RSPO.</p> <p>Note: Verification of NCR was carried out by previous CB (SGS).</p>	
		NC status verified by auditor: Closed by SGS	Date closed: 1 Feb 2016
		<p>Verification of effectiveness:</p> <p>Verified during ASA-04 that the corrective action taken on the above issues are satisfactorily implemented at the POM and Estates audited.</p>	
		NC status verified by auditor: AL/SH/JM	Date verified: 28 Oct 2016

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NCR	MYNI Indicator	Details of NCR				
Minor M023	6.5.3	<p>Date issued: 2 Dec 2015</p> <p>Noncompliance: Housing is adequately provided with water supplies, medical, educational and welfare amenities in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) Site Inspection to the workers linesite, found that there are 2 units of abandoned/ junk heavy machineries (JCB) left in the Keck Seng workers linesite area. It would poses risk for children who occupying the linesite area. Sickles are not properly kept at designated area but seen keeping here and there in front of the contractors workers houses at Keck Seng linesite compound. Although there are covered with the sickle cover but still poses safety hazard to the linesite residents. Site inspection at the dispensary found that, empty medicine bottles with the old labels are recycled, old labeling with the expired expiry date which use for refill of new medicine are confusing. There is no proper sterilization for the stitching apparatus. Dustbin with proper cover is needed for contaminated cotton which used for treatment purposes to prevent germs/bacteria expose to the air. Refrigerator meant for keeping medicine should not keep foods and drink together with medicine to prevent any risk of cross contamination. Overall housekeeping is require for the dispensary.</p> <p>Root Cause and Corrective Action: Estate management had overlooked the matter. Corrective action: a. The JCB will be cleared. b. Sickle placement will constructed at designated area in harvester houses. c. No more recycle bottle has been use after. The medicine will arrange proper with labelling and expired date. d. Dustbin with proper cover will provide for contaminated used. e. New refrigerator, sterilizer and cabinet will provide for medicine keeping only.</p> <p>Verification (Corrective Action): Corrective action plan submitted is accepted. Further verification will be followed up in the next assessment.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by SGS</td> <td style="width: 40%;">Date closed: 1 Feb 2016</td> </tr> </table> <p>Verification of effectiveness: Verified during ASA-04 that the corrective action taken on the above issues are satisfactorily implemented at the estates audited.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: AL/SH/JM</td> <td style="width: 40%;">Date verified: 28 Oct 2016</td> </tr> </table>	NC status verified by auditor: Closed by SGS	Date closed: 1 Feb 2016	NC status verified by auditor: AL/SH/JM	Date verified: 28 Oct 2016
NC status verified by auditor: Closed by SGS	Date closed: 1 Feb 2016					
NC status verified by auditor: AL/SH/JM	Date verified: 28 Oct 2016					

NCR	MYNI Indicator	Details of NCR
Major M024	E5.1 (For Supply Chain)	<p>Date issued: 2 Dec 2015</p> <p>Noncompliance: Keck Seng monitors the record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a daily basis under the : b) RSPO Certified supply Mass Balance Daily Progress report for both the CPO and PK They have information of process and transaction for their PK plant, Ragamo Sdn Bhd and refinery, Masai Palm Oil Refinery. However they do not have the mass balance on a three-monthly basis.</p>

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		<p>Root Cause and Corrective Action:</p> <p>The Mill Management was unaware that the 3-monthly MB was a specifically needed. Corrective action: An additional 3-monthly MB data will be compiled accordingly.</p>		
		<p>Verification (Corrective Action):</p> <p>Keck Seng (M) Bhd submitted the 2015 of the 'RSPO Daily Progress Report for each quarter 1st Quarter Year 2015 (Jan – March), 2nd Qtr (Apr –June), 3rd Qtr (Jul – Sept) and 4th Qtr (Oct – Dec) to show that the three-monthly Mass Balance is in place to ensure that sales is always done with a positive stock.</p> <p>Evidence submitted and issue closed.</p> <p>Note: Verification of NCR was carried out by previous CB (SGS).</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by SGS</td> <td style="width: 40%;">Date closed: 1 Feb 2016</td> </tr> </table>	NC status verified by auditor: Closed by SGS	Date closed: 1 Feb 2016
NC status verified by auditor: Closed by SGS	Date closed: 1 Feb 2016			
		<p>Verification of effectiveness:</p> <p>Verified during ASA-04 that the corrective action taken on the above issues are satisfactorily implemented at the POM.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: AL</td> <td style="width: 40%;">Date verified: 28 Oct 2016</td> </tr> </table>	NC status verified by auditor: AL	Date verified: 28 Oct 2016
NC status verified by auditor: AL	Date verified: 28 Oct 2016			

3.2.2 Year 2015: ASA-03 (16 Observations) by previous CB-SGS

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS 01	2.1.1	POM	Boundary noise monitoring is conducted on 25/07/2014 by Industrial Safety Management Services. 4 points are selected for the assessment. The result for point N3 in the night time is at average 59 dBA which exceeded the limit (55 dBA). However, no any action taken by the management.	2 Dec 2015	28 Oct 2016	Adequate actions taken
OBS 02	4.4.1	POM	Record of treated water analysis result done at Lotus Laboratory Services (M) Sdn Bhd dated 25/5/15 was sighted. Ref: LS/W/D9004/15. The result show that it complies to the Standard for Water, 25th A Schedule (sub-regulation 394(1) except for the issue of turbidity which was recorded at 7.7 NTU versus the standard of 2 NTU.	2 Dec 2015	28 Oct 2016	Adequate actions taken
OBS 03	4.5.2	Estates	No training were conducted for those involved in IPM implementation as the estate did not have any pest outbreaks.	2 Dec 2015	28 Oct 2016	Adequate actions taken
OBS 04	4.6.1	Estates	Document for justification of pesticides usage was not updated to include the use of some of the products used in the estate such as : a) Roundup Rainguard 48% glyphosate b) Suchtion c) Resigen - for fogging Dosage recommendation for the use of chemical based on low volume using CDA was also lacking.	2 Dec 2015	28 Oct 2016	Adequate actions taken

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			In addition the appropriate MSDS for the products Hamine and Roundup Rainguard were not available.			
OBS 05	4.6.2	Estates	Monitoring of each pesticide usage units per ton crop e.g. total quantity of active ingredients (a.i) used/tonne of FFB is recorded in the 'annual record for herbicide usage of Keck Seng Oil Palm Estate' file. In the record, annual record of each pesticide use is available since 2010 – 2015. However records of amount of active ingredients pesticide used per ha as required has not been included in their records.	2 Dec 2015	28 Oct 2016	Adequate actions taken
OBS 06	4.6.6	Estates	The estate has also allocated a pre-mixing site where bunding and a source of water were available. Measuring jugs and funnels were also sighted. The estate has also re-labelled the 20 lit chemical containers to be used as pre-mix solution for their spray activity. All empty containers were stored in the empty container shed all triple rinsed. However at the contractor site, it was seen that some of the empty chemical container used as diesel storage container were not re-labelled. On the tractor, there were some re-used as some of the loose-fruit scraper made from cut-out 'green' chemical containers were sighted.	2 Dec 2015	28 Oct 2016	Adequate actions taken
OBS 07	4.6.12	Estates	Management has to adequately ensure that no work with pesticide will be undertaken by pregnant or breast-feeding women.	2 Dec 2015	28 Oct 2016	Adequate actions taken
OBS 08	5.1.2	POM & Estates	Action plan for Environmental Impact Assessment is generated on 09/10/2015 with Doc. No. RSPO-AP-02, revision 06. The action plan generated with the reference of SEIA conducted by WildAsia Sdn. Bhd. report dated 05/06/2012. However, there is no identification of responsible person stated in the action plan.	2 Dec 2015	28 Oct 2016	Adequate actions taken
OBS 09	5.2.3	Estates	The company has yet to give training to the employees on HCV management plan and the status of ERT species.			Actions taken did not adequately address all the related issues. Refer to Minor NC: SH-01 (ASA-04)
OBS 10	5.2.4	Estates	The estate has generated a management plan for HCV. However, the management			Actions taken did not adequately

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			plan does not include the status of the action taken.			addressed all the related issues. Refer to Major NC: SH-02 issued under indicator 5.2.1 (ASA-04)
OBS 11	5.2.5	Estates	HCV areas map is sighted during audit. WildAsia has recommended the management to make some efforts to alert the relevant authority on the legality of the people who staying at the area. This is to maintain the water quality in the Sg Johor Forest Reserve and two water catchments, maintenance of riparian buffer zones must be a high priority. Furthermore, the management shall liaise with other stakeholders, especially the <i>orang Seletar</i> community, to develop adequate management plans to ensure maintenance of biodiversity values necessary for their livelihood. However, the management has yet to take any action on these.			Actions taken did not adequately addressed all the related issues. Refer to Major NC: SH-02 issued under indicator 5.2.1 (ASA-04)
OBS 12	5.4.1	Estates	Estate has yet to generate the record for diesel usage for tractor per hectare of FFB.	2 Dec 2015	28 Oct 2016	Adequate actions taken
OBS 13	5.6.2	POM & Estates	The estate has yet to implement the reduction or minimise the GHG emissions.	2 Dec 2015	28 Oct 2016	Adequate actions taken
OBS 14	6.2.3	POM & Estates	List of stakeholders available and updated yearly. Records of communication included request, complaints and grievances are available in the group email correspondence for the oil factory. Meantime, internal complaints and etc. available in the Keck Seng complaint forms and linesite request for repair forms for the mill. DOE and JKPP inspection books also clearly recorded the correspondence and follow up on the officers' comments. However, workers representatives from different nationality are not stated in the internal stakeholder name list.	2 Dec 2015	28 Oct 2016	Adequate actions taken
OBS 15	E3.1 (Supply Chain)	POM	The mill has not updated to include the revised RSPO Supply Chain 2014.	2 Dec 2015	28 Oct 2016	Adequate actions taken
OBS 16	E4.2 (Supply Chain)	POM	There was no statement in the procedure that Masai POM will inform the CB immediately if there is a projected overproduction of certified tonnage.	2 Dec 2015	28 Oct 2016	Adequate actions taken

3.2.3 Year 2016: ASA-04 (7 Major, 3 Minor NCRs)

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NCR	MYNI Indicator	Details of NCR	
Major NC: AL-01	4.3.1	Date issued: 28 Oct 2016	
		Noncompliance: Maps provided by the Estates did not contain geo referencing points i.e. without latitudes and longitudes shown and also did not contain proper topography for slope identification. Note: This NC is also related to NC 4.3.2 issued in the previous audit report.	
		Root Cause(s): No final decision from top management when this NC was raised in the previous audit. Corrective action Appoint the consultant to create proper topography maps for all estates including show the exact location and landscape level of the plantation. The existence of ponds, other prominent features like streams, road and geo referencing point etc. The overall maps under the Keck Seng would be prepared as soon as possible.	
		Verification (Corrective Action): 1 st On-site verification was done on 14-15 Dec 2016. The overall PMU landscape maps with geo references, were completed and copies made available on-site. However the individual maps of each estate under the PMU was still in progress i.e. partly done and expected to be fully completed by Jan 2017. Thus the NC could not be closed. 2 nd On-site verification was done on 14-15 Feb 2017. Corrective actions taken has fully addressed the NC as all the necessary and appropriate maps satisfactorily completed and were available on-site.	
		NC status verified: Closed by AL & SH	Date closed: 15 Feb 2017
		Verification of effectiveness: Next assessment (Re-Certification)	
		NC status verified by auditor: -	Date verified: -

NCR	MYNI Indicator	Details of NCR
Major NC: AL-02	4.4.2	Date issued: 28 Oct 2016
		Noncompliance: The requirements for buffer zones along water courses has not complied with the Jabatan Pengairan dan Saliran (JPS) guidance. The mitigation of soil erosion at some of the buffer provided is not adequately implemented (e.g. streams passing through Field F10 1984 at Lim & Lim estate, Field F2 and F4 at Sin Lian estate which also passes through Johore Masai estate). There was also lack of clear demarcation of the extent of the buffer zones. Note: This NC is a repeat major and could lead to a potential suspension of certification.
		Root Cause(s): Lack of understanding in the requirement for the buffer zone. Shortage of manpower to maintain and demarcated all the buffer zone area. Corrective action 1. To review and update the SOP of buffer zone size to follow the JPS guidance. 2. Marking the extent of the riparian buffer zone along the streams will be done.

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		Verification (Corrective Action): 1 st On-site verification was done on 14-15 Dec 2016. Corrective actions i.e. revised SOP (EST-SOP on Buffer Zone) were available and sites with buffer zones markings were re-visited. New signages made were found to be adequately done with information for instructions to the workers. Field visit confirms that buffer markings were done and implemented. 2 nd On-site verification was done on 14-15 Feb 2017. Corrective actions taken has fully addressed the NC as new and additional signages, training of workers, implementation of monitoring supported with maps and records were available on-site.	
		NC status verified: Closed by AL & SH	Date closed: 15 Feb 2017
		Verification of effectiveness: Next assessment (Re-Certification)	
		NC status verified by auditor: -	Date verified: -

NCR	MYNI Indicator	Details of NCR	
Major NC: AL-03	4.5.1	Date issued: 28 Oct 2016	
		Noncompliance: The implementation of the IPM such as the planting of Beneficial plants has not been adequately monitored and recorded at all the estates audited.	
		Root Cause(s): Lack of understanding of the IPM management plan.	
		Corrective action 1. To re-establish IPM management plan for Beneficial plants including monitoring and recording. 2. To indicate in Estate Maps and provide a 5 years' management plan	
		Verification (Corrective Action): 1 st On-site verification was done on 14-15 Dec 2016. Corrective actions taken were supported by the revised IPM plan for the beneficial plants, monitoring records and 5 year Management plan was made available on-site. 2 nd On-site verification was done on 14-15 Feb 2017. Corrective actions taken has fully addressed the NC as the revised IPM palm and monitoring records were noted to be progressively implemented with supporting maps indicating the IPM areas made available on-site.	
		NC status verified: Closed by AL & SH	Date closed: 15 Feb 2017
		Verification of effectiveness: Next assessment (Re-Certification)	
		NC status verified by auditor: -	Date verified: -

NCR	MYNI Indicator	Details of NCR	
Major NC: AL-04	4.7.2	Date issued: 28 Oct 2016	
		Noncompliance: Risk assessments for Safety and Health at the POM i.e. HIRADC done has not been adequately reviewed to include additional plants and/or infrastructure such as the commissioned Bio polishing plant in April 2016.	

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		<p>Root Cause(s): New effluent polishing plant was commissioned in April 2016. Now is in monitoring period and fine tunings are in progress in order to get maximum efficiency. Hence, all activities are yet finalised resulting the HIRADC is no been done yet.</p> <p>Corrective action</p> <ol style="list-style-type: none"> 1. To establish a HIRADC for the new bio polishing plant based on current activities. 2. To review or upgrade the new HIRADC from time to time if any changes of the activities or practices. 	
		<p>Verification (Corrective Action): On-site verification was done on 14-15 Dec 2016. Copy of revised document, POM-HIRARC-11 (Effluent MEMPLUS Polishing Plant Operation) was made available on-site. Corrective actions taken has addressed the NC and accepted for closure.</p>	
		NC status verified: Closed by AL	Date closed: 15 Dec 2016
		Verification of effectiveness: Next assessment (Re-Certification)	
		NC status verified by auditor: -	Date verified: -

NCR	MYNI Indicator	Details of NCR
Minor NC: SH-01	5.1.3	<p>Date issued: 28 Oct 2016</p> <p>Noncompliance: Although there are some marking sighted on the intended riparian buffer zones, the extent of the buffer zones were not clearly demarcated on the ground.</p> <ol style="list-style-type: none"> 1. The water pond at the mill is used to supply water for domestic use. It was found that signages for the protection of the water pond from any undesirable activities (no fishing, no swimming, no spraying, etc.) are available. However, the extent of the riparian buffer zone was not demarcated on the ground. 2. At Keck Seng estate, the extent of the riparian buffer zones along the water catchment area (reservoir) and also along the streams was not demarcated. 3. At Sin Lian estate, the extent of the riparian buffer zones were not demarcated along the stream, tributary of Sg. Layang, and along the water catchment area. 4. At Lim & Lim estate, no demarcation on the riparian buffer zone along streams near the South Johore Forest Reserve. <p>Signages to indicate the activities not to be carried in the riparian buffer zones areas was also not available. This was observed in all the estates visited.</p>
		<p>Root Cause(s): Lack of understanding in the requirement for the buffer zone. Shortage of manpower to maintain and demarcate all the buffer zone areas.</p> <p>Corrective action</p> <ol style="list-style-type: none"> 1. To extend the buffer zone which is along inlet water stream of reservoir. 2. Marking the extent of the riparian buffer zone along the streams. 3. Modify and marking the extent of the riparian buffer zones along the water catchment area (reservoir) and also along the streams according the JPS guidance. 4. Signage board will be carried out in the riparian buffer zones areas and water catchment area.

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		Verification (Corrective Action): On-site verification was done on 14-15 Dec 2016. Corrective actions i.e. revised SOP (EST-SOP on Buffer Zone) were available and sites with buffer zones markings were re-visited. New signages made were found to be adequately done with information for instructions to the workers. Field visit confirms that buffer markings were done and implemented. Corrective actions were considered to be acceptable for the closure subject to follow-up verification during next assessment.	
		NC status verified: Closed by SH	Date closed: 15 Dec 2016
		Verification of effectiveness: Next assessment (Re-Certification)	
		NC status verified by auditor: -	Date verified: -

NCR	MYNI Indicator	Details of NCR	
Major NC: SH-02	5.2.1	Date issued: 28 Oct 2016	
		Noncompliance: Maps of all the estates visited is not updated to exactly show the exact location and landscape level of the plantation. The existence of ponds and other prominent features like streams were not shown in the given map.	
		Root Cause(s): No final decision from top management when this NC was raised in the previous audit.	
		Corrective action Appoint the consultant to create proper topography maps for all estates including show the exact location and landscape level of the plantation. The existence of ponds, other prominent features like streams, road and geo referencing point etc.	
		Verification (Corrective Action): 1 st On-site verification was done on 14-15 Dec 2016. The overall PMU landscape maps with geo references, were completed and copies made available on-site. However the individual maps of each estate under the PMU was still in progress i.e. partly done and expected to be fully completed by Jan 2017. Thus the NC could not be closed. 2 nd On-site verification was done on 14-15 Feb 2017. Corrective actions taken has fully addressed the NC as all the necessary and appropriate maps satisfactorily completed and were available on-site.	
		NC status verified: Closed by AL & SH	Date closed: 15 Feb 2017
		Verification of effectiveness: Next assessment (Re-Certification)	
		NC status verified by auditor: -	Date verified: -

NCR	MYNI Indicator	Details of NCR	
Minor NC: SH-03	5.3.3	Date issued: 28 Oct 2016	
		Noncompliance: At the mill, it was discovered that empty plastic containers were seen lying all over the places in the mill. In addition, there was no signage placed to indicate the designated area meant for metal waste.	

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		<p>Root Cause(s): The existing designated area road and ground damaged due to raining season. Repairing in progress so the signage is missing.</p> <p>Corrective action</p> <ol style="list-style-type: none"> 1. To keep all the empty plastic containers inside the designated area. 2. To indicate the scrap iron location on site 		
		<p>Verification (Corrective Action): On-site verification was done on 14-15 Dec 2016. Copies of Delivery orders for the disposal of empty & used containers were made available and proper storage areas for recyclable materials were sighted during on-site. Therefore Corrective actions taken has addressed the NC and accepted for closure.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified: Closed by SH</td> <td style="width: 40%;">Date closed: 15 Dec 2016</td> </tr> </table>	NC status verified: Closed by SH	Date closed: 15 Dec 2016
NC status verified: Closed by SH	Date closed: 15 Dec 2016			
		Verification of effectiveness: Next assessment (Re-Certification)		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: -</td> <td style="width: 40%;">Date verified: -</td> </tr> </table>	NC status verified by auditor: -	Date verified: -
NC status verified by auditor: -	Date verified: -			

NCR	MYNI Indicator	Details of NCR		
Minor NC: SH-04	5.6.3	Date issued: 28 Oct 2016		
		<p>Noncompliance: At the mill, the monitoring system used to monitor the emission of pollutants and emissions was not adequately monitored. At time of audit, the CEMS and Ringelmann chart recorder was found to be not functioning and repairs had not carried been done for more than a month.</p>		
		<p>Root Cause(s): Mother board of the CEMS computer was defective and damaged.</p> <p>Corrective action To get outside contractor to repair CEMS and recorder.</p>		
		<p>Verification (Corrective Action): On-site verification was done on 14-15 Dec 2016. The CEMS monitoring system was repaired and noted to be fully functional. Therefore Corrective actions taken has addressed the NC and accepted for closure.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified: Closed by AL & SH</td> <td style="width: 40%;">Date closed: 15 Dec 2016</td> </tr> </table>	NC status verified: Closed by AL & SH	Date closed: 15 Dec 2016
		NC status verified: Closed by AL & SH	Date closed: 15 Dec 2016	
		Verification of effectiveness: Next assessment (Re-Certification)		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: -</td> <td style="width: 40%;">Date verified: -</td> </tr> </table>	NC status verified by auditor: -	Date verified: -		
NC status verified by auditor: -	Date verified: -			

NCR	MYNI Indicator	Details of NCR
	6.5.2	Date issued: 28 Oct 2016

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Major NC: JMD-01		<p>Noncompliance: Keck Seng and Lim & Lim Estates:</p> <p>3. Article 10 of offer letter version 1 July 2016 stated that for workers serving 2 years and more, they are entitled for 16 days of sick leave.</p> <p>However, this does not comply with the Employment Act, Article 60F which states that workers serving 2 years and more are entitled for 18 days of sick leave and 22 days for workers serving for 5 years and more.</p> <p>4. One worker who served for more than 5 years, took 24 days of sick leave in 2015. He is entitled for 22 days of sick leave according to the law.</p> <p>However, he was paid equivalent to 16 days of sick leave only. The extra 6 more days of sick leave taken has not been paid by the company.</p>		
		<p>Root Cause(s): Overlooked the sick leave entitlement in offer letter according the Employment Act, Article 60F for workers.</p> <p>Corrective action</p> <ol style="list-style-type: none"> 1. Amended the offer letter for the workers with sick leave entitlement days according Employment Act, Article 60F. 2. Pay the extra 6 days (sick leave 2015) for Rajendiran on October 2016 salary who were over 5 years' service and entitled to 22 days' sick leave. 		
		<p>Verification (Corrective Action): On-site verification was done on 14-15 Dec 2016. Copies of amended Offer Letters / Contracts of Agreement for the workers were available and verified to have correctly stated the Leave entitlement of workers. Pay slips with correct payments made for the workers were also evidenced. Corrective actions were considered to be acceptable for the closure. Effective implementation to be followed up during next assessment.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified: Closed by AL</td> <td style="width: 40%;">Date closed: 15 Dec 2016</td> </tr> </table>	NC status verified: Closed by AL	Date closed: 15 Dec 2016
NC status verified: Closed by AL	Date closed: 15 Dec 2016			
		Verification of effectiveness: Next assessment (Re-Certification)		
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NC status verified by auditor: -	Date verified: -			

NCR	MYNI Indicator	Details of NCR
Major NC: JMD-02	6.12.1	<p>Date issued: 28 Oct 2016</p> <p>Noncompliance: Keck Seng Estate, Lim & Lim Estate and Keck Seng POM:</p> <p>It was found that there are no records to show that the Foreign workers had voluntarily handed their passports to the management for safekeeping purposes. This also included the passports of foreign workers working under some of the contractors.</p> <p>The movement of the passports are recorded in "Rekod Peminjaman & Pemulangan Passport Pekerja Asing [Indonesia]" at the Estates only and was not practiced at the POM.</p>

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		<p>Root Cause(s): The process of passport movement was not clear. The management had kept the passports to avoid immigration and lost passport problems.</p> <p>Corrective action</p> <ol style="list-style-type: none"> 1. POM to have the movement of the passports recording in “Rekod Pergerakan Passport Pekerja Asing [Indonesia]”. 2. POM to have workers records of showing that the foreign workers had voluntarily handed their passports to the management for safekeeping purposes. 3. Create the form for voluntarily handed passport to management for safekeeping purposes. 		
		<p>Verification (Corrective Action): On-site verification was done on 14-15 Dec 2016. The Register for the safekeeping and movement of the passport was made available and maintained. Letters of Consent signed by the foreign workers to allow the safekeeping of passports was verified to be in dual languages i.e. English / Myanmar and English / Hindi. Corrective actions were considered to be acceptable for the closure. Effective implementation to be followed up during next assessment.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified: Closed by AL</td> <td style="width: 40%;">Date closed: 15 Dec 2016</td> </tr> </table>	NC status verified: Closed by AL	Date closed: 15 Dec 2016
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NC status verified by auditor: -	Date verified: -			

3.2.4 Year 2016: ASA-04 (1 Observation raised during On-site Verification on 14 & 15 Dec 2016)

Ref No:	MYNI Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS: AL-01	Supply Chain Criteria E 4.1	FFB supply base of POM	During on-site verification in Dec 2016, it was confirmed by the current / new GM that 2 other estates (supplying uncertified FFB to the POM) are presently still managed under Keck Seng. The said 2 estates will undergo preparations to be included for certification by 2017. Noted that the said 2 estates land were initially planned since 2014 to be used for property development.	15 Dec 2016	-	Next during Re-Certification

3.2.5 Identified Positive Elements

- 1) The PMU has carried out CSR activities such as financial funding for education, social and religious activities.
- 2) The PMU has implemented and maintained the OSH activities effectively.

3.3 Summary of Feedback Raised by Stakeholders and Findings

Prior to and during the Assessment, written and verbal feedback communicated from the stakeholders on the environmental and social performance at the PMU operations were sourced (**see section 2.1**).

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All pertinent feedback issues were reviewed and followed up for verification and these had been accordingly incorporated into the report findings. See table below:

2016: ASA-04

Communications done via email on 13 Sept 2016 as per the listed parties stated **under para 2.5**. Feedback was also obtained during the period of current assessment via interviews and group sessions conducted on-site.

Stakeholders' Feedback	PMU Response	Intertek verification / comment on further action (if any)	Further action from PMU (if any)
No feedback was received from stakeholders for the public announcement and communication done on 13 Sept 2016.	-	No actions required.	-
On-site interviews and stakeholder consultation with government agencies, suppliers, transporters, contractors and local community within and near the locality of the PMU was done as per below:			
Government & NGO Agencies			
There were no issues or negative feedback received from the Government agencies and NGOs contacted at the period of audit.	PMU has held and will continue to hold the annual stakeholder consultations.	No actions required.	-
Local Communities			
6 nos - Local community 24 nos - Workers at POM, Estates (local and foreign, male and female) No issues or negative feedback received concerning the operations of the PMU.	PMU will continue meetings and stakeholder consultations with all the said parties.	No actions required.	-

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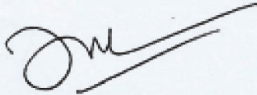
4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

Based on the findings above, Keck Seng (Malaysia) Berhad - Masai Grouping had been able to demonstrate its compliance with the RSPO Principles and Criteria (April 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Nov 2014) for Palm Oil Mill.

On-site Verifications were conducted on 14-15 Dec 2016 and 14-15 February 2017 for the closure of Major non-compliances, suspension and for the lifting of suspension of the certification.

Therefore, it is recommended that the certification of Keck Seng (Malaysia) Berhad - Masai Grouping be approved and continued.

Signed for and on behalf of
Intertek Certification International Sdn Bhd



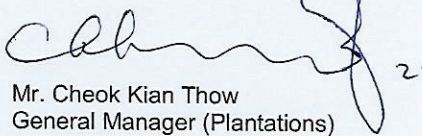
Augustine Loh
Lead Assessor

Date: 22 February 2017

4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

This is to acknowledge and confirm the assessment visits described in this report and the acceptance of the contents and findings in this assessment report.

Signed for and on behalf of
Keck Seng (Malaysia) Berhad



22/2/2017 @ 4:35 pm.

Mr. Cheok Kian Thow
General Manager (Plantations)

Date: 22 February 2017

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4.2 INTERTEK- RSPO P&C Certificate details for Keck Seng (Malaysia) Berhad - Masai Grouping

Certificate No:	RSPO 930688
New issue date	2 January 2017
Expiry date	1 January 2018
Organization	Keck Seng (Malaysia) Berhad
Address of Head Office:	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.
RSPO Membership No:	2-0094-08-000-00
Plantation Management Unit:	Masai POM and Estates
Address of POM:	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (2014); RSPO Supply Chain Certification Standard (Nov 2014) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernels
Supply Chain module for POM	Mass Balance (MB)

Details of the Mill and Supply bases covered by this certificate and the tonnage approved are:

Name	Address	GPS Reference		Certified Area (ha)
		Latitude	Longitude	
Masai POM (Capacity: 60 MT/hour)	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'25.9"	E 103°57'53.8"	3,380.39
Keck Seng Oil Palm Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'23.4"	E 103°54'36.3"	
Tong Hing Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°29'45.0"	E 103°38'04.3"	
Sg. Layang Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°34'18.9"	E 103°58'55.9"	
Kota Tinggi Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°33'33.1"	E 103°56'07.5"	
Sin Lian Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°33'07.3"	E 103°57'39.5"	
Lian Huap Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'08.7"	E 103°57'05.2"	
Johore (Masai) Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'04.0"	E 103°57'08.3"	
Lim & Lim Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°31'21.9"	E 103°59'39.2"	

The annual certified tonnages produced at the PMU are detailed as follows:

Masai POM	Annual Tonnages (MT)
Certified FFB	65,000
Certified CPO	12,506
Certified PK	3,822
Supply chain module	Mass Balance (MB)

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Appendix A:

Qualifications of Lead Assessor and Assessment Team

Mr. Augustine Loh (AL) – Lead Assessor / Technical Expert

(Palm Oil Mill, Environment, Social, Conservation & HCV area, GAP, IPM, Land Use and Supply Chain)
– Master in Business Administration, USA and Diploma in Maritime Studies, Singapore

Mr. Augustine Loh is an IRCA Third Party Assessment (TPA) Lead Auditor and IRCA Lead Tutor for IRCA ISO 9001 and OHSAS 18001 Lead Auditor Courses as well as Tutor for RSPO Certification Programs and Integrated Management System in Intertek, Malaysia. He has over 25 years of fieldwork and experience in Palm based product survey, supply chain monitoring, inspection and testing. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001, ISO 14001, OHSAS 18001, ISO 22001, ISO 27001, RSPO Principles and Criteria Lead Assessor Course, RSPO Supply Chain Certification and the International Sustainable Carbon Certification (ISCC) Lead Auditor courses. He has also completed the RSPO training on RSPO P&C, RSPO Palm GHG tool and RSPO RED requirements. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Brunei, Thailand, Cambodia and Australia. He is currently the RSPO Regional Program Manager of Intertek Certification International, Malaysia and has performed over 800 auditing days on quality, environmental and safety & health assessments in various sectors including oil palm plantations. He was the RSPO CB Assessment Team Leader / Member which audited several RSPO certified Plantation Management Units since 2009. He was the CB Team Leader in the stakeholder consultation and development of the RSPO Cambodian Local Indicators. He is a member of the CB Internal Review Panel for RSPO Assessment reports since 2010.

Mr. Sazali Hasni (SH) – Assessor / Technical Expert

(Environment, Conservation and HCV area)
- Bachelor of Science (Forestry)

Mr. Sazali Hasni (SH) has over 25 years work experience in the forestry sector. He is an IRCA Auditor for ISO 9001 and auditor for the PEFC Chain-of-Custody Certification. He has successfully completed training in the Intertek In House RSPO P&C, MYNI Assessor course. He was a member in the stakeholder consultation and development of the Malaysian Criteria & Indicators (MC&I) for Forest management Certification. He has been involved in the auditing of Forest Management Certification for the Perak State Forestry Department and Pahang State Forestry Department. He has also been involved with a German based company in testing their criteria for carbon tracing in an oil palm plantation in 2011. He had also acted as the regional consultant to International Tropical Timber Organization (ITTO) for the Asia Pacific region in the Evaluation and Monitoring of Projects funded by the organization from 1994 to 1998. Projects funded are mainly forestry related such as reforestation, conservation, community forestry apart from other research based projects. He is a member of the RSPO CB Assessment team which audited several RSPO certified Plantation Management Units since 2014.

Mr. Jumat Majid (JMD) – Assessor / Technical Expert

– BSc (Social Science)

Mr. Jumat Majid (JMD) has over 13 years work experience in the agriculture sector. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2008 and RSPO P&C MY-NI Lead Assessor course. He has also successfully completed training programs in Organic Agriculture Development and had performed organic agriculture inspections and assessments for more than 6 years. He has been involved in NGO work in the areas of social impact assessments within the South East Asia region. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2010.

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Appendix B:

Certification Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity		
		Assessment Team		
25 Oct 16 Tuesday (Day 1)	7.30 am – 10.00 am	Travel to Masai Palm Oil Mill		
	10.00 am – 10.30am	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)		
	10.30 am – 1.00 pm	Document Review and Assessment by all Assessors on respective RSPO P&C: P1 to P8 at POM		
		AL	SH	JMD
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Mill • P8 Continual Improvement • SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	<ul style="list-style-type: none"> • Verification of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification for compliance with rules on partial certification 			
	1.00 pm – 2.00 pm	Lunch Break		
	2.00 pm - 5.30 pm	AL	SH	JMD
		Site assessment at Keck Seng Oil Palm Estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Keck Seng Oil Palm Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Keck Seng Oil Palm Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	5.30 pm – 6.00 pm	Travel to Hotel & Break		
6.00 pm – 7.00 pm	Team Meeting and Discussion			

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Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD
26 Oct 16 Wednesday (Day 2)	9.00 am – 12.30 pm	Site assessment at Sin Lian Oil Palm Plantations Estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Sin Lian Oil Palm Plantations estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Sin Lian Oil Palm Plantations estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Sin Lian Oil Palm Plantations estate		
	5.30 pm – 6.00 pm	Travel to Hotel & Break		
	6.00 pm – 7.00 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD
27 Oct 16 Thursday (Day 3)	9.00 am – 12.30 pm	Site assessment at Lim & Lim Plantations estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Estates • P7 New Plantings • P8 Continual Improvement 	Site assessment at Lim & Lim Plantations estate <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation & HCV • P8 Continual Improvement 	Site assessment at Lim & Lim Plantations estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues • P8 Continual Improvement
	12.30 pm – 1.30 pm	Lunch Break		
	1.30 pm - 5.30 pm	Continue site assessment at Lim & Lim Plantations estate		
	5.30 pm – 6.00 pm	Travel to Hotel & Break		
	6.00 pm – 7.00 pm	Team Meeting and Discussion		

Date	Time	Assessors and Assessment Activity		
		AL	SH	JMD
28 Oct 16 Friday (Day 4)	9.00 am – 10.30 am	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P4 Best Practices at Mill • P8 Continual Improvement • SCC for POM 	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community 	
			Notes	

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		1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment. 2. This will facilitate the random and impartial selection of stakeholders (including independent and organized smallholders, where applicable) and to meet the sample size requirement
10.30 am – 12.00 pm	Site assessment at POM or estates to follow up on any specific criteria/areas	
12.00 pm – 1.00 pm	Preparation for Closing Meeting	
1.00 pm – 2.00 pm	Lunch Break	
2.00 pm - 3.00 pm	Team Meeting and Discussions with POM Management Representative	
3.00 pm – 4.00 pm	Closing Meeting & Briefing at Palm Oil Mill Office	
4.00 pm onward	Travel back to Kuala Lumpur	

Additional assessment dates:

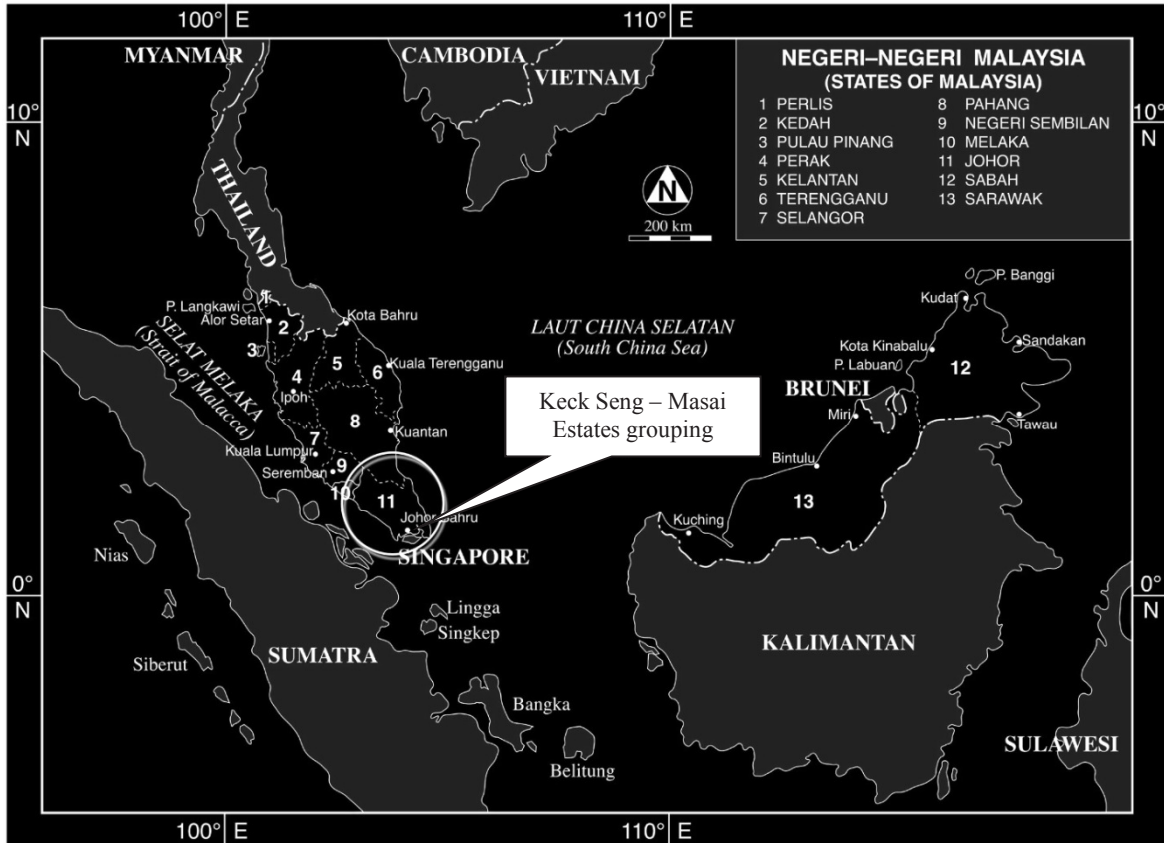
1 st On-site Verification for closure of Major NCs	14 - 15 December 2016
Certificate suspension was effective from	30 December 2016
2 nd On-site Verification for closure of Major NCs	14 – 15 February 2017

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Appendix C-1.1:

Location Map of Keck Seng Masai POM & Estates, Johor, Malaysia



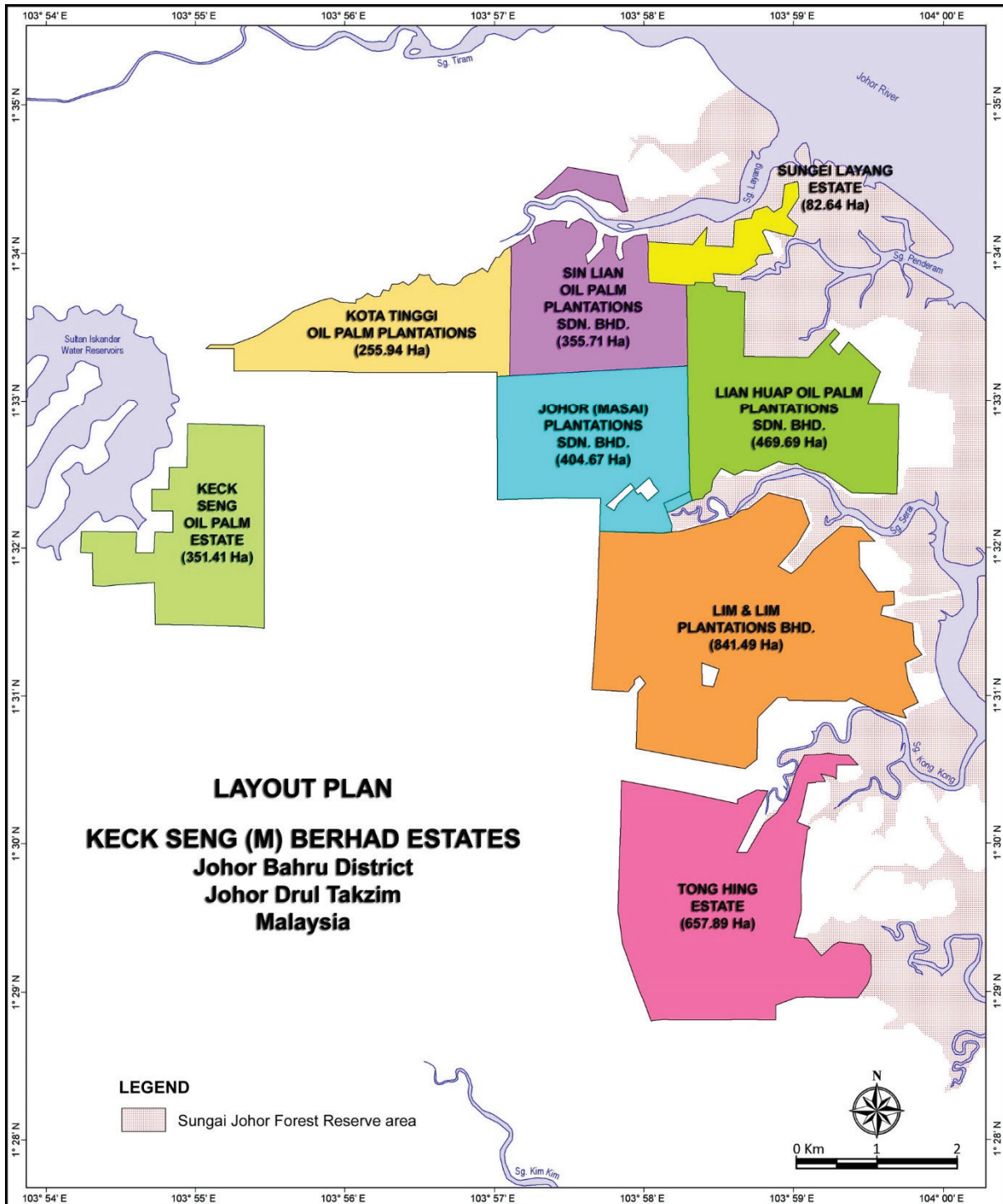
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Appendix C-2.1:

Location layout of Keck Seng Masai PMU - Estates



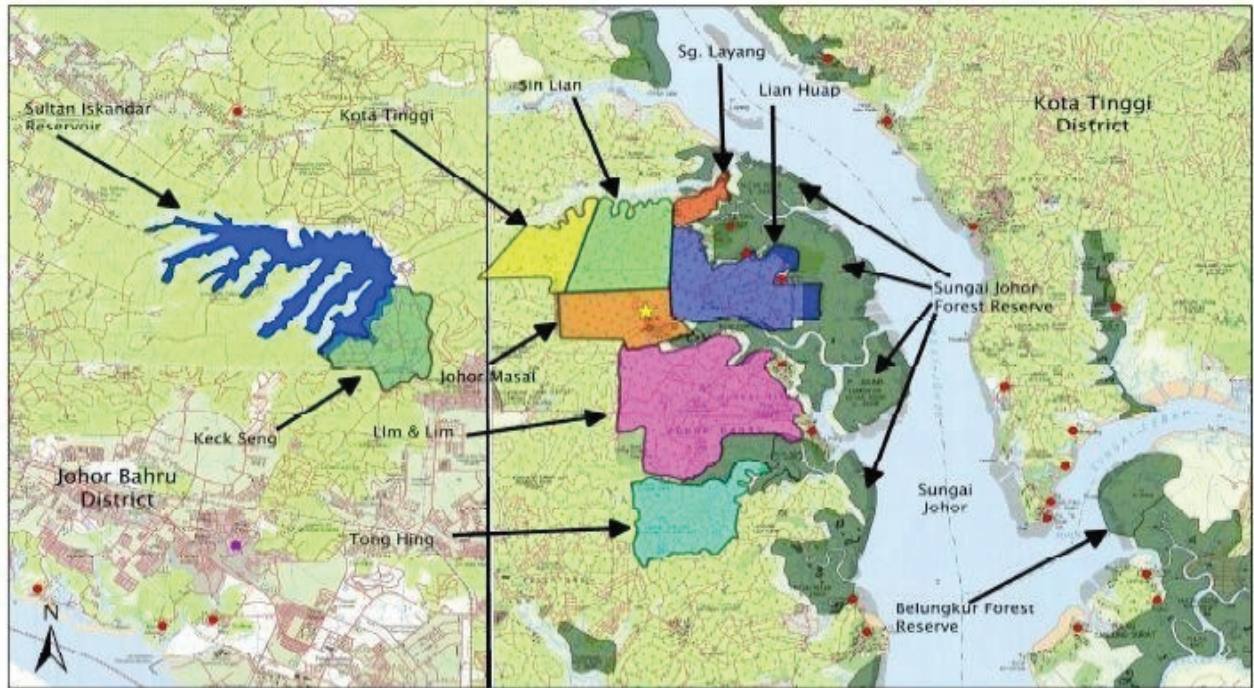
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Appendix C-2.2:

Landscape Map of Keck Seng Masai PMU - Estates



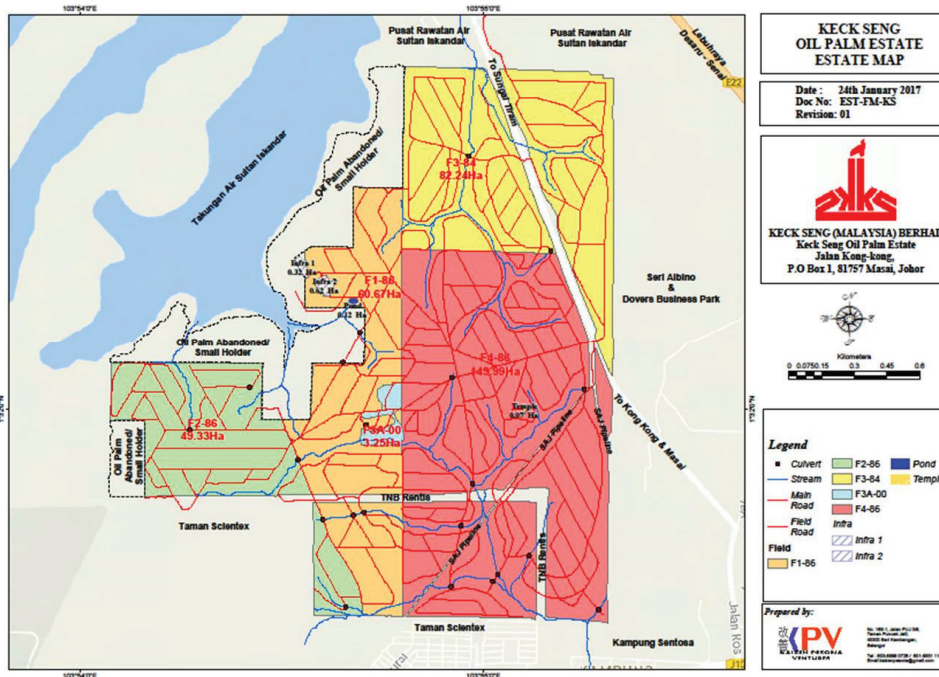
Maps Of Keck Seng (M) Berhad, Plantation Division

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(188296-W)

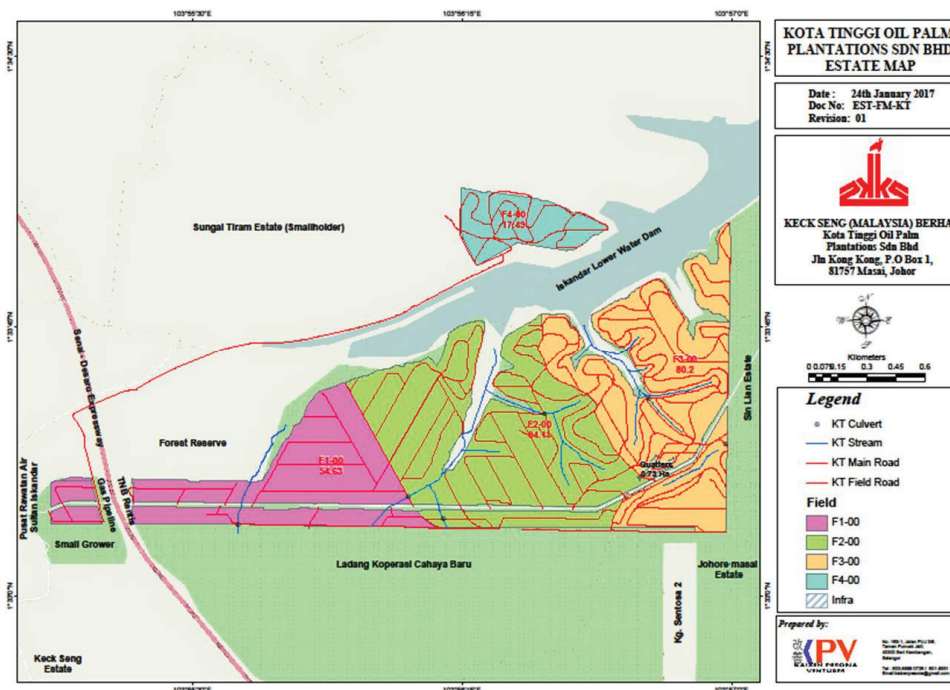
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Appendix C-3-1:
Layout Map of Keck Seng estate



Appendix C-3-2:
Layout Map of Kota Tinggi estate



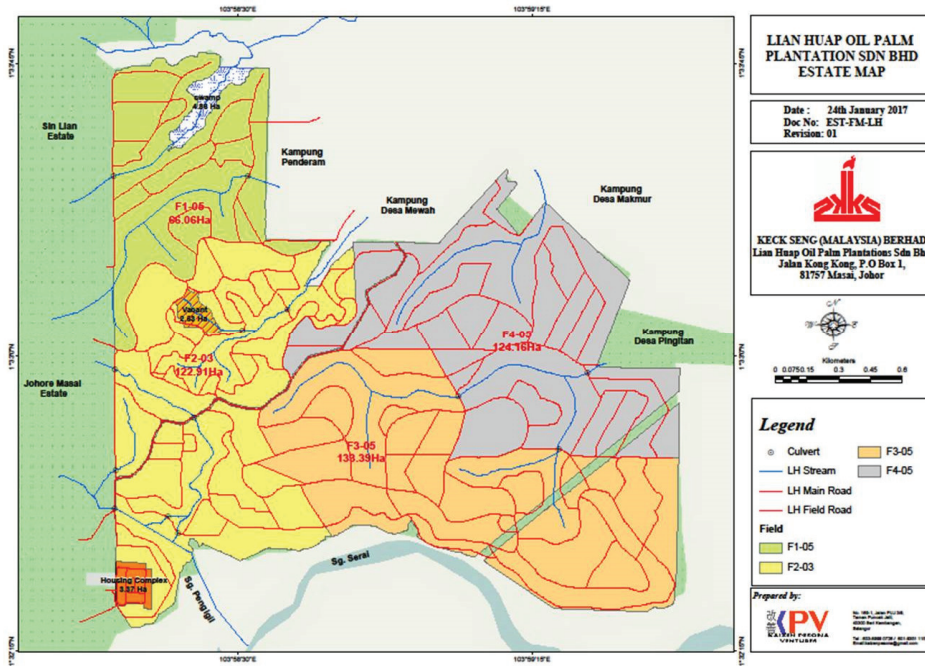
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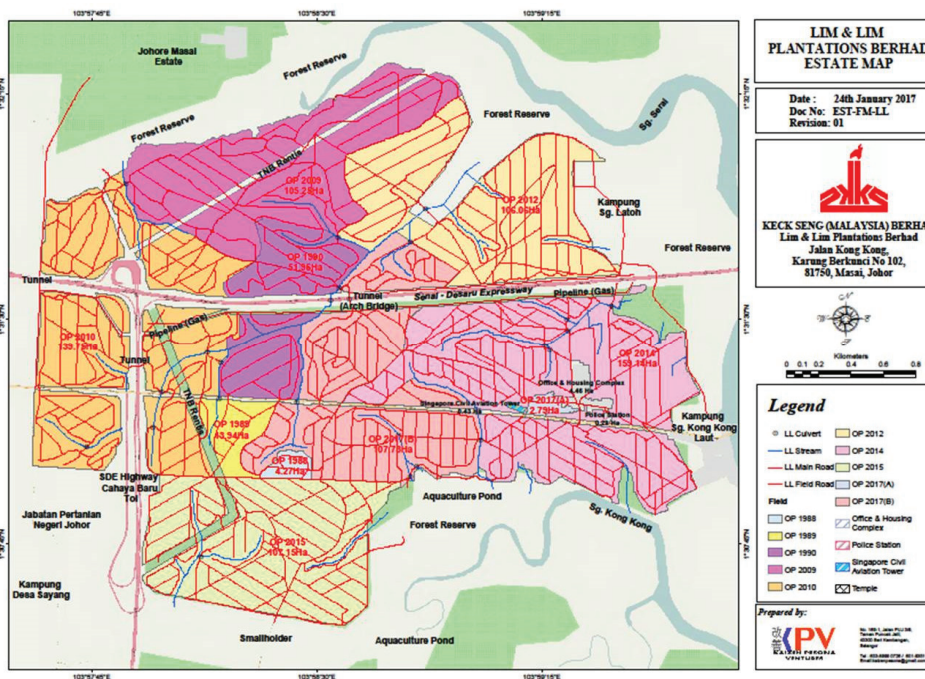
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Appendix C-3-3: Layout Map of Lian Huap estate



Appendix C-3-4: Layout Map of Lim & Lim estate

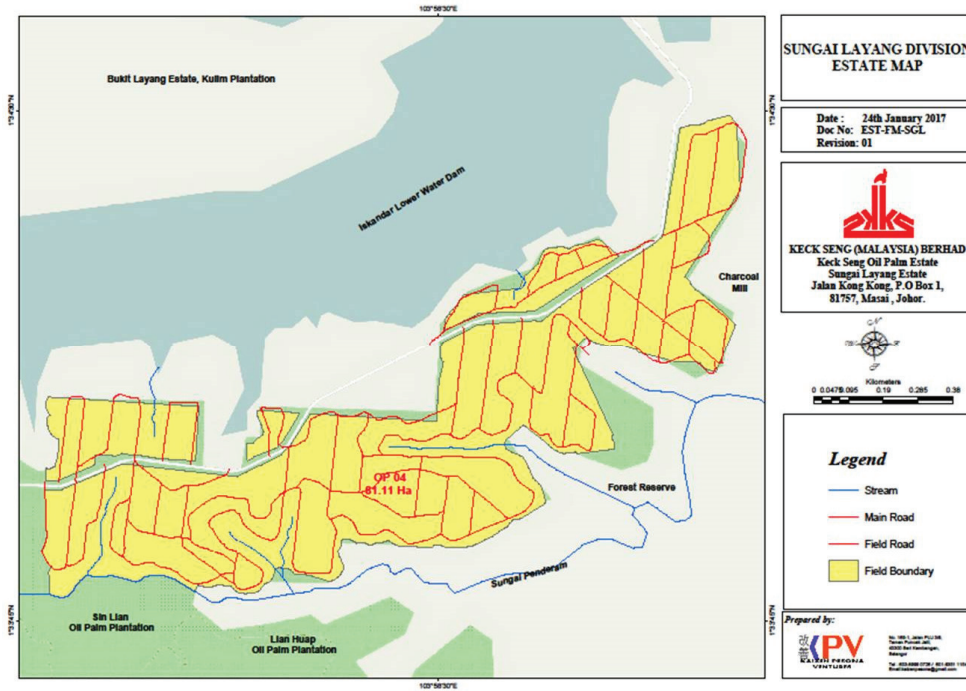


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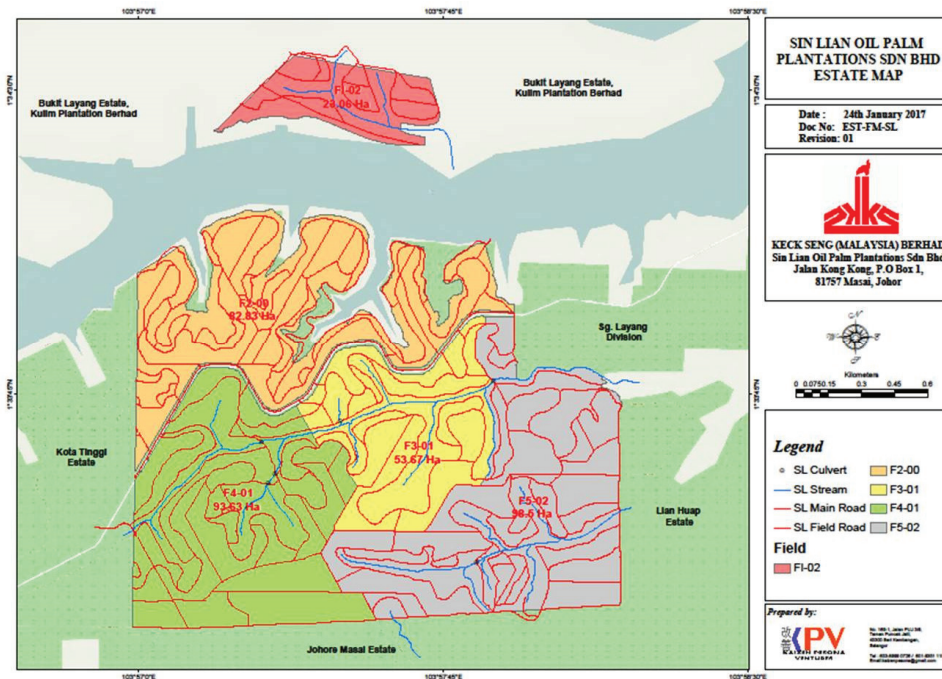
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**Appendix C-3-5:
Layout Map of Sg Layang estate**



**Appendix C-3-6:
Layout Map of Sin Lian estate**



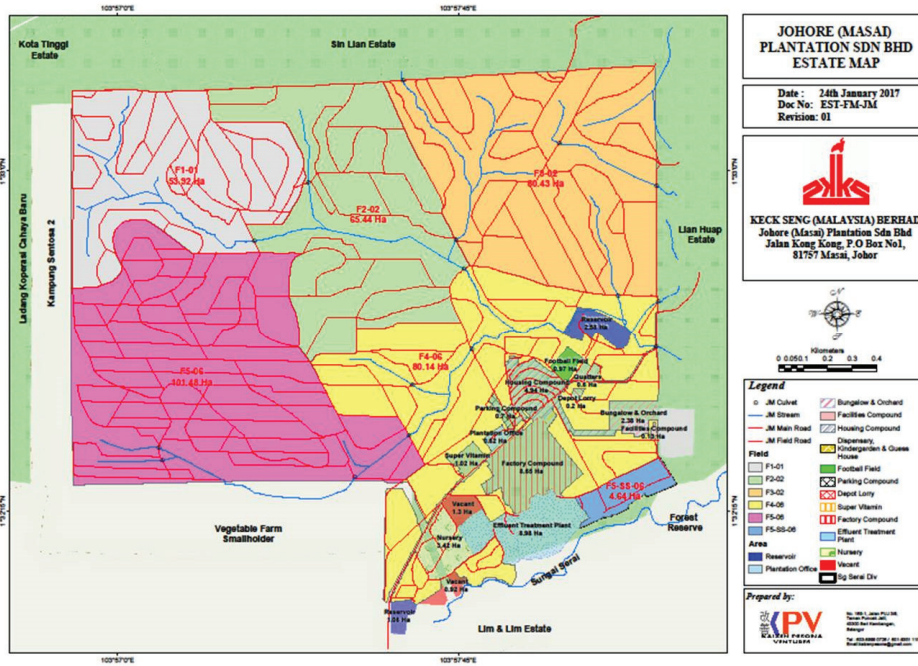
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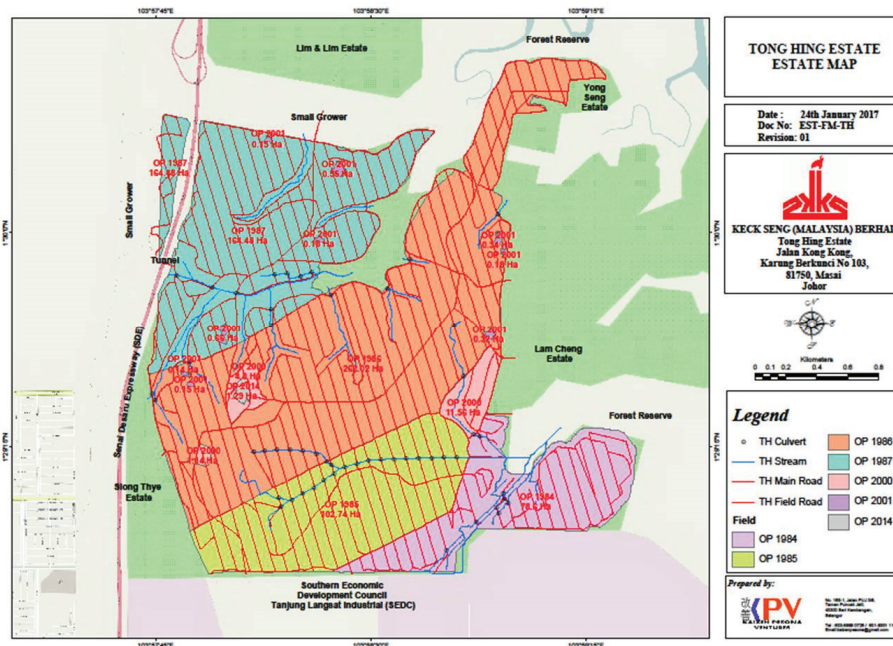
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Appendix C-3-7: Layout Map of Johore Masai estate



Appendix C-3-8: Layout Map of Tong Hing estate



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Appendix D-1:

Photographs taken during site inspection at Masai Grouping (ASA-04) in Oct 2016



Masai POM: Safety signages and statistics displayed



Masai POM: Newly commissioned Bio-Reactor plant



Masai POM: Newly commissioned Bio-Reactor plant



Oil Palm nursery managed by Lim & Lim estate



Inspection of First Aid Kit at Lim & Lim estate



Keck Seng estate: Field inspection on Harvesting activity

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Photographs taken during site inspection at Masai Grouping (ASA-04) in Oct 2016



Sin Lian estate: Buffer zone marking & signage for the stream passing through the estate.



Lim & Lim estate: Secondary containment for Diesel tank



Sin Lian estate: Schedule waste store



Lim & Lim estate: Chemical store for pesticides



Lim & Lim estate: Chemical mixing store



Lim & Lim site office at estate: Safety signages & statistics

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Appendix D-2:

On-site Verification for closure of Major Non-conformances done in Dec 2016 and Feb 2017

	
<p>Emissions monitoring via CEMS at POM</p>	<p>Continuous recording system which is repaired and functional.</p>
	
<p>Additional Buffer zone markings indicated on the palms near streams at the estates.</p>	<p>Segregated areas for general waste and recyclable wastes at the POM.</p>
	
<p>Additional Buffer zone signages and promotion of wildlife protection and conservation.</p>	<p>Nursery for the seedlings of beneficial plants for transfer to the estates.</p>

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Appendix E:

Time Bound Plan

As at to-date Keck Seng (Malaysia) Berhad owns only 1 Plantation Management Unit (PMU) which is located at the Masai region, Johor, Malaysia and there are no other oil palm estates or mills owned at other parts of Malaysia, Indonesia or elsewhere. Time bound Plan for KSMB has been fulfilled for its oil palm plantation management.

-- End of Report--