

**RSPO PUBLIC SUMMARY REPORT**



**SIRIM QAS INTERNATIONAL SDN. BHD.**  
 Building 4, SIRIM Complex, No. 1 ,Persiaran Dato' Menteri,  
 Section 2, 40700 Shah Alam, Selangor, Malaysia.

**File Ref. : EK91200001**

**RSPO PUBLIC SUMMARY REPORT**

**CLIENT : Syarikat Kretam Plantations Sdn. Bhd. – Silimponon Certification Unit**

**PARENT COMPANY : Kretam Holdings Berhad**

**RSPO MEMBERSHIP No.: 1-0189-15-000-00**

**LOCATION OF THE CERTIFICATION UNIT (MILL AND THE SUPPLY BASE):**  
 (In the case of multisite certification, list additional sites in attachments) :

Certification Unit	Mill and Supply Base	GPS Location		Location
		Latitude	Longitude	
Silimponon	Silimponon POM	N 4°19'31.90	E 117°28'38.20	KM 128, Tawau Kalabakan Highway Mukim Sg. Silimponon 91000 Tawau Sabah
	Silimponon 1 Estate	N 4°19'44.76	E 117°27'32.88	

**MAP : See Attachment 1**

**AUDIT DATE : 29th – 31st October 2019**

**DURATION : 9 auditor days**

**TYPE OF AUDIT : Stage 2 Audit**

**STANDARD : RSPO PRINCIPLE & CRITERIA MYNI 2014, AND RSPO SUPPLY CHAIN CERTIFICATION STANDARD 2014 (REVISED 14 JUNE 2017)**

**SCOPE OF CERTIFICATION: Production of Sustainable Crude Palm Oil and Palm Kernel Using Mass Balance Supply Chain Model**

**VALIDITY OF RSPO CERTIFICATE : 20/01/2020 – 19/01/2025**

**The following attachments form part of this report:**

Non-conformity Report(s)

List of additional site(s)

**Report by Audit Team Leader**

**Acknowledgement by Client's Representative**

Name : **DZULFIQAR BIN AZMI**

Name : **MOHD MASRAN HAMZAH**  
Head of HR & Sustainability

Signature :

Signature :

Date : **20/01/2020**

Date : **20/1/2020**

## RSPO PUBLIC SUMMARY REPORT

Stage 2 audit				
On-site audit date	: 29 – 31 October 2019	No. of auditor days:	9 auditor days	
Audit team	: Dzulfiqar Azmi, Rozaimée Ab Rahman, Ismail Adnan			
No. of major NCR	: 2	Indicator: RSPO P&C (4.7.3), RSPO SC (5.1)	Closing date: 19/12/2019	
No. of minor NCR	: 1	Indicator: RSPO P&C (5.1.2)		
Indicate the stakeholders interviewed during the on-site audit	Employees / Workers organizations	Settlers	Villagers / Local communities	Suppliers
	√		√	√
	Contract workers	Local & National NGOs	Govt. agency / Statutory bodies	Independent growers / Smallholders
	√		√	
	Indigenous people	Contractor	Others (Please specify)	
	√	√		
Supply base sampled	: Silimpocon 1 Estate			
Justification of audit planning	: Total allocation of auditor days for Silimpocon CU were: Mill = 4 days (3 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 5 days each for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title.			
Report approved by	: Kamini A/P M.Sooriamoorthy	Approval date: 20/01/2020		

### SUMMARY OF INFORMATION

	STAGE 2
<b>Projection Period</b>	September 2019 to August 2020
<b>FFB Processed (MT)</b>	63,000.00
<b>Production of Certified CPO (MT)</b>	13,909.00
<b>Production of Certified PK (MT)</b>	2,878.00
<b>Certified Areas (Ha)</b>	3,934.82
<b>Planted Areas (Ha) (<i>Mature + Immature area</i>)</b>	2,884.90
<b>Production Areas (Ha) (<i>Mature area only</i>)</b>	2,884.90
<b>HCV Areas (Ha)</b>	642.18
<b>REMARKS</b>	-



## RSPO PUBLIC SUMMARY REPORT

### 1.0 AUDIT PROCESS

#### 1.1 Certification Body

SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS) and the International Automotive Task Force (IATF). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia.

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & OHSAS 18001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and re-accredited by ASI on 3 October 2019 (accredited since 2014).

#### 1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Dzulfiqar Azmi	Lead Auditor / Safety & Environment	Holds a B. Sc. in Agriculture from University Teknologi Malaysia (UiTM). He had more than 5 years of working experience in the oil palm operation. He has experience in auditing since 2018. He is trained as an RSPO Lead Auditor.
Rozaimiee Ab Rahman	Auditor / GAP & Supply Chain	Holds a B.Sc. in Agriculture from University Putra Malaysia. He had more than 5 years of working experience in the oil palm operation. He is RSPO Lead Auditor since 2018.
Ismail Adnan bin Abdul Malek	Auditor / Social	Holds a Master of Forestry, University of British Columbia, Canada. One year experience as Sub Assistant Conservator of Forest at the Pahang Forest Department and seven years spent as Forest Officer/Logging Superintendent at an integrated timber complex in Pahang. Currently, he is a Senior Lecturer at the Forestry Faculty, Universiti Putra Malaysia and a Social Auditor for Forest Management System at Food, Agriculture and Forestry Section, SIRIM QAS International Sdn Bhd, since 2016.

#### 1.3 Audit methodology

The audit covered the Silimpocon POM and Silimpocon 1 Estate of supply base. The audit included an on-site audit to the estates, mill and settlers' houses to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

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### 1.4 Stakeholder Consultation

SIRIM QAS International had initiated the stakeholder consultation by announcing the invitation in the RSPO and SIRIM QAS International's websites in 25/09/2019. In addition, SIRIM QAS International had also sent invitations through letters to the relevant stakeholders, including government agencies and Non-Governmental Organisations (NGOs). Stakeholder consultation was carried out during the on-site audit. In general, there was no negative comments made against this Certification Unit.

In summary, the stakeholders interviewed during the audit and the evidence from the stakeholder consultation carried out were as tabulated below:

Stakeholders interviewed	Evidence from stakeholder consultation
1) Employees / Workers Organizations (including migrant workers)	<ul style="list-style-type: none"> <li>▪ Interviewed workers constituted local and foreign, male and female, daily paid, monthly paid and piece rated at mill/estates. They include Silimpojon Palm Oil mill and Silimpojon 1 Estate.</li> <li>▪ All workers interviewed acknowledged they have signed employment agreements with the estates/mill. The contents of agreement were understood, as these were prepared in English/Bahasa. The contents were explained to them in Bahasa by the management team</li> <li>▪ Pre-induction briefing on conditions and terms of employment was explained to them during first reporting of duty.</li> <li>▪ They are aware of their working hours (8 hours). They also acknowledged being paid overtime for any work in excess of 8 hours. There is no forced overtime. Harvesters were paid piece-rated as they prefer to have their salaries calculated on piece-rate basis even after 8 hours of work as it allows them to be paid higher. Sprayers understood that they are paid daily rate.</li> <li>▪ They have been getting salaries are above RM1,100 since Jan 2019. Salaries are paid before the 7th of every month.</li> <li>▪ Through worker's interview, they confirmed there are no abuse at work, and no sexual harassment. They understand what constitutes sexual harassment and the function of Gender Committee.</li> <li>▪ There is no discrimination between migrant workers and local workers, between male and female workers.</li> <li>▪ Workers are provided with comfortable housing with free water and electricity. Some local workers choose to stay in their houses in the nearby villages.</li> <li>▪ They have access to affordable food from the canteen/sundry shops within the estate/mill premises.</li> <li>▪ They are entitled to free medical facilities at the estate clinic.</li> <li>▪ Workers had representatives who attend regular meetings with the management (in the JCC)</li> <li>▪ Workers confirmed knowledge of Grievance complaints procedure, where they can put forward any complaints and or raise any issues. They are aware of the complaints form in the procedure. Books and complaints forms were used to submit feedback about house defects at the Mill/Estates.</li> <li>▪ They knew the types of work offered at</li> </ul>

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	<p>Silimpopon CU (mill &amp; estate) when they were still in their own countries (no contract substitution).</p> <ul style="list-style-type: none"> <li>▪ All migrant workers confirmed that they keep their own passports although some allowed their passport to be kept in the office for safekeeping with their own agreement.</li> </ul>
2) Settlers	Not applicable.
3) Villagers / Local communities (including women representatives, displaced communities)	<ul style="list-style-type: none"> <li>▪ Confirmed there is no land dispute between Silimpopon CU and neighbouring estates.</li> <li>▪ No social issues arising from estate workers.</li> <li>▪ Occasionally called to attend meetings by Silimpopon mill and Silimpopon 1 Estate. The last one was held few months ago.</li> <li>▪ All stakeholders were invited to attend RSPO/MSPO briefings and stakeholder meetings.</li> </ul>
4) Suppliers	<ul style="list-style-type: none"> <li>▪ Suppliers of hardware and FFB transporters for Silimpopon CU (Mill and Estate). All provided services more than one year.</li> <li>▪ Silimpopon CU and supplier contract were signed by both parties. Suppliers would be contacted to supply hardware items as and when the need arises. FFB transporter's service was needed when required. This happens approximately once in two months for suppliers but daily for transporters.</li> <li>▪ Fair dealings with the units in Silimpopon CU.</li> <li>▪ Payments are made within 1 month of invoice.</li> </ul>
5) Contract workers	<ul style="list-style-type: none"> <li>▪ Contract workers hired by Contractor (Transporter) interviewed and their documents (employment contract and salary slips) verified. Terms of their employment and their salaries meet Minimum Wage Order 2018 and Employment Act 1955.</li> </ul>
6) Local & national NGOs	Not applicable.
7) Government agencies / Statutory bodies	<ul style="list-style-type: none"> <li>▪ Document review showed officers of the relevant Government agencies especially the Jabatan Tenaga Kerja Tawau had good working relationship with Silimpopon CU.</li> <li>▪ Government agencies also confirmed no offenses incurred by Silimpopon CU.</li> </ul>
8) Independent growers / Smallholders	Not applicable.
9) Indigenous people	<ul style="list-style-type: none"> <li>▪ No land claims/disputes and no social issues found from local communities living near Silimpopon CU.</li> <li>▪ Harmonious co-existence with relevant stakeholders.</li> </ul>
10) Contractor	<ul style="list-style-type: none"> <li>▪ Contractors interviewed provide services as FFB Transporter, supplier of chemicals &amp; hardware and spareparts, sundry shop and canteen operator.</li> <li>▪ All Contractors had provided services to Silimpopon CU mill/estates for more than one year. Each signed a contract and understands contractual obligations and the need to comply with legal requirements.</li> <li>▪ Fair dealings with the units in Silimpopon CU.</li> <li>▪ Payments are made within 1 month of invoice.</li> <li>▪ For transporter contractor, the estate mandore and staff will verify the work the contractor has done before his invoice can be approved for payment.</li> </ul>

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	<ul style="list-style-type: none"> <li>▪ All contractors' workers had attended RSPO/MSPO training, signed COBC commitment statement and safety briefing. The Company provides PPE (vest, goggles, straw hat).</li> <li>▪ Suppliers of hardware and spare parts invoices were based on agreed quoted prices.</li> <li>▪ Payment to contractors were made usually within 45 days of invoice. Renewal of contract is via tender system.</li> <li>▪ Contractor and his workers knew about the minimum wages order requirement the workers make statutory contributions such as EPF and SOSCO. Workers details including names, pay slips, were presented for verification.</li> <li>▪ Contractor removes domestic waste from workers' quarters, provide recycling services. Signs annual contract. Terms and conditions are clear and fair. Payments are received within one month.</li> <li>▪ All contractors also attended stakeholder meetings.</li> <li>▪ Contractors must provide to the mill and estate copies of their worker details, employment contract and payslips.</li> </ul>
11) Previous land owner (if any)	Not applicable.
12) Others (please specify)	<ul style="list-style-type: none"> <li>▪ Sundry shops operators/canteens are present at Silimponon CU.</li> <li>▪ They sells sundry food items, food, drinks, tidbits and others at affordable prices to workers. The management monitors prices of items in the sundry shops by comparing prices of in house sundry shops with prices in shops in neighbouring estates and in Tawau estate town supermarkets.</li> </ul>
1.5	Audit plan : Refer to Attachment 2
1.6	Date of next audit : The next surveillance audit will be conducted within 12 months but not sooner than 9 months from this audit.

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### 2.0 SCOPE OF CERTIFICATION AUDIT

#### 2.1 Description of the certification unit

The Silimpopon Certification Unit is one of the business unit under the Kretam Holdings Berhad. The CU consists of Silimpopon Mill and Silimpopon 1 Estate under Tawau Region. The registration of RSPO Supply Chain in the RSPO PalmTrace for traceability of sustainable crude palm oil is under the name of Syarikat Kretam Plantations Sdn. Bhd. The Silimpopon POM has a processing capacity of 45 metric tonnes of fresh fruit bunches (FFB) per hour. The mill received and processed crops from its own estate at 52% and outsider crop at 48%.

Silimpopon 1 Estate are surrounded by smallholders and another oil palm plantation of Felda Plantation, Amalan Progresif, Teck Guan Wise, Sawit Kinabalu, Good Crop, and others. Silimpopon 1 estate is about 128km from Tawau and took about 2-3 hours travelling from Tawau Town.

The Silimpopon 1 Estates have been fully developed before the year of 2005. Hence, Principle 7 of the RSPO P&C is therefore not applicable.

#### 2.2 Description of the Supply Base (including the planting profile)

The FFB is sourced from company owned estates and small holders and small growers surrounding the Silimpopon CU.

Details of the FFB projected contribution from each source to the mill are shown in the following tables.

**Table 1: Projected FFB production by supply base for the reporting period (Sep 2019 to August 2020)**

FFB Supplier	FFB Production	
	Tonnes	Percentage (%)
Silimpopon 1 Estate	63,000.00	28.00
Silimpopon 2 Estate (Non-certified)	53,000.00	24.00
Outsider (Non-certified)	106,200.00	48.00
<b>Total</b>	<b>222, 200.00</b>	<b>100.00</b>

**Table 2: Projected FFB received and CPO & PK despatch by the Mill for the reporting period (Sep 2019 to August 2020)**

RSPO Supply Chain Model: Mass Balance	Total (MT)
FFB Received	222,200.00
FFB Processed	222,200.00
Certified FFB Processed	63,000.00
Non-certified FFB Processed	159,200.00
Crude Palm Oil (CPO)	
Overall CPO Production	48,995.00
Certified CPO Production	13,909.00
Certified CPO delivered as RSPO	13,909.00
Certified CPO delivered as non-RSPO	0.00
Certified CPO delivered under other sustainable schemes	0.00
Palm Kernel (PK)	
Overall PK Production	10,110.00
Certified PK Production	2,878.00
Certified PK delivered as RSPO	2,878.00
Certified PK delivered as non-RSPO	0.00
Certified CPO delivered under other sustainable schemes	0.00



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**Table 3 Planted and certified area of the CU**

Estate	Planted (ha)	Certified (ha)
Silimpopon 1 Estate	2,884.90	3,934.82
<b>Total</b>	<b>2,884.90</b>	<b>3,934.82</b>

**Table 4 Planting profile**

Estate	Year of planting	Planting Cycle	Mature >3 years (Ha)	Immature < 3 years(Ha)	Planted area	% of planted area mature	% of planted area immature
Silimpopon 1	2001	1st	1028.92	-	1028.92	35.70	-
	2002	1st	823.00	-	823.00	28.50	-
	2003	1st	1013.46	-	1013.46	35.10	-
	2005	1st	19.52	-	19.52	0.70	-
<b>Total</b>			<b>2884.90</b>	-	<b>2884.90</b>	<b>100.00</b>	-

### 2.3 Organizational Information/Contact Person(s)

The details of the contact person is as shown below:

Name	:	Siaw Yun Kui
Position	:	Senior Estate Manager
Address	:	P.O. Box 62335, 91033, Tawau, Sabah
Phone no.	:	089-502829
Fax no.	:	089-502808
Email	:	syk@kretam.com

### 3.0 AUDIT FINDINGS

#### 3.1 Changes to the products in accordance to the production of the previous year

Not applicable, this is an initial certification audit.

#### 3.2 Progress and changes in time bound plan

- i. Have all the estates under the parent company been certified?  Yes  No

If no, comments on the organization's compliance with the RSPO partial certification rules :

- ii. Are there any changes to the organization's time bound plan?  Yes  No

If yes, comment in terms of acceptance or non acceptance on the changes in the time-bound plan?

The time bound plan for Boustead Plantation Berhad is provided in Attachment 6 of this report.

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iii. Are there associated smallholders (including scheme smallholders) in the CU  Yes  No

If yes, have ALL the associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification?  Yes  No

If no, please state reasons Not applicable. There is no associated smallholders supplying FFB to the CU.

iv. Any new acquisition which has replaced primary forests or HCV areas  Yes  No

3.3 Other changes (e.g. organizational structure, new contact person, addresses, etc.)

No Changes.

3.4 Complaint received from stakeholder (if any)

No complaints from stakeholders were observed.

### 4.0 DETAILS OF NON-CONFORMITY REPORT

4.1 For P&C (Details checklist refer to Attachment 3) :

Total no. of minor NCR(s) List : DA 02 2019 (5.1.2)  
(details refer to Attachment 4)

Total no. of major NCR(s) List : DA 01 2019 (4.7.3)  
(details refer to Attachment 4)

4.2 For SC (Details checklist refer to Attachment 5) :

Total no. of minor NCR(s) List : NA  
(details refer to Attachment 4)

Total no. of major NCR(s) List : RAR 01 2019 (5.1)  
(details refer to Attachment 4)

### 5.0 AUDIT CONCLUSION

The audit team concludes that the organization has established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

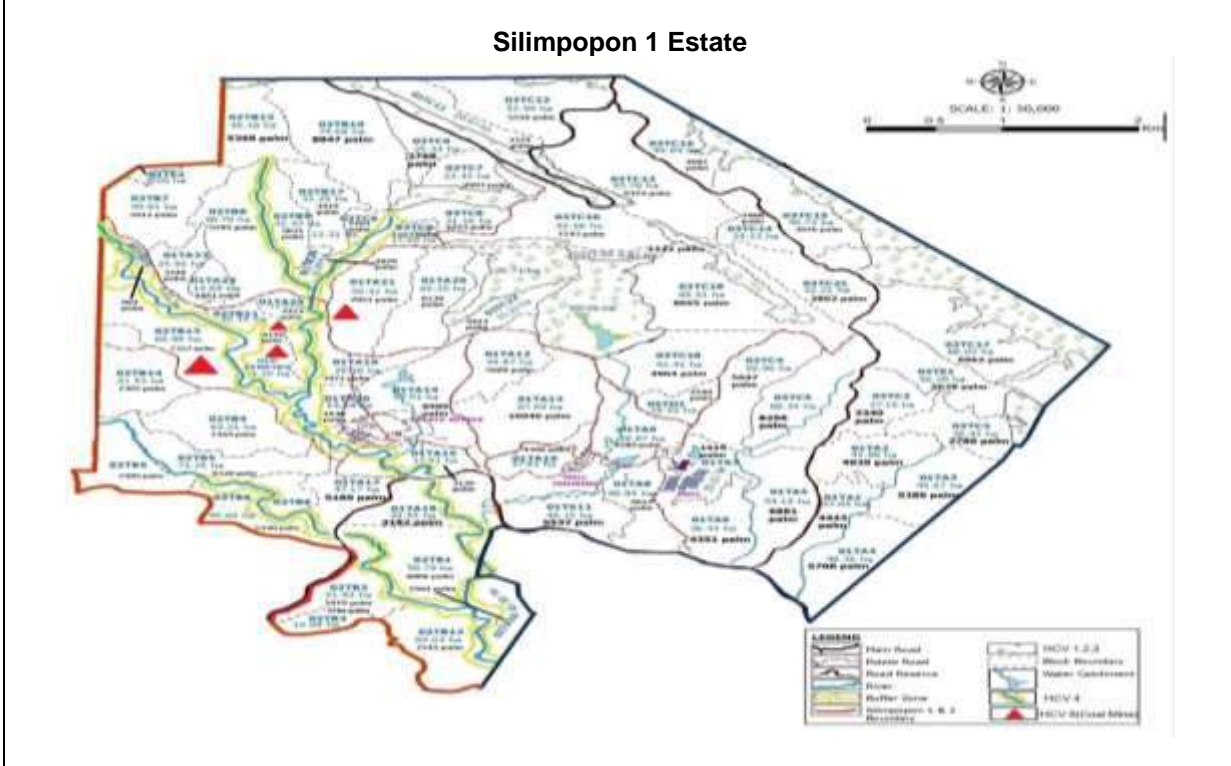


Maps of Silimpocon CU

**Silimpocon POM**



**Silimpocon 1 Estate**



**STAGE 2 AUDIT PLAN  
KRETAM HOLDINGS BERHAD  
Syarikat Kretam Plantations Sdn. Bhd. – Silimpopon Certification Unit**

**1. Objectives**

The objectives of the audit are as follows:

- (i) To determine Certification Unit conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI)
- (ii) To verify the effective implementation of corrective actions arising from the findings of last audit
- (iii) To make appropriate recommendations based on the audit findings

**2. Date of assessment** : 29th – 31st October 2019

**3. Site of assessment** : (i) Silimpopon POM  
(ii) Silimpopon 1 Estate

**4. Reference Standard** :

- a. RSPO P&C MYNI:2014
- b. RSPO Supply Chain Standard, June 2017
- c. Company's audit criteria including Company's Manual/Procedures

**5. Assessment Team**

Tr. Lead Auditor : Dzulfiqar Azmi (Safety, Environment)  
Auditor : Rozaimiee Ab Rahman (GAP, Partial Certification, TBP, SCCS)  
Ismail Adnan (Social, HCV)  
Evaluator : Mohd Zulfakar Kamaruzaman (SCCS Evaluator)  
*If there is any objection to the proposed audit team, the organization is required to inform the Lead Auditor/RSPO Section Manager.*

**7. Audit Method**

Site audits including observation of practices, interviews with interested parties (all categories of contractors, employees, nearby population, etc.), documentation evaluation and evaluation of records.

**8. Audit Findings**

Audit findings shall be classified as major and/or minor. Major non conformities shall be addressed within 90 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 90 days, the certificate shall be terminated.  
If there are five or more major non-compliances within one Principle found during the audit, immediate suspension of RSPO certification shall be recommended.  
For minor non conformities raised in the surveillance audit, corrective action shall be verified in the next audit. These shall be upgraded to major non conformities if the corrective actions are not satisfactory implemented in the next audit.

**9. Confidentiality Requirements**

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain.  
In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

**10. Working Language** : English and Bahasa Malaysia

**11. Reporting**

a) Language : English  
b) Format : Verbal and written  
c) Expected date of issue : 2 weeks after the closure of the Major NC /or  
if only minor NC, 30 days from the last day of this audit.

**12. Facilities Required**

- a. Room for discussion
- b. Relevant document and record
- c. Personnel protective equipment if required
- d. Photocopy facilities
- e. A guide for each group

**13. Assessment Programme Details** : As below

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### Day 1: 29/10/2019 (Tuesday)

Time	Activities / areas to be visited			Auditee
9.00am – 9.30am	<b>Opening Meeting at Silimpopon 1 Estate</b> <ul style="list-style-type: none"> <li>▪ Briefing on the organization background and implementation of RSPO at CU (including actions taken to address Stage I assessment findings) by company Management Representative.</li> <li>▪ Logistics discussion to the sites to be visited.</li> </ul>			All
10.00am – 1.00pm	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	<b>Dzulfiqar Silimpopon 1 Estate</b>	<b>Ismail Silimpopon 1 Estate</b>	<b>Rozaimiee Silimpopon 1 Estate</b>	
	Documentation and records review at CU (including verification on action taken to address Stage 1 assessment findings):			
	<b>Coverage of assessment: P1, P2, P4, P5:</b> <ul style="list-style-type: none"> <li>▪ Follow up from Stage 1 assessment findings.</li> <li>▪ Commitments to transparency</li> <li>▪ Laws and regulations</li> <li>▪ Waste management including disposal site</li> <li>▪ Aspects/impacts of plantation management</li> <li>▪ Safety &amp; Health practice – witness activities at site</li> <li>▪ Hazard identification and Risk Management</li> <li>▪ Chemical management</li> <li>▪ Chemical/ fertilizer store, workshop</li> <li>▪ Facilities at workplace (water treatment plant, clinic &amp; etc)</li> <li>▪ Recycling activities</li> <li>▪ Controlled/open burning</li> <li>▪ Pollution mitigating plans</li> <li>▪ Riparian zone</li> <li>▪ River system and Water bodies</li> <li>▪ Management and disposal of waste including pesticides containers</li> </ul> <p>Other area identified during the assessment</p>	<b>Coverage of assessment: P1, P2, P4, P5, P6:</b> <ul style="list-style-type: none"> <li>▪ Follow up from Stage 1 assessment findings.</li> <li>▪ Laws and regulations</li> <li>▪ Discussion with relevant management (CSR, community affairs) and view documentation such as EIA, SIA, assessment and management plans.</li> <li>▪ Laws and regulations</li> <li>▪ Land titles user rights</li> <li>▪ Consultation with relevant government agencies</li> <li>▪ Local communities and stakeholders</li> <li>▪ Local sustainable development</li> <li>▪ Interview with Union representatives</li> <li>▪ Interview with gender committee, worker representative, contractors, supplier, etc</li> <li>▪ Workers Issues</li> <li>▪ Facilities at workplace (rest area, etc)</li> <li>▪ Line site inspection</li> <li>▪ Facilities provided at line site (i.e. mosque, surau, community center, GPW, Tadika, provision shop &amp; etc)</li> <li>▪ Complaints and grievances</li> <li>▪ Inspection of protected sites with HCV attributes</li> <li>▪ Forested area</li> <li>▪ Plantation Boundary, adjacent and neighbouring land use</li> <li>▪ Continuous improvement</li> </ul> <p>Other area identified during the assessment</p>	<b>Coverage of assessment: P1, P2, P3, P4, P5, P7:</b> <ul style="list-style-type: none"> <li>▪ Follow up from Stage 1 assessment findings.</li> <li>▪ Commitment to long-term economic and financial viability</li> <li>▪ Good Agricultural Practice- witness activities at site (weeding/ spraying, etc)</li> <li>▪ EFB mulching, POME application</li> <li>▪ Nursery (if any)</li> <li>▪ Plantation on hilly/swampy area</li> <li>▪ IPM implementation, training and safe use of agro-chemicals.</li> <li>▪ Training and skill development programs</li> <li>▪ New planting</li> <li>▪ Continuous improvement</li> <li>▪ Time bound plan and uncertified management units</li> </ul> <p>Other area identified during the assessment</p>	
1.00pm – 2.00pm	<b>Lunch Break</b>			All

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2.00pm – 5.00pm	Overview of current activities at CU & Continue assessment at <b>Silimpopon 1 Estate</b>	Guide(s) for each auditor
5.00 pm	Audit team discussion / End of Day 1 audit	All

### Day 2: 30/10/2019 (Wednesday)

Time	Activities / areas to be visited			Auditee
9.00am – 12.00pm	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	<b>Dzulfiqar Silimpopon 1 Estate</b>	<b>Ismail Silimpopon 1 Estate</b>	<b>Rozaimiee Silimpopon 1 Estate</b>	
	Documentation and records review at CU (including verification on action taken to address Stage 1 assessment findings):			
	<b>Coverage of assessment: P1, P2, P4, P5:</b> <ul style="list-style-type: none"> <li>▪ Continue assessment</li> <li>▪ Verification on outstanding issues</li> <li>▪ Auditor to inform auditee on the required document / records</li> </ul>	<b>Coverage of assessment: P1, P2, P4, P5, P6:</b> <ul style="list-style-type: none"> <li>▪ Continue assessment</li> <li>▪ Verification on outstanding issues</li> <li>▪ Auditor to inform auditee on the required document / record</li> </ul>	<b>Coverage of assessment: P1, P2, P3, P4, P5, P7:</b> <ul style="list-style-type: none"> <li>▪ Continue assessment</li> <li>▪ Verification on outstanding issues</li> <li>▪ Auditor to inform auditee on the required document / record</li> </ul>	
12.00pm – 1.30pm	<b>Lunch Break &amp; Audit Team Move to Silimpopon POM</b>			All
2.00pm – 5.00pm	<b>Dzulfiqar Silimpopon POM</b>	<b>Ismail Silimpopon POM</b>	<b>Rozaimiee Silimpopon POM</b>	Guide(s) for each auditor
	Documentation and records review at CU (including verification on action taken to address Stage 1 assessment findings):			
	<b>Coverage of assessment: P1, P2, P4, P5:</b> <ul style="list-style-type: none"> <li>▪ Follow up from Stage 1 assessment findings.</li> <li>▪ Commitments to transparency</li> <li>▪ Laws and regulations</li> <li>▪ Waste management including disposal site</li> <li>▪ Aspects/impacts of plantation management</li> <li>▪ Safety &amp; Health practice – witness activities at site</li> <li>▪ Hazard identification and Risk Management</li> <li>▪ Chemical management</li> <li>▪ Chemical/ fertilizer store, workshop</li> <li>▪ Facilities at workplace (water treatment plant, clinic &amp; etc)</li> <li>▪ Recycling activities</li> <li>▪ Controlled/open burning</li> <li>▪ Pollution mitigating plans</li> <li>▪ River system and Water bodies</li> </ul>	<b>Coverage of assessment: P1, P2, P4, P5, P6:</b> <ul style="list-style-type: none"> <li>▪ Follow up from Stage 1 assessment findings.</li> <li>▪ Laws and regulations</li> <li>▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment and management plans.</li> <li>▪ Laws and regulations</li> <li>▪ Land titles user rights</li> <li>▪ Consultation with relevant government agencies</li> <li>▪ Local communities and stakeholders</li> <li>▪ Local sustainable development</li> <li>▪ Interview with Union representatives</li> <li>▪ Interview with gender committee, worker representative, contractors, supplier, etc</li> <li>▪ Workers Issues</li> <li>▪ Facilities at workplace (rest area, etc)</li> <li>▪ Line site inspection</li> <li>▪ Facilities provided at line site (i.e. mosque,</li> </ul>	<b>Coverage of assessment: P1, P2, P3, P4, P5, P7:</b> <ul style="list-style-type: none"> <li>▪ Follow up from Stage 1 assessment findings.</li> <li>▪ Commitment to long-term economic and financial viability</li> <li>▪ Mill best practices</li> <li>▪ Site visit at production area i.e. Boiler, Sterilizer, Lab, etc</li> <li>▪ Training and skill development programs</li> <li>▪ Continuous improvement</li> <li>▪ Time bound plan and uncertified management units</li> </ul> <p>Other area identified during the assessment</p>	

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	<ul style="list-style-type: none"> <li>▪ Management and disposal of waste including pesticides containers</li> </ul> <p>Other area identified during the assessment</p>	<p>surau, community center, GPW, Tadika, provision shop &amp; etc)</p> <ul style="list-style-type: none"> <li>▪ Complaints and grievances</li> <li>▪ Plantation Boundary, adjacent and neighbouring land use</li> <li>▪ Continuous improvement</li> </ul> <p>Other area identified during the assessment</p>		
5.00 pm	Audit team discussion / End of Day 2 audit			All

### Day 3: 31/10/2019 (Thursday)

Time	Activities / areas to be visited			Auditee
	To assign each audit team members – site and the P&C requirements			
	<b>Dzulfiqar SilimpoPON POM</b>	<b>Ismail SilimpoPON POM</b>	<b>Rozaimie / Zulfakar SilimpoPON POM</b>	Guide(s) for each auditor
	Documentation and records review at CU (including verification on action taken to address Stage 1 assessment findings):			
9.00am – 1.00pm	<p><b>Coverage of assessment: P1, P2, P4, P5:</b></p> <ul style="list-style-type: none"> <li>▪ Continue assessment</li> <li>▪ Verification on outstanding issues</li> <li>▪ Auditor to inform auditee on the required document / records</li> </ul>	<p><b>Coverage of assessment: P1, P2, P4, P5, P6:</b></p> <ul style="list-style-type: none"> <li>▪ Continue assessment</li> <li>▪ Verification on outstanding issues</li> <li>▪ Auditor to inform auditee on the required document / records</li> </ul>	<p><b>Site visit and assessment on Supply Chain Implementation including the:</b></p> <ul style="list-style-type: none"> <li>▪ Model used</li> <li>▪ General Chain of Custody</li> <li>▪ System Requirements for the supply chain</li> <li>▪ Documented procedures</li> <li>▪ Purchasing and goods in</li> <li>▪ Outsourcing activity</li> <li>▪ Sales and goods out</li> <li>▪ Processing</li> <li>▪ Records keeping</li> <li>▪ Registration</li> <li>▪ Training</li> <li>▪ Claims</li> </ul>	
1.00pm – 2.00pm	<b>LUNCH BREAK</b>			All
2.00pm – 3.00pm	Verification on outstanding issues for CU Continue Audit Team discussion and preparation of assessment findings.			Guide(s) for each auditor
3.00pm – 4.00 pm	Discussion and acceptance on assessment findings with Management Representative and visited site Plantation / Scheme Manager			
4.00pm – 5.00pm	Closing meeting at CU			All
5.00pm	End of audit			



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**Attachment 3**

**RSPO P&C AUDIT CHECKLIST AND FINDINGS**

**Principle 1: COMMITMENT TO TRANSPARENCY**

<b>Clause</b>	<b>Indicators</b>	<b>Comply Yes/No</b>	<b>Findings</b>
C 1.1 Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	1.1.1 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.	YES	The Silimpocon CU continued to implement the procedure for responding to any communication as outlined in their Estate/Mill Sustainability Department documents. The records of communication were identified and maintained in different files depending on the stakeholder. Among the records reviewed were correspondences with the authorities and employees. The CU continued to use internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans and the procedure for complaints and grievances are available through Kretam Holdings Berhad website at <a href="http://www.kretam.com/">http://www.kretam.com/</a> .
	1.1.2 Records of requests for information and responses shall be maintained. Major Compliance	YES	The estate had appointed personnel responsible for handling of complaints. Records of communication were maintained in different files depending on the stakeholder. Among the records reviewed were correspondences with the local authorities, local communities and employees.
C 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.	1.2.1 Land titles/user rights	YES	Land titles for Silimpocon POM, Silimpocon 1 Estate were available and kept at their respective office. The state land was previously owned by "Jabatan Pertanian Sabah" and the land titles were for cultivation of an agricultural crop of economic value. It has been confirmed that Kretam Holdings Berhad has the right to use the land which is legitimately owned by their company.
	Occupational health and safety plans	YES	Occupational health and safety plans were available at respective units.
	Plans and impact assessments relating to environmental and social impacts	YES	Management documents of plans and impact assessments relating to environmental and social impacts were maintained available by the CU.
	HCV documentation summary	YES	Documents related to HCV are available at the Silimpocon 1 Estate.
	Pollution prevention and reduction plans	YES	Pollution Prevention Plan had been established in the CU.
	Details of complaints and grievances	YES	"Procedure on Complaint & Grievances" was available, and records of complaints were reviewed. Complaints and grievances shall be documented in the form of letters and input into the complaint/grievance books for both internal and external stakeholders.

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Clause	Indicators		Comply Yes/No	Findings
		Negotiation procedures	YES	Negotiation procedure maintained and available.
		Continual improvement plans	YES	Management document pertaining continual improvement on environmental and social aspects were maintained available by the CU, as contained in the related environmental and social action plan.
		Public summary of certification assessment report	YES	The public summary of Silimpopon CU will be published in the SIRIM QAS International website upon completion of the report and certification of this CU.
		Human Rights Policy	YES	A valid freedom of association policy is available in bilingual form.
C 1.3 Growers and millers commit to ethical conduct in all business operations and transactions.	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	YES	Documented code of ethical conduct and integrity titled 'Code of Ethics and Conduct' was available and had been communicated to all level of the workforce of the CU through induction briefing muster briefing and formal.

**Principle 2: COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS**

Clause	Indicators		Comply Yes/No	Findings
C 2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1	Evidence of compliance with relevant legal requirements shall be available. Major Compliance	YES	Generally, it was evident that the Silimpopon CU continued to comply with most of the applicable local, national and ratified international laws and regulations. Relevant licenses and permits were verified during the onsite audit.
	2.1.2	A documented system, which includes written information on legal requirements shall be maintained. Minor Compliance	YES	List of Laws, Regulation and Guidelines Description has been prepared by sustainability team. Latest updates in May 2019. Guided by the established procedure, the annual evaluation of compliance was carried out concurrently with the review of legal register by sustainability and HR team.
	2.1.3	A mechanism for ensuring compliance shall be implemented. Minor Compliance	YES	A mechanism for ensuring compliance has been implemented by the CU, evidences were sighted accordingly i.e. internal audit, agronomist visit, DOSH visit.
	2.1.4	A system for tracking any changes in the law shall be implemented. Minor Compliance	YES	Established the SOP "Mechanism for implementation of legal requirements and system for tracking changes in the law". Mechanism to track the Changes in the laws has been carried out through News release through daily newspaper, Law change traced by government, published materials, Circular from relevant government agencies, associations and information from within the management unit – relevant department.
C 2.2 The right to use the land is	2.2.1	Documents showing legal ownership or lease, history of land tenure (confirmation from	YES	The Silimpopon CU area used to belong to Sabah State Government.

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<b>Clause</b>	<b>Indicators</b>		<b>Comply Yes/No</b>	<b>Findings</b>
demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.		community leaders based on history of customary land tenure, recognised NCR land) and the actual legal use of the land shall be available. Major Compliance		
	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	YES	Boundary stones/markers along the legal boundaries were observed and visibly maintained by the CU.
	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 FPIC. Minor Compliance	YES	As reported in Indicator 2.2.1 it has been verified that the land is now legitimately owned by Silimpocon CU since 1998. Documents review verified no disputes on land use rights between Silimpocon CU with other stakeholders and the issue of fair compensation and FPIC do not arise.
	2.2.4	There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes are implemented and accepted by the parties involved. Major Compliance	YES	The Syarikat Kretam Plantations Sdn. Bhd. was granted a land title and permit by the Sabah State Government. There had been no issue on land conflict, between Silimpocon CU and surrounding stakeholders.
	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. Minor Compliance	YES	The Syarikat Kretam Plantations Sdn. Bhd. was granted a land title and permit by the Sabah State Government. There had been no issue on land conflict, between Silimpocon CU and surrounding stakeholders.
	2.2.6	To avoid escalation of conflict, there shall be no evidence that oil palm operations have instigated violence in maintaining peace and order in their current and planned operations. Major Compliance	YES	As stated in Indicator 2.2.1, it has been confirmed that Syarikat Kretam Plantations Sdn. Bhd. has the right to use the land which is legitimately owned by their company. There had been no case of conflict on land use between Silimpocon CU and surrounding stakeholders, hence, instigated violence in maintaining peace and order in their current and planned operations is a non-issue at the CU.
C 2.3 Use of the land for	2.3.1	Maps of an appropriate scale showing the extent of recognised	YES	As reported in Indicator 2.2.1, it has been verified that the land is now legitimately owned by Silimpocon CU since 1998. This Indicator is irrelevant.

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Clause	Indicators		Comply Yes/No	Findings
oil palm does not diminish the legal, customary or user rights of other users without their free, prior, and informed consent.		legal, customary or user rights shall be developed through participatory mapping involving affected parties. Major Compliance		
	2.3.2	Copies of negotiated agreements detailing the process of FPIC shall be available and shall include:	YES	As reported in Indicator 2.2.1, it has been verified that the land is now legitimately owned by Silimpocon CU since 1998. This Indicator is irrelevant.
	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;	YES	As above.
	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;	YES	As above.
	c)	Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected comm., incl. the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land. Minor Compliance	YES	As above.
	2.3.3	All relevant information shall be available in appropriate forms and languages, incl. assessments of impacts, proposed benefit sharing, and legal arrangements. Minor Compliance	YES	There had been no issue on land use conflicts at Silimpocon CU. Interview with Heads of local communities confirmed no disputes. Hence, this Indicator pertaining to relevant information shall be available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements was not relevant.

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Clause	Indicators		Comply Yes/No	Findings
	2.3.4	Evidence shall be available to show that communities are represented thru institutions or representatives of their own choosing, including legal counsel. Major Compliance	YES	There had been no issue on land use conflicts at Silimpoon CU. Interview with Heads of local communities confirmed no disputes. Hence, this Indicator pertaining to communities are represented through institutions or representatives of their own choosing, including legal counsel was not relevant.

**Principle 3: COMMITMENT TO LONG-TERM ECONOMIC AND FINANCIAL VIABILITY**

Clause	Indicators		Comply Yes/No	Findings
C 3.1 There is an implemented management plan that aims to achieve long-term economic and financial viability.	3.1.1	A business or management plan (min. 3 yrs) shall be documented. That includes, where appropriate, a business case for scheme smallholders. Major Compliance	YES	Silimpoon CU continued to achieve long term economic and financial viability through documented management plan projected to year 2026. A business plan including crop forecast, capital expenditure, operational expenditure, general charges, and profit and loss covering the period of 2017 to 2026 had been prepared for both estates and made available to the audit team. The annual budgets and projections were prepared on an annual basis.
	3.1.2	An annual replanting programme projected for a minimum of five years with yearly review, shall be available. Minor Compliance	YES	There was no replanting programme until year 2023 for Silimpoon 1 Estate. The oldest palms were 2001 year planting.

**Principle 4: USE OF APPROPRIATE BEST PRACTICES BY GROWERS AND MILLERS**

Clause	Indicators		Comply Yes/No	Findings
C 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.	4.1.1	Standard Operating Procedures (SOPs) for estates and mills shall be documented. Major Compliance	YES	Silimpoon CU, the SOPs for each of the process had continued to be implemented. Brief version of the SOPs was displayed at the appropriate locations. Copies of the documented SOPs were presented to the audit team. Generally, it was observed that activities being implemented involved safety and health, environmental, quality, employees, etc.
	4.1.2	A mechanism to check consistent implementation of procs shall be in place. Minor Compliance	YES	A mechanism to check consistent implementation of procedures has been implemented and reviewed accordingly.
	4.1.3	Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance	YES	Records of monitoring and the actions taken by both estate and POM were maintained and kept for a minimum of 12 months. Monthly Costing and Annual Reports on monitoring of all activities were available.

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<b>Clause</b>	<b>Indicators</b>		<b>Comply Yes/No</b>	<b>Findings</b>
	4.1.4	The mill shall record the origins of all third-party sourced FFB. Major Compliance	YES	Silimpocon POM receive 50% source of FFB from the outsider (smallholder, collection centre, and estates). Management has established "List of FFB Supplier at Silimpocon Palm Oil Mill" which is consist of 12 estates, 31 smallholders, and from 3 from collection canter.
C 4.2 Practices maintain soil fertility at or, where possible, improve oil fertility to a level that ensures optimal and sustained yield.	4.2.1	There shall be evidence that good agriculture practices, as contained in SOPs are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance	YES	Estate practiced the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields) and some EFB and compost application.
	4.2.2	Records of fertiliser inputs shall be maintained. Minor Compliance	YES	Silimpocon Estate continued to monitor their fertilizer inputs as recommended by their agronomist. Fertiliser application program was monitored using records like manuring master plan, program sheets, bin cards, field cost book, manuring audits by Planning and Monitoring Department under Upstream Department from headquarters. Records of programs and applications of fertilisers were made available to auditors.
	4.2.3	There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance	YES	Fertilizer application, which was of paramount importance for maintenance of soil fertility, were carried out based on the recommendation made by the agronomist from Boris Agri-Services Sdn Bhd. Periodic tissue and soil sampling were evident.
	4.2.4	A nutrient recycling strategy shall be in place, and may include use of EFB, POME and palm residues. Minor Compliance	YES	Estate practiced the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention and some EFB and compost application.
C 4.3 Practices minimise and control erosion and degradation of soils.	4.3.1	Maps of any fragile/marginal soils shall be available. Major Compliance	YES	Soil sampling was carried out on an 8 year cycle and among soil series available at estates were: Stom, Tanjong Lipat, Malau, Kumansi, Talisai, Kuah, Selangor, Local alluvial complex, Steepland, Disturbed land.
	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	YES	Estate had a management strategy for planting on slopes to minimise and control erosion and degradation of soils. The plantings on slopes between 9 and 25 degrees was guided by its planting manual – planting technique. Among the measures were construction of conservation terraces and construction of moisture conservation pits in steep slope areas. For very steep slopes SOP of company has decide will not planted at slope exceeding 20 degrees unless on consultation with the plantation advisor.
	4.3.3	A road maintenance programme shall be in place. Minor Compliance	YES	Estate continued to maintain its road in accordance with the road maintenance programmes. The programmes had been supported by adequate provisions in the budgets. For road maintenance both estates had used motor graders and tractor drawn rollers, back hoes, tractors with back buckets and excavators. For resurfacing crusher run were purchased.

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<b>Clause</b>	<b>Indicators</b>		<b>Comply Yes/No</b>	<b>Findings</b>
	4.3.4	Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover mgmt program shall be in place. Major Compliance	YES	No peat soils were found during the field visit in Silimpoon Estate. This has been confirmed with the estate mapping.
	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	YES	No peat soils were found during the field visit in Silimpoon Estate.
	4.3.6	A management strategy shall be in place for other fragile and problem soils. Minor Compliance	YES	There were no fragile and problem soils in Silimpoon Estate.
C 4.4 Practices maintain the quality and availability of surface and ground water.	4.4.1	An impl. water mgmt plan shall be in place. Minor Compliance	YES	Silimpoon CU Water Mgmt Plan has been reviewed and updated in Aug-Sept 2019. The objective was to meet the needs of existing and future populations and ensure that habitat and ecosystems are protected, the nation water must be sustainable and renewable.
	4.4.2	Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones shall be demonstrated. Major Compliance	YES	Silimpoon 1 Estate had continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along all natural waterways within the estate. During the site audit at the estates, it was noted that buffer zones were allocated along the natural waterways – Sg. Silimpoon. Signage and yellow paint on oil palm trunk were used as demarcations of the buffer zones.
	4.4.3	Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations. Minor Compliance	YES	Effluent license renewal application for year 2019/2020 and letter from Department of Environmental. ETP is available at Silimpoon POM to treat the POME. According to DOE's license, the disposal method of the final discharge is through land irrigation. The ETP was regularly maintained by desludging of the ponds to ensure its efficiency. Final discharge samples were taken on monthly basis and sent to an accredited laboratory for analysis.
	4.4.4	Mill water use per tonne of FFB shall be monitored. Minor Compliance	YES	Process water is obtained from water catchment near to the mill. The water usage per tonne of FFB continued to be monitored on monthly basis. A slight inconsistent trend was noted. This was due to process cleaning of the mill.
C 4.5 Pests, diseases, weeds and invasive intro species are effectively managed using appropriate IPM techniques.	4.5.1	Implementation of IPM plans shall be monitored. Major Compliance	YES	The implementation of IPM programme for year 2019 was updated in Sept 2019 and has been carried by planting beneficial plant such as tunera subulata, cassia cabenensis and antigonan along the main road. Sighted a record of new planting has been implement on along of Estate.
	4.5.2	Training of those involved in IPM impl. shall be demo. Minor Compliance	YES	At Silimpoon 1 Estate - IPM training and Ganoderma census training has been conducted in Jan 2019 and Pest & Disease spraying training in Apr 2018 by Head Research Environmental Protection Department

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Clause	Indicators		Comply Yes/No	Findings
<p>C 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>	4.6.1	<p>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 min effect on non-target species shall be used where available. Major Compliance</p>	YES	<p>Written justification in Standard Operating Procedure (SOP-General) of all agrochemical was available in Section 14-Chemical and equipment calibration; 15- surplus chemical handling, and 16-chemical storing of the and in the SOP prepared by Head Research Environmental Protection Department and Head of Human resource &amp; Sustainability. The use of selective products that are specific to the target pest, weed or disease were demonstrated in the SOP. Chemical registers indicate the purpose of usage (intended target), hazards signage, trade and generic names.</p>
	4.6.2	<p>Records of pesticides use (incl. 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>	YES	<p>The Estate had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and Ai/Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field cost books and in progress reports. The estate had documented programs for spraying pesticides and for rat baiting.</p>
	4.6.3	<p>Any use of pesticides shall be minimised as part of a plan, and in accordance with IPM plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance</p>	YES	<p>As part of the IPM plans, the management of both estates had established nectariferous beneficial plants nurseries for continuous planting in order to attract natural predators and thus reducing the use of insecticides. As mentioned in 4.5.1, observed that Beneficial Plants and LCC were planted. The estates had plants ready for planting in the nurseries.</p>
	4.6.4	<p>Pesticides that are categorised as WHO 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/or eliminated as part of a plan &amp; 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 Regs (2000). Minor Compliance</p>	YES	<p>Silimpopon Estate only used pesticides that are officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision Pesticides Act 1974 (Act 149) (Section 53A); and in accordance with USECHH Regulations (2000). There was no evidence of pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, had been used. The chemical store and chemical list indicated both estates had none of the chemicals. The use of paraquat was banned in all KHB estates. Most pesticides used were class III &amp; class IV.</p>



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Clause	Indicators		Comply Yes/No	Findings
	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 eq shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers. Major Compliance	YES	The estates had a SOP for use of PPE during working. All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. The estate had a SOP for handling of chemical/pesticide. The employees involved in the chemical handling such as the storekeepers, sprayers, fertilizer and rat bait workers were trained in chemical handling and they understood the hazards of the chemicals and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to them through the MSDS/CSDS training. It was also noted that MSDS/CSDS are available at all sites during the audit.
	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. 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 Regs. Major Compliance	YES	The storage of pesticides at Silimponon CU was found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. The chemical and fertiliser stores (with cemented floors and roofing) are locked & handled only by authorized personnel i.e. storekeeper. The stores in estate and mill were ventilated (equipped with exhaust fans). All the chemicals were arranged/segregated according to the type.
	4.6.7	Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance	YES	Silimponon CU has established SOP for Chemical Handling. Application of any chemical products in the mill and estate is under controlled and carried out by only qualified workers which have attended specific training related to chemical handling. Records of CHRA – proven methods that minimise risk and impacts.
	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	YES	Aerial spraying was not practiced by the estate and there was no evidence to show that any had been carried out. In some condition aerial spray will be carried out as per SOP aerial spraying. Among of restriction instruction in the SOP were – the aerial applied/ aerial sprayed must be confined. No authorized personnel can enter the treated area.

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<b>Clause</b>	<b>Indicators</b>		<b>Comply Yes/No</b>	<b>Findings</b>
	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. Minor Compliance	YES	The staffs and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they understood the hazards involved and how the chemicals should be used in a safe manner. Records showed that trainings were carried out.
	4.6.10	Proper disposal of waste material, according to procedures that are fully-understood by workers and managers shall be demonstrated. Minor Compliance	YES	Standard Operating Procedure Scheduled Waste Disposal has been established. The documentation and identification of all waste product such as scheduled wastes, domestic wastes, clinical wastes, recyclable wastes such as metal, tins, plastics, bottles, mill wastes and polluting material e.g. EFB and POME. It was evident, through sighting and interviews that management and employees were aware on issues pertaining to waste management.
	4.6.11	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance	YES	Records of annual medical surveillance for pesticide operators for Silimponon CU are available.
	4.6.12	No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance	YES	The Silimponon CU had social policy which stated that no work with pesticides shall be undertaken by pregnant or breast-feeding women. At Silimponon POM and Silimponon 1 Estate, identification of pregnancy was done by the HA based on interview with their women workers on the last menstrual period dates. This interview was done during the monthly medical check-up. Pregnancy test was carried on doubtful cases. There was no evidence that the work with pesticides was undertaken by pregnant or breast-feeding women. This has also been confirmed through interviewed with workers.
C 4.7 An occupational health and safety plan is documented, effectively communicated and implemented. The occupational health and safety plan shall cover the following:	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. Major Compliance	YES	Occupational health and safety Policy has been established accordingly. Occupational health and safety policy is available in English and Bahasa Malaysia. The policy has been communicated to all levels of the organization through briefings and also displayed prominently at the notice board of the mill, estate office and muster ground. Random interviewed with employees showed that they generally understood the basic requirements of the policy. Occupational health and safety (OHS) management plan titled "OSH-Implementation & Monitoring Record 2019" for each operating unit had been established. The OHS management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, audiometric test, use of PPE, OSH Committee meetings, etc. Generally, the OSH plans were acceptable.
	4.7.2	All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and	YES	The hazard identification, risk assessment and risk control (HIRARC) procedure has been established. Silimponon CU have conducted the risk assessment on all its operation as well as determining their control measures under OSH Risk Assessment & Rating – 2019.

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Clause	Indicators		Comply Yes/No	Findings
		implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers. Major Compliance		
	4.7.3	All workers involved in the operation shall be adequately trained in safe working practices. 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	NO	All staff and workers such as the storekeepers, harvesters and sprayers were continuously trained and random interviews conducted showed that they had understood the hazards involved and the usage and handling of chemicals in a safe manner. Appropriate PPE were given to employees of estate and mill visited. They were seen to wearing PPE such as face masks respirators, goggles, nitrile gloves, apron and hard hat, to cover all potentially hazardous operations such as mixing of pesticides and pesticide application. Meanwhile, during site inspection estate and mill workshop, most of the moving part and rotating machinery were installed with machine guarding and properly covered. Noted also the set of oxygen and acetylene cylinders in the workshop available with "flash back arrestors". However, the CHRA recommendation Form F for work unit i.e. welding area (workshop), genset room and diesel skid tank was not implemented. During site visit at Silimpopon 1 Estate, sighted the Emergency Shower & Eye Wash was not available/established at the welding area (workshop), genset room and diesel skid tank. Therefore, Major NCR DA 01 2019 was raised.
	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	YES	The mill manager and the estate manager had overall responsibilities of safety and health issues. Records of regular meetings between the responsible person and workers to discuss about health and safety had been verified to the satisfactory maintained.
	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	YES	Emergency Response Plan (ERP) was established. Random interview with the estate and mill workers showed that they were aware of accident and emergency procedures. Copies of procedures and telephone numbers were sighted on notice boards and muster grounds. During site visit, it was sighted Emergency Response Plan was available at Boiler Station, Chemical Store, Workshop, Lubricant Store etc. During interviews with workers it was noted that all workers understand regarding ERP. First aid training conducted at Silimpopon 1 Estate in Sept 2019 and Silimpopon POM on Sept 2018 & Mar 2019 was sighted and reviewed. First Aid boxes were available at work operations estate and mill with complete contents and no medication with expired date. The

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Clause	Indicators		Comply Yes/No	Findings
		first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance		stock of first aid box is regularly check and refill when necessary by HA. Telephone numbers and names of the members of the Emergency Response Team (ERT) were communicated to all employees and displayed at notice boards. Telephone numbers of the PIC, Police Station, Fire Brigade, and Government Clinic were also included.
	4.7.6	All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	YES	It was evident that the Local & Foreign workers are covered by SOCSO (Pertubuhan Keselamatan Sosial).
	4.7.7	Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	YES	Sighted the Silimpopon CU has maintained and updated the LTI Summary by monthly basis.
C 4.8 All staff, workers, smallholders and contract workers are appropriately trained.	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	YES	Formal training programmes for 2019 covered all aspects of the RSPO Principles and Criteria. Regular assessments of training needs were presented to auditors by the Silimpopom POM and Silimpopon Estate Year 2019 Training Plan was established in 22/01/2019. A training needs identification with target dates for the training to be conducted. The training program includes: ESH Legal & Other requirements, Safe handling of Electrical Equipment, Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000, Accident Investigation Techniques, Emergency Respond Plan Training (e.g. Chemical spill, poisoning, Fire Lightening), First Aid Training, Scheduled waste management etc.
	4.8.2	Records of training for each employee shall be maintained. Minor Compliance	YES	Among the records of training for each employee has been maintained and implemented.

**Principle 5: ENVIRONMENTAL RESPONSIBILITY AND CONSERVATION OF NATURAL RESOURCES AND BIODIVERSITY**

Clause	Indicators		Comply Yes/No	Findings
C 5.1 Aspects of plantation and mill mgmt, incl. replanting, that have environmental impacts are identified, and	5.1.1	An environmental impact assessment (EIA) shall be documented. Major Compliance	YES	Silimpopon CU has established its environmental aspects/impacts assessment associated with their activities. At the mill, the identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the significant environmental receptors are the air emission from the boiler stack, the generation of the palm oil mill effluent (POME) and land contamination which related to the management of scheduled wastes and domestic waste. For the estate operation, all activities from harvesting, pest and disease, upkeep programmed until delivery to mill has been identified. The main purposed of this assessment was to evaluate and analyze the operations impact on soil, water, and air associated with the organization activities. Among environment

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Clause	Indicators		Comply Yes/No	Findings
plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.				aspects assessed were agrochemical applications, land and water contamination from hazardous material and farm vehicles, and disposal of spent oil/lubricants from genset and workshop operations.
	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 dev. & impl. within a comprehensive action plan. The action plan shall identify the responsible person/s. Minor Compliance	NO	Significant environmental impact was derived from the environmental impact assessment evaluation. Those activities evaluated as significant were then monitored using the management control and mitigation measure established for each activity where the significant impacts occurred. The management has periodically reviewed the implementation and effectiveness of the established program. However, transportation of fertilizers and chemical for spraying activities to the field have not been assessed in the environment impact assessment (EIA) report. <b>Therefore, Minor NCR DA 02 2019 was raised.</b>
	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 min. every 2 yrs to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts. Minor Compliance	YES	Environmental Management Plan 2019 has been established and reviewed in Feb 2019. The objective to ensure water quality meets the Environmental Quality Act 1974. Among of action plan has been taken were: <ul style="list-style-type: none"> <li>▪ To conduct water sampling</li> <li>▪ Reduce chemical usage- only circle and selective spray</li> <li>▪ Prohibited manuring and herbicide spraying at buffer zone area.</li> <li>▪ Conduct awareness training among of workers</li> </ul>
C 5.2 The status of rare, threatened or endangered species other HCV habitats, that exist in the plantation or that could be affected by plantation or mill mgmt, shall be identified and ops managed to best ensure that they are maintained and/or enhanced.	5.2.1	Information shall be collated in a HCV assessment that includes both the planted area itself and relevant wider landscape- level considerations. Major Compliance	YES	The report of ““High Conservation Value (HCV) Assessment Report, Kretam Holdings Berhad, Silimpocon Estate, September 2018. The report which was completed in September 2018 is an upgrade of the assessment of 2007 report on the Flora and Fauna of Silimpocon 1 Estate. Total hectare for HCV areas at Silimpocon CU is 642.18 ha.
	5.2.2	Where RTE species, or HCVs, are present or are affected by plantation or mill ops, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan. Major Compliance	YES	There was a presence of ERT species (i.e. mangrove forest) within HCV 1, 2 and 3 in the CU. In managing the HCVs, the CU had a regular programme to educate its employees pertaining to the protection of the RTE as well as the protection of buffer zone and all protected areas.

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<b>Clause</b>	<b>Indicators</b>	<b>Comply Yes/No</b>	<b>Findings</b>	
	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 national law if any individual working for the company is found to capture, harm, collect or kill these species. Minor Compliance	YES	The CU has regularly educated its employees via morning muster briefing about the need to protect the RTE species. Appropriate disciplinary measures will be taken if found violated. Information pertaining RTE and relevant CU policies were displayed at the morning muster station.
	5.2.4	Where an action plan has been created there shall be ongoing monitoring: 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. Minor Compliance	YES	The implementation of HCV monitoring followed prescriptions in the ‘The HCV and RTE action plan was as in ‘4.4.2 Buffer Zone, Riparian Reserve & HCV Planning & Status’. The main approach taken included conservation of species and maintenance of connectivity between protected forest within and surrounding Silimpoon CU. Management included demarcation, education (awareness briefing) and constant monitoring. The status of HCV and RTE species that are affected by plantation or mill operations had also been documented in the report. On-going monitoring of the HCV area at Silimpoon estate was conducted accordingly.
	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. Minor Compliance	YES	Local communities that lived nearby did not depend on the HCV area for their living needs. This was confirmed through interview with Heads of local communities.
C 5.3 Waste is reduced, recycled, re-used, and disposed of in an environmentally and socially responsible manner.	5.3.1	All waste products and sources of pollution shall be identified and documented. Major Compliance	YES	All waste products and sources of pollution identified and documented through that applicable for both mill and estates. Based on the established waste products and sources of pollution, among the waste products identified and documented including general waste and domestic waste. Sources of waste were from estates and housing area. Common waste identified including domestic waste and scheduled waste. For estates, its reusable and recyclable wastes identified included empty fertilizer bags and triple rinsed empty chemical containers. Organic biomass waste generated by estates including fronds and chipped fell palms.
	5.3.2	All chemicals and their containers shall be disposed of responsibly.	YES	Among the identified wastes include empty chemical containers including pesticides containers. Empty pesticide containers was punctured and disposed in an

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Clause	Indicators		Comply Yes/No	Findings
		Major Compliance		environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. Inventory and consignment documents verified for confirmation of proper management and disposal. The scheduled wastes generated at Silimpopon CU not more than 180 days @ 20mt.
	5.3.3	A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented. Minor Compliance	YES	Waste management and disposal plan to avoid or reduce pollution had been documented and implemented. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. In the sampled estate and mill, the waste management program and plan seen incorporated with environmental impact aspect assessments and environmental management plan. The assessment seen effectively covers on matured maintenance, FFB collection, workshop, schedule waste / chemical / fertilizer store, landfill and etc. Sampled the EFB collection from mill and the area/filed mulched. Domestic landfill area at Silimpopon 1 Estate was visited and the current pit seen well identified. The waste disposed were seen only household and food waste. The collection at line-site is at minimum twice weekly. As for the line-site cleaning, it scheduled on weekly basis by Hospital Assistant.
C 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.	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. Minor Compliance	YES	Sighted the plan for improving efficiency of the use of fossil fuels and to optimise renewable energy was established and reviewed on 10/07/2019 (Estate) and 03/09/2019 (Mill). 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. Fossil fuel usage reduction has been included under pollution prevention plan 2019. Among of action has been taken were: <ul style="list-style-type: none"> <li>▪ Proper vehicle maintenance scheduled must be followed (preventive maintenance)</li> <li>▪ Plan to route for crop evacuation or others estate practice to reduce the distance required.</li> <li>▪ Avoid over working to the machine to prevent damage and fatigue</li> <li>▪ Practice safe driving, defensive driving and training on proper use on gears</li> <li>▪ Avoid carrying excessive weight</li> <li>▪ All florescent tube light to be exchanged with LED light.</li> </ul>
C 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines	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. Major Compliance	YES	There was no evidence fire has been used for preparing land for replanting in the estate. The estates had adhered to the Zero Burning Policy of Kretam Holdings Berhad.
	5.5.2	Where fire has been used for preparing land for replanting,	YES	There was no evidence fire has been used for preparing land for replanting in both estates. The estates had adhered to the Zero Burning Policy of KHB. During the site there was no

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or other regional best practice		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. Minor Compliance		replanting conducted in the estate.																					
C 5.6 Preamble Growers and millers commit to reporting on operational GHG emissions. However, it is recognised that these significant emissions cannot be monitored completely or measured accurately with current knowledge and meth. It is also recognised that it is not always feasible or practical to reduce or minimise these emissions. Growers and millers commit to an implementation period until the end of Dec 2016 for promoting best practices in reporting to the RSPO, and thereafter to public reporting.	5.6.1	An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent.	YES	Monitoring of mill gas emission is being done online using the Continuous Emission Monitoring System and supported by Ringelmann Smoke Charts. Report show evidence that the emission is within the permissible limits of DOE as verified by document made available during on site visit to the Silimpoon POM. POME treatment, monitoring and land application is monitored, maintained and adhere to DOE requirement. Stack emission and boiler ashes were maintained and monitored at mill. Regular reporting of twice yearly was carried out and report made available during the audit. BOD analysis was conducted on a monthly basis and result confirmed it was below the allowable limit. Water analysis, both raw and treated water, conducted one every 6 months and based on the result, water quality monitoring is generally within WHO at all monitoring points.																					
	5.6.2	Significant pollutants and GHG emissions shall be identified, and plans to reduce or minimise them implemented. Major Compliance	YES	Silimpoon CU had identified emission of GHG from their operations such as emission from their farm tractor and gen set operation. The management from all estates and mill had planned to reduce emission by daily inspection and monitoring for their farm tractor and gen set to prevent any leakage and problem that could adverse impact the environment.																					
	5.6.3	A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools. Minor Compliance	YES	The CU had used RSPO Palm GHG version 4.0 Calculator as a tool to calculate the GHG emissions. Report sent to RSPO Oct 2019. The input data was verified and the following were determined: <table border="1" data-bbox="1070 970 1989 1091"> <thead> <tr> <th>Description</th> <th>tCO<sub>2</sub>e/tProduct</th> <th>Production</th> <th>t/yr</th> </tr> </thead> <tbody> <tr> <td>CPO</td> <td>1.07</td> <td>FFB Processed</td> <td>214083.92</td> </tr> <tr> <td>PK</td> <td>1.07</td> <td>CPO Processed</td> <td>43741.59</td> </tr> </tbody> </table> <table border="1" data-bbox="1070 1114 1720 1321"> <thead> <tr> <th>Land Use</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>OP Planted Area</td> <td>5545.39</td> </tr> <tr> <td>OP Planted on Peat</td> <td>0.00</td> </tr> <tr> <td>Conservation (forested)</td> <td>2078.50</td> </tr> <tr> <td>Conservation (non-forested)</td> <td>43.00</td> </tr> </tbody> </table>	Description	tCO <sub>2</sub> e/tProduct	Production	t/yr	CPO	1.07	FFB Processed	214083.92	PK	1.07	CPO Processed	43741.59	Land Use	Ha	OP Planted Area	5545.39	OP Planted on Peat	0.00	Conservation (forested)	2078.50	Conservation (non-forested)
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<p>Growers and millers make this commitment with the support of all other stakeholder groups of the RSPO. Plans to reduce pollution and emissions, incl. GHG, are developed, implemented and monitored.</p>			YES	<p><b>Milling extraction rate:</b></p> <table border="1" data-bbox="1077 325 1529 416"> <tr> <td>OER</td> <td align="right">20.43</td> </tr> <tr> <td>KER</td> <td align="right">4.89</td> </tr> </table> <p><b>Mill Emission</b></p> <table border="1" data-bbox="1077 464 1879 767"> <thead> <tr> <th colspan="3">Own Crop</th> </tr> <tr> <th>Emission source</th> <th>tCO2e</th> <th>tCO2e/tFFB</th> </tr> </thead> <tbody> <tr> <td>POME</td> <td align="right">41964.17</td> <td align="right">0.20</td> </tr> <tr> <td>Fuel consumption</td> <td align="right">703.03</td> <td align="right">0.00</td> </tr> <tr> <td>Grid electricity utilisation</td> <td align="right">0.00</td> <td align="right">0.00</td> </tr> <tr> <td>Credits</td> <td></td> <td></td> </tr> <tr> <td>Export of excess electricity to housing &amp; grid</td> <td align="right">0.00</td> <td align="right">0.00</td> </tr> <tr> <td>Sale of PKS</td> <td align="right">0.00</td> <td align="right">0.00</td> </tr> <tr> <td>Sale of EFB</td> <td align="right">0.00</td> <td align="right">0.00</td> </tr> <tr> <td><b>Total</b></td> <td align="right"><b>42667.20</b></td> <td align="right"><b>0.20</b></td> </tr> </tbody> </table> <p><b>Plantation / field emission</b></p> <table border="1" data-bbox="1077 791 2042 1086"> <thead> <tr> <th colspan="4">Own Crop</th> </tr> <tr> <th>Emission sources</th> <th>tCO2e</th> <th>tCO2e/ha</th> <th>tCO2e/FFB</th> </tr> </thead> <tbody> <tr> <td>Land Conversion</td> <td align="right">54769.76</td> <td align="right">9.88</td> <td align="right">0.61</td> </tr> <tr> <td>*CO2 Emissions from Fertiliser</td> <td align="right">4468.56</td> <td align="right">0.81</td> <td align="right">0.05</td> </tr> <tr> <td>**N2O Emissions</td> <td align="right">0.00</td> <td align="right">0.00</td> <td align="right">0.00</td> </tr> <tr> <td>Fuel Consumption</td> <td align="right">1138.91</td> <td align="right">0.21</td> <td align="right">0.01</td> </tr> <tr> <td>Peat Oxidation</td> <td align="right">0.00</td> <td align="right">0.00</td> <td align="right">0.00</td> </tr> <tr> <td>Sinks</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Crop Sequestration</td> <td align="right">-51914.45</td> <td align="right">-9.36</td> <td align="right">-0.57</td> </tr> <tr> <td>Conservation Sequestration</td> <td align="right">-11832.33</td> <td align="right">-2.13</td> <td align="right">-0.13</td> </tr> <tr> <td><b>Total</b></td> <td align="right"><b>348.41</b></td> <td align="right"><b>0.06</b></td> <td align="right"><b>0.00</b></td> </tr> </tbody> </table> <p><b>Palm Oil Mill Effluent (POME) Treatment</b></p> <table border="1" data-bbox="1077 1134 2042 1278"> <tr> <td align="center">Diverted to compost</td> <td align="center">0%</td> </tr> <tr> <td align="center">Diverted to anaerobic digestion</td> <td align="center">100%</td> </tr> </table>	OER	20.43	KER	4.89	Own Crop			Emission source	tCO2e	tCO2e/tFFB	POME	41964.17	0.20	Fuel consumption	703.03	0.00	Grid electricity utilisation	0.00	0.00	Credits			Export of excess electricity to housing & grid	0.00	0.00	Sale of PKS	0.00	0.00	Sale of EFB	0.00	0.00	<b>Total</b>	<b>42667.20</b>	<b>0.20</b>	Own Crop				Emission sources	tCO2e	tCO2e/ha	tCO2e/FFB	Land Conversion	54769.76	9.88	0.61	*CO2 Emissions from Fertiliser	4468.56	0.81	0.05	**N2O Emissions	0.00	0.00	0.00	Fuel Consumption	1138.91	0.21	0.01	Peat Oxidation	0.00	0.00	0.00	Sinks				Crop Sequestration	-51914.45	-9.36	-0.57	Conservation Sequestration	-11832.33	-2.13	-0.13	<b>Total</b>	<b>348.41</b>	<b>0.06</b>	<b>0.00</b>	Diverted to compost	0%	Diverted to anaerobic digestion	100%
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**Principle 6: RESPONSIBLE CONSIDERATION OF EMPLOYEES AND OF INDIVIDUALS AND COMMUNITIES BY GROWERS AND MILLERS**

Clause	Indicators		Comply Yes/No	Findings
C 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.	6.1.1	An SIA including records of meetings shall be documented. Major Compliance	YES	A Social Impact Assessment (SIA) was prepared accordingly, consulting the stakeholders. Records on stakeholder meeting were verified. Both meetings were attended by workers, staff, workers' union, suppliers, contractors, and teachers.
	6.1.2	There shall be evidence that the assessment has been done with the participation of affected parties. Major Compliance	YES	The Social Impact Assessment (SIA) for Silimpopon 1 Estate, prepared on Feb 2018, reviewed on Aug 2019 and for Silimpopon Palm Oil Mill Sdn Bhd, done in November 2017 and reviewed in September 2019 evidenced the participation of all affected parties.
	6.1.3	Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, incl. responsibilities for implementation. Major Compliance	YES	Within the CU, Silimpopon POM and Silimpopon 1 Estate mitigate negative impacts and promote positive ones by calling for meetings with their respective stakeholders. Meetings with the stakeholder included the workers, Gender Committee meetings, OSH meetings and external stakeholder's meetings. Based on minutes of the meetings, the issues raised were discussed and documented. These issues were subsequently incorporated into the Time Bound Social Plan to mitigate negative impacts and to promote positive impacts.
	6.1.4	The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices. There shall be evidence that the review includes the participation of affected parties. Minor Compliance	YES	At Silimpopon POM and Silimpopon 1 Estate, the SIA Action or "Time Bound Social Plan" will be reviewed and updated once a year. For the review, meetings with their respective stakeholders will be conducted and the list of stakeholders included workers, the Gender Committee meetings, OSH meetings and external stakeholder's meetings. Evidence such minutes of the Committee meetings, attendance lists etc. will be made available. During this audit, the Time Bound Social Plan dated in Sept 2019 was made available for auditors review.
	6.1.5	Particular attention shall be paid to the impacts of smallholder schemes. Minor Compliance	YES	It has been confirmed that there were no smallholder schemes in certification unit. Hence, the requirement of this indicator did not apply to the CU.
C 6.2 There are open and	6.2.1	Consultation and communication procedures shall be documented.	YES	Consultation and communications procedures for Silimpopon CU were documented in the "Consultation and Communication" procedures and made available at mill and estates.

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<b>Clause</b>	<b>Indicators</b>	<b>Comply Yes/No</b>	<b>Findings</b>
transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties		Major Compliance	
	6.2.2	A management official responsible for these issues shall be nominated. Minor Compliance	YES Nominations of management official responsible for these issues were carried out via letters of appointment. Each appointment was for one year. The job scope of the appointee's state that among other things that they are to investigate complaints, counsel and advice on social issues, assist in carrying out programmes or trainings on social issues.
	6.2.3	A list of stakeholders, records of all communication, including confirmation of receipt and that efforts are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained. Minor Compliance	YES The updated lists of stakeholders for Silimponon Palm Oil Mill and Silimponon 1 Estate were available and presented to the auditor during the audit. The stakeholders list includes government, villagers, internal stakeholders, transporters, school, NGOs, FFB suppliers and others.
C 6.3 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties	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. Major Compliance	YES "Procedure on Complaint & Grievances" was available, records of complaints were reviewed. The CU maintained affirms that its dispute system is open to any affected parties. Relevant policy and procedures were observed maintained available for sighted. Anonymity of complainants and whistleblowers will not be revealed to third parties where requested as explained in the job description and the employment contract. The anonymity of complainants and whistleblowers were maintained as stated in the Kretam Holding Berhad Group's Social Policy which was signed by the Chief Executive Officer.
	6.3.2	Documentation of both the process by which a dispute was resolved and the outcome shall be available. Major Compliance	YES There is documented evidence that disputes are being resolved and the outcome made available as in the "complaint & grievances file", books and records. This was made available during the audit.
C 6.4 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to	6.4.1	A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place. Major Compliance	YES A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, were available in "Guideline on Managing Land Conflict" and "Free Prior Inform Consent. They were sighted by the auditor during the audit.
	6.4.2	A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into	YES Fair Compensation procedure details out the procedures for calculating and distributing compensation in a fair manner as same procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, were available in "Guideline on Managing Land Conflict" and "FPIC".

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Clause	Indicators		Comply Yes/No	Findings
express their views through their own representative institutions.		account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land. Minor Compliance		
	6.4.3	The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available. Major Compliance	YES	As of the date of the audit, no case of negotiation and payment of compensation has been carried out for verification.
C 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	6.5.1	Documentation of pay and conditions shall be available. Major Compliance	YES	For the Silimpopon Palm Oil Mill and Silimpopon 1 estate, documentation of pay is in the form of monthly pay slips. Conditions of pay are contained in the workers' respective employment contracts. Each pay slip documents the name of employee, month of pay, income (basic, overtime, reimbursement, allowances), deductions (statutory such as EPF, SOCSO and non-statutory such as donation to mosque funds), net salary, annual leave and medical leave taken, etc. Interview with workers reveal that they understand the contents of the pay slips and seek explanation from the office.
	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. Major Compliance	YES	Contracts for local and Indonesian foreign workers at the Silimpopon Palm Oil Mill and Silimpopon 1 Estate were sampled and confirmed that all workers and the management signed a dated contract of employment. The terms and conditions of employment are contained in the employment contracts which include duration of employment, place of work, salary, working hours, medical benefits, annual leave, sick leave, termination of service, and other benefits provided (housing, employment cost, etc.). The contract was available in both languages (English and Bahasa Malaysia). Each paragraph in the contract was explained to the workers by the mill and estate management prior to signing. The "Buku Panduan Pekerja (Syarat syarat dan terma terma am)" was provided to new workers at completion of briefing. There was also evidence that employees' non-statutory salary deductions were deducted at the request of the employees and with the approval of the Labour Office as required under Section 113(4), Labour Ordinance (Sabah Bab 67).

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Clause	Indicators		Comply Yes/No	Findings
	6.5.3	<p>Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, in accordance with Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) or above, where no such public facilities are available or accessible (not applicable to smallholders). Minor Compliance</p>	YES	<p>The Silimpopon POM and Silimpopon Estate, have provided adequate housing, water supplies, medical, educational and welfare amenities. These were found to be in accordance with the Workers' Minimum Standard of Housing Standard of Housing and Amenities Act 1990 (Act 446). Workers' housing inspection was carried on weekly as per Section 23(2) of the Workers' Minimum Standards of Housing &amp; Amenities Act 1990 (Act 446). Auditor has verified record on linesite audit which was conducted accordingly at the Silimpopon POM and Silimpopon 1 Estate. Linesite inspection findings reported by the Medical Assistant on all the above dates were sighted. The houses were all in good conditions, and each house has between 2 – 3 bedrooms. Among the facilities provided are creche, CLC school, clinic where medical treatment and facilities are provided for free, sundry shops selling daily necessities such as rice, flour, sugar, cooking oil, etc. The workers' housing areas also have a mosque, a church, a community hall, a football field, and badminton/volleyball court. Workers interviewed confirmed that the houses and amenities provided are adequate, comfortable and requests for repairs were attended to in a timely manner. All houses have constant water supply and electricity which are provided free of charge. Even if the water and electricity supply is not continuous daily, this is not seen as an inconvenience because each house has its own water storage tank. The water catchment for Silimpopon CU was treated for drinking water and supplied to all workers' quarters. Water sampling for consumption was done by 3<sup>rd</sup> party. Children of Indonesian workers attend the CLC (Community Learning Centre) school where Indonesian school curriculum was taught. Pre-school children of workers were provided creche facilities.</p>
	6.5.4	<p>Growers and millers shall make demonstrable efforts to monitor and where able, improve workers' access to adequate, sufficient and affordable food. Minor Compliance</p>	YES	<p>Workers' access to adequate, sufficient and affordable food is via sundry shops available near the workers' housing. Workers access to adequate, sufficient and affordable food is ensured through goods adequately labelled and affordable. Workers interviewed informed that the prices in the CU shops are slightly higher than those in town, but the price difference is acceptable and not excessive. Also, due to the close proximity of the estate to Tawau town, the workers sometimes purchase items in Tawau town. Among the items sold include sugar, rice, flour, cooking oil, eggs, detergent and other daily necessities. No perishable items (such as vegetables, fish, meat) are sold at the sundry shops, but the estate allows external third party vendors to enter the estate premises to sell perishable items. The estates have listed pricing limit for all the goods.</p>
<p>C 6.6 The employer respects the rights of all personnel to form and join trade</p>	6.6.1	<p>A published statement in local languages recognising freedom of association shall be available. Major Compliance</p>	YES	<p>At Silimpopon CU, a valid freedom of association policy "Code of Conduct &amp; Human Right Policy" is available in bilingual (Malay and English). It was displayed on notice boards at the Mill and Silimpopon 1 Estate.</p>
	6.6.2	<p>Minutes of meetings with main</p>	YES	<p>There were no official trade unions in Sabah operating within the CU, however, workers had</p>

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Clause	Indicators		Comply Yes/No	Findings
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.		trade unions or workers representatives shall be documented. Minor Compliance		appointed their own representatives to sit on the Joint Consultative Committee (JCC) Minutes of the Joint Consultative Committee meetings (JCC) were documented and sighted during audit.
C 6.7 Children are not employed or exploited.	6.7.1	There shall be documentary evidence that minimum age requirements are met. Major Compliance	YES	The policy on non-employment of children is contained in the Kretam Holdings Berhad Group Policy signed by the Chief Operating Officer. There was no evidence that the mill and estates employed anyone below the age of 18 years as verified in the workers list dated in Aug 2019 sighted at the Silimpoon, copies of passports sighted, and further verified during field interviews and field observations. It was also noted the CU has "Senarai Induk Passport" as status of their foreign worker's renewal, includes their children's. It was noted the workers hold their own passport
C 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.	6.8.1	A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented. Major Compliance	YES	A policy of equal opportunities policy including identification of relevant/affected groups is promoted through the Kretam Holdings Berhad Group's "Code of Conduct & Human Right Policy" dated 3/1/2017 is available in two languages (Malay and English). The policy states that all employees shall be treated fairly in terms of recruitment, progression, terms and conditions of work regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age. The Social Policy was exhibited on notice boards in both Bahasa Malaysia and English.
	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	YES	Evidence that employees and groups including local communities, women, and migrant workers have not been discriminated against. Is promoted through a valid freedom of association policy "Code of Conduct & Human Right Policy" which is available in bilingual form (Malay and English).
	6.8.3	It shall be demonstrated that recruitment selection, hiring and promotion where relevant are	YES	Based on interview with management at the Silimpoon Palm Oil Mill and Silimpoon 1 Estate, as well as sighting of job application forms, medical reports, and job interview notes, there was evidence that hiring selection were based on job vacancies, skills, suitability to

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Clause	Indicators		Comply Yes/No	Findings
		based on skills, capabilities, qualities, and medical fitness necessary for the jobs available. Minor Compliance		the job, capabilities and medical fitness. Recruitments of workers were made based on vacancy, and the job availability is usually made verbally during weekly muster briefing, job advertisement placed near the security post and notice board. The interviews are conducted by Manager or Assistant Manager where an evaluation form is filled up to determine the suitability of the candidate. This form was sighted during the audit. The recruitment process (advertisement and interview) of staff is coordinated at the regional office, who would then recommend to HQ for approval.
C 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.	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. Major Compliance	YES	The policy to prevent sexual and other forms of violence is contained in the Kretam Holdings Berhad Group's Social Policy. A specific policy on sexual harassment titled "Sexual Harassment Policy" is implemented and communicated to all levels of workforce as follows: At Silimpopon Palm Oil Mill and Silimpopon 1 Estate, the Gender Committee Meetings was held and the meetings introduced the social policy, gender and child protection policy. The meetings also briefed on what to do in the event of sexual harassment, breach of child protection rights and the procedures for lodging a complaint. The briefings had covered all levels of the workforce (male and female workers at the CU).
	6.9.2	A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce. Major Compliance	YES	To protect the reproductive rights of all, especially of women, CU has established a policy titled "Social Policy". All workers had been briefed on this Policy which included protection of their reproductive rights during morning (muster) briefing. The Gender Committee meetings are used as an avenue to disseminate information to its members regarding reproductive rights. This was further confirmed during interviews held with female workers which showed their understanding of their reproductive rights.
	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. Minor Compliance	YES	At Silimpopon CU, a grievance mechanism as in Procedure on "Complaint & Grievances" was available. The grievance mechanism respects anonymity and protects complainants where requested. All levels of workforce had been briefed on the Complaint and Grievance mechanism and SOP during morning (muster) briefing. New workers were also briefed on the mechanism during first reporting of duty. All complaints, action taken and resolution are kept and maintained.
C 6.10 Growers and millers deal fairly and transparently with smallholders and other local businesses.	6.10.1	Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	YES	Current and past prices paid for Fresh Fruit Bunches (FFB) was made available at Silimpopon POM weighbridge.
	6.10.2	Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance	YES	"FFB Price Determination" was made available for auditors review. Quotation for transportations and the Agreement were sighted. All FFB Suppliers, transporters in Silimpopon POM were recorded in stakeholder list. The mill publicly displayed FFB pricing mechanism at the notice board. Smallholders who were mainly from the surrounding local community will refer to the notice board for the FFB price.

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<b>Clause</b>	<b>Indicators</b>		<b>Comply Yes/No</b>	<b>Findings</b>
	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	YES	All contractors understood the contractual agreements they enter into, and that contracts are fair, legal and transparent. All the above businesses have been providing their services for more than a year.
	6.10.4	Agreed payments shall be made in a timely manner. Minor Compliance	YES	All contractors at Silimpopon CU interviewed acknowledged that agreed payments from Silimpopon CU had been made in a satisfactory and timely manner. Payments were generally received on 10 <sup>th</sup> day at the following month as verified through Purchase Order, Delivery order and FFB Receive Ticket.
C 6.11 Growers and millers contribute to local Sustainable development where appropriate.	6.11.1	Contributions to local development that are based on the results of consultation with local communities shall be demonstrated. Minor Compliance	YES	The contributions to local development is evident.
	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	YES	There are no scheme smallholders (FFB supplier) involved with Silimpopon POM.
C 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	YES	Based on interview with workers and review of the employment contracts, records of wages, overtime payment, and rest day payments, there was no evidence of any forms of forced or trafficked labour within audited sites. Workers were given a copy of their passports, with the original copies being kept at the mill and estate offices for safekeeping. Workers also informed that they can get back their passports should they need it to travel.
	6.12.2	Where applicable, it shall be demonstrated that no contract substitution has occurred. Minor Compliance	YES	Based on interviews with foreign workers (kernel plant operator, lab assistants, harvesters, sprayers), all of them were aware of the types of work they would be doing before they arrived in Malaysia. The actual job undertaken was the same as what they were informed about while they were still in their home country (in Indonesia). No contract substitution has therefore occurred.
	6.12.3	Where temporary or foreign workers are employed, a special labour policy and procedures shall be established and implemented. Major Compliance	YES	A special labour policy for employment of foreign workers has been addressed in the "Foreign Worker Policy" dated 1/4/2019. The policy mentioned that all employees should be treated fairly in terms of recruitment, terms and conditions of work, provide decent living, no contract substitution and post arrival programme will be conducted once arrived in the CU
C 6.13 Growers and millers respect human	6.13.1	A policy to respect human rights shall be documented and communicated to all levels of the	YES	A policy to Respect Human Rights has been established in (Code of Conduct & Human Right Policy" is available in bilingual (Malay and English). The Kretam Holdings Berhad Group's Social Policy is also relevant.



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Clause	Indicators		Comply Yes/No	Findings
rights		workforce and operations (see Criteria 1.2 and 2.1). Major Compliance		All levels of workforce had been briefed on the Human Rights policies during morning (muster) briefing on 29/8/2019. New workers were also briefed on the policies during first reporting of duty.
	6.13.2	As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance	YES	Children of foreign workers (Indonesians) in Silimpopon CU gets their education through the establishment of Community Learning Centre (CLC) at the POM. At the CLC, the children underwent schooling through the Indonesian education curriculum in preparation for their parents' future repatriation to their home country. The CLC building is maintained by CU as well as costs of water and electricity. Teachers' accommodation is provided by the CU. In tandem, Silimpopon CU had also initiated legalization of the spouses and children of foreign workers (through acquirement of visa for spouse and children) to enable their stay at the CU.

### **Principle 7: RESPONSIBLE DEVELOPMENT OF NEW PLANTINGS**

Auditors has verified through checking the [www.globalforestwatch.com](http://www.globalforestwatch.com) , GOOGLE Maps, Estate Maps and also through site visit to the estate area of Silimpopon Estate. Based on the audit findings, it is confirmed that there were no new planting or new development of areas at Silimpopon CU.

### **Principle 8: COMMITMENT TO CONTINUOUS IMPROVEMENT IN KEY AREAS OF ACTIVITY**

Clause	Indicators		Comply Yes/No	Findings
C 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.	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. As a minimum, these shall include, but are not necessarily be limited to:		
	a)	Reduction in use of pesticides (Criterion 4.6);	YES	Among the commitment to continuous improvement for use of pesticides are: 1) To reduce chemical usage in pest management by practising of biological control methods 2) To provide training for sprayers in order to maintain their skill and safety awareness 3) To phase out of the usage of Paraquat for VOPs and selective spraying

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Clause	Indicators	Comply Yes/No	Findings
	b) Environmental impacts (Criteria 4.3, 5.1 and 5.2);	YES	<p>Environmental impacts of operations are both positive and negative. The continual improvement plan is developed in conjunction with the Environment Improvement Register which part of EMP. The list is reviewed every 12 months or more often if significant changes in the Company's operations or in the operating environment occurs: Among the commitment to continuous improvement are:</p> <ol style="list-style-type: none"> <li>1) To establish riparian buffer zones</li> <li>2) To avoid chemical and fertilizer pollution in waterways</li> <li>3) To conduct continuous education to employees, contractors and smallholders on the need to reduce burning and to ensure domestic rubbish is segregated and correctly placed in landfill sites.</li> <li>4) To socialize all HCV area and RTE species to employees and internal stakeholder</li> <li>5) To implement the tree planting project throughout the estate</li> <li>6) To conduct the oil trap monitoring at diesel skid tank, Genset room, lubricant store and workshop.</li> </ol>
	c) Waste reduction (Criterion 5.3);	YES	<p>Waste reduction is being achieved in accordance with the Waste Management Plan. Waste reduction provides for reduced generation of waste as well as increased usage of re-use and recycling processes to reduce the amount of actual waste is generated: Among the commitment to continuous improvement are:</p> <ol style="list-style-type: none"> <li>1) To review waste management plan</li> <li>2) To re-use ex-chemical containers</li> <li>3) To prepare a permanent and suitable garbage disposal centre or landfill</li> <li>4) To control scheduled wastes produced across the company property</li> </ol>
	d) Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8);	YES	<p>Pollution control by implementation of on-going programme of rubbish and litter control as an important issue in plantation. It will be controlled through a mixture of education, increased collection and greater emphasis on recycling and greater supervisory intervention. Among the commitment to continuous improvement are:</p> <ol style="list-style-type: none"> <li>1) To conduct education program on domestic waste control</li> <li>2) To conduct regular inspection and planning of landfill</li> <li>3) To conduct continuous inspection on all bundings for all diesel tanks and chemical store.</li> </ol>
	e) Social impacts (Criterion 6.1);	YES	<p>Continued improvement in the social impacts of activities include: construction of additional housing, establishment of improved stakeholder communications, improvement to clinic facilities, improved communication and consultation with external communities. Planning for increased housing is progressive as plantation rehabilitation activities reduce, staff turnover reduces and attendance improves. Among the commitment to continuous improvement are:</p> <ol style="list-style-type: none"> <li>1) To implement the Employee Minimum Wage to all employees</li> <li>2) To provide all employees with sufficient and good quality water</li> </ol>

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Clause	Indicators	Comply Yes/No	Findings
			3) To conduct JCC Meeting with all employee's representatives 4) To provide education for the worker's children 5) To provide comfortable housing for employees. 6) To provide free water, electricity and medical for all workers.
	f) Encourage optimising the yield of the supply base Major Compliance	YES	Estate practiced the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields) and some EFB and compost application.

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Clause	Indicators	Comply Yes/No	Findings	
4.5.3 Time-bound plan  Note: Where there are isolated lapses in implementation of a time-bound plan, a minor non-compliance shall be raised. Where there is evidence of fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised;	(a)	As a minimum, all estates and mills shall be certified within 5 years after obtaining RSPO membership. Any new acquisitions shall be certified within a 3-year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.	YES	KHB Plantation is in progress to certify all the CU as verified through Time Bound Plan dated Oct 2019. Silimpon 2 Estate will be targeted to be certified by 2020. The uncertified management unit was due to non-compliant on land clearance before 1 Nov 2005. Total hectareage of land clearance was 53.89 ha and total area of final conservation liability was 22.30 ha. Malaysian Environmental Consultants (MEC) has been used to conduct the LUC analysis. As per current status (29/07/2019) KHB has sent the concept note to the RSPO secretariat and still in the reviewing process from compensation panel.
	(b)	Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the time-bound plan, the later CB shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness;	YES	The time bound plan set for one uncertified unit i.e. Silimpon 2 estate, was appropriate and within the timeframe of three years for RSPO certification.
	(c)	Any revision to the time-bound plan or to the circumstances of the company shall cause the time-bound plan to be reviewed by the CB. Changes to the time-bound plan are permitted		CB has received and verified time bound plan for one uncertified unit as at Nov 2019. The time bound plan was revised and endorsed by the Sustainability Team.

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		only where the organization can demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent);		
4.5.4 Requirements for uncertified management units:	(a)	No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since 1 <sup>st</sup> January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;	YES	For uncertified management unit, the HCV assessment has been carried out in Nov 2007 by Dr Edwin J Bosi from Fauna Consultant (wildlife management) and has been upgraded on Sept 2018 by Malaysian Environmental Consultants Sdn Bhd.
	(b)	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6;	YES	There was no issue on land. Silimpopon 2 estate has a valid land title which is combined with Silimpopon 1 Estate. Land title status has been described below: Government.Land title no: country lease 105523911, containing 8090 ha (Silimpopon 1 (3934.82 ha) & Silimpopon 2 (4155.18 ha)), lease from state from 01/01/1998 until 31/12/2096. Land status for purpose of cultivation of agricultural crop of economic value. Sighted an evidence changes of status of land development to Oil Palm cultivation from Jabatan Pertanian Dan Industri Makanan, Sabah on 05/06/2018. Stakeholder consultation has been carried out on 14/08/2019. During the meeting there was no issues related to land conflict has been raised by stakeholder.
	(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;	YES	Procedure was established to resolve any labour disputes i.e. Complaints & grievances procedure. Sighted the grievance book (aduan pembaikan kerosakan rumah) established for workers to channel complaint related to housing complaint, etc.
	(d)	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;	YES	It was evident that Silimpopon 2 Estate has complied with relevant laws and regulations.

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	(e)	<p>The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 4.5.4 (a) – (d) above by the audit team based on self-declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:</p>	YES	<p>Internal audit has been carried out on 27/08/2019 by sustainability team at Silimpopon 2 Estate. Checklist as per RSPO P&amp;C MYNI (RSPO Documentation Audit Checklist 2019) has been used as a guidance to conduct the internal audit. Generally, there are positive results for the estate facilities and documentation toward preparation for external audit by CB in year 2020.</p> <p>KHB – Silimpopon 2 Estate has been invited NGOs to the stakeholder consultation on 22/07/2019. Until the completed the stakeholder meeting there was no complaint has been highlighted to uncertified unit. During time of audit, there was no comment receive to the uncertified unit. This can be confirmed through website and interview with neighboring village representative.</p>
		<ul style="list-style-type: none"> <li>• A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by organization. This would require evidence of the self-assessment against each requirement;</li> </ul>	YES	
		<ul style="list-style-type: none"> <li>• Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team.</li> </ul>	YES	
		<ul style="list-style-type: none"> <li>• Desktop study e.g. web check on relevant complaints</li> </ul>	YES	
		<ul style="list-style-type: none"> <li>• If necessary, the audit team may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements.</li> </ul>	YES	
<p>4.6.4 The CB shall review whether oil palm operations have been established in areas which were previously owned by users and/or are subject to customary rights of local communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements.</p>		<p>No additional indicators</p>	YES	<p>Previously, the estate area belongs to Sabah State Government. Land status is for the purpose of cultivation of agricultural crop of economic value. It was evident that the land status was changed from development to Oil Palm cultivation from Jabatan Pertanian Dan Industri Makanan, Sabah in June 2018.</p> <p>It has been confirmed that there was no issue related to the previous owner or whether the land is subject to customary rights of local communities and indigenous peoples.</p>

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**Attachment 4**

**Details of Non-conformities and Corrective Actions Taken**

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
4.7.3 DA 01 2019	Major	<p><b>Requirements:</b> All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning.</p> <p><b>Finding:</b> The CHRA recommendation Form F for work unit i.e. welding area (workshop), genset room and diesel skid tank was not available/installed.</p> <p><b>Objective evidence:</b> During site visit at Silimponon 1 Estate, sighted the Emergency Shower &amp; Eye Wash was not available/installed at the welding area (workshop), genset room and diesel skid tank.</p>	The estate has established the emergency shower & eye wash at welding area (workshop), genset room and diesel skid tank.	<p>Auditor has verified the evidences attached (picture) of Emergency Shower &amp; Eye Wash was installed at welding area (workshop), genset room and diesel skid tank.</p> <p><b>Status: Closed</b> <b>The implementation of corrective action will be verified by next audit.</b></p>
5.1.2 DA 02 2019	Minor	<p><b>Requirements:</b> 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 identify the responsible person/persons.</p> <p><b>Finding:</b> Some activities have not been assessed in the Environment Impact Aspect assessment (EIA) report.</p> <p><b>Objective evidence:</b> Transportation of fertilizers and chemical for spraying activities to the field have not been assessed in the Environment Impact Aspect assessment (EIA) report.</p>	The estate already assessed the activities for transportation of fertilizers and chemical for spraying activities to the field in the EAIA and Environmental Management Plan 2019, with updated date on 07/11/2019.	<p>Auditor has verified the evidences attached documents "EAIA and Environmental Management Plan 2019". Sighted the activities of transportation of fertilizers and chemical for spraying activities to the field was assessed and updated on 07/11/2019.</p> <p><b>Status: Open</b> <b>The effectiveness of the corrective action plan will be verified during next audit</b></p>
Supply Chain 5.1	Major	<p><b>Requirements:</b> In cases where an operation seeking or holding</p>	An agreement to include term to comply with RSPO Supply Chain Certification	Auditor has verified the evidence attached documents "Agreement of Barge for

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<p>RAR 01 2019</p>		<p>certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard.  <b>Finding:</b> Above requirement was not complied with.  <b>Objective evidence:</b>                      The agreement between Silimpocon POM and outsourced transporter (Pengangkutan Kekal Sdn Bhd) to include clause stated that "The independent third party complies with the requirements of the RSPO Supply Chain Certification Standard" was not available.</p>	<p>Standard was signed between Silimpocon POM and outsourced transporter (Pengangkutan Kekal Sdn Bhd) on 04/11/2019</p>	<p>Carriage of Crude Palm Oil". The agreement between Silimpocon POM and outsourced transporter (Pengangkutan Kekal Sdn Bhd). Sighted clause stated that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard in the agreement and signed on 04/11/2019.   <b>Status: Closed</b>  <b>The implementation of corrective action will be verified by next audit.</b></p>
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**Attachment 5**

**RSPO SUPPLY CHAIN: AUDIT CHECKLIST**

**SECTION A : GENERAL INFORMATION**

1. File Reference No.	: EK91200001
2. Name of facility/ site(s) /entity(ies)	: Kretam Holdings Berhad – Syarikat Kretam Mill Sdn. Bhd. (Silimponon Mill) Certification Unit
3. Site Location (single site/multisite/Group)	: KM 128, Tawau Kalabakan Highway, Mukim Sungai Silimponon, 91000 Tawau, Sabah
4. SC model	: Mass Balance Model
5. Type of entity	: Mill / <del>Crusher / Refinery / Biodiesel plant / Primary Oleochemical / Secondary Oleochemical / End product manufacturer</del>  <i>For oleochemicals and its derivatives, please check the conversion factor against the "RSPO Rules for Oleochemicals and its Derivatives" dated 1st December 2016</i>
6. RSPO Member Number	: RSPO membership no: 1-0189-15-000-00
7. Annual summary records of certified oil palm products purchased and claimed	: There is no claim by mill since this is main assessment (stage 2)

**RSPO SUPPLY CHAIN CERTIFICATION SYSTEM (REVISED JUNE 2017)**

	<b>Requirements</b>	<b>Remarks</b>
	<b>Audit Process Requirements – FOR STAGE 2 / RECERTIFICATION AUDIT</b>	
5.3.8	The certification audit shall review whether the organizational systems, the management systems and the operational systems, including any documented policies and procedures of the organization seeking or holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.	Silimponon POM Organizational, management systems and the operational systems, documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard. Sighted Silimponon palm oil mill has updated and change the name of documented procedure named RSPO Supply Chain Certification Procedure dated 01/06/2018. Among the documented requirements related to Mill Supply Chain definition, delivery of FFB to mill, delivery of CPO and PK to refinery, mass balance calculation, daily production report, checking validity of the certification of the suppliers, Internal Audit, Management



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<b>Audit Process Requirements – SURVEILLANCE AUDIT</b>		
5.3.26	<p>The surveillance audit shall review whether the organizational systems, the management systems and the operational systems, including any documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.</p> <p>In cases where an organization seeking certification outsources activities to independent third parties, a risk assessment shall be done by the CB to determine whether an audit of the sub-contractor is required. If the outsourced contractor holds RSPO Supply Chain certification, then it does not require an additional audit.</p>	NA

### SECTION B : GENERAL CHAIN OF CUSTODY REQUIREMENTS FOR THE SUPPLY CHAIN

	Requirements	Remarks
<b>1</b>	<b>Applicability of the general chain of custody requirements for the supply chain</b>	
1.1	Organization takes legal ownership and physically handles RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors.	Silimponon POM has legal ownership and physically handles RSPO certified sustainable crude palm oil and palm kernel.
1.2	Traders and distributors require a licence obtained from RSPO to sell RSPO certified product but do not themselves require certification. When selling RSPO certified product a licensed trader and/or distributor must pass on the certification number of the product manufacturer and the applicable supply chain model.	Not applicable due to Silimponon POM is processing facility.
1.3	Either the operator at site level or its parent company seeking certification shall be a member of the RSPO and shall register on the RSPO IT platform	RSPO membership no : 1-0189-15-000-00 Registered under parent company: Syarikat Kretam Plantations Sdn Bhd (Silimponon Mill)
1.4	Processing aids do not need to be included within an organization's scope of certification.	No processing aid involved in Silimponon POM scope of certification
<b>2</b>	<b>Supply chain model</b>	
2.1	The site can only use the same supply chain model as its supplier or go to a less strict system. Declassification/downgrading can only be done in the following order: Identity Preserved -> Segregated -> Mass Balance.	Silimponon POM aware on the need to downgrading of supply chain model. However, this mill is a Mass Balance mill

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2.2	The site can use one (1) or a combination of supply chain models as audited and certified by the CB.	Silimponon POM has continued to maintain MB model.
<b>3</b>	<b>Documented procedures</b>	
3.1	The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:	Silimponon POM Organizational, management systems and the operational systems, documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard. Sighted Silimponon palm oil mill has used their internal documented procedure named RSPO Supply Chain Certification Procedure. Among the documented requirements related to Mill Supply Chain definition, delivery of FFB to mill, delivery of CPO and PK to refinery, mass balance calculation, daily production report, checking validity of the certification of the suppliers, Internal Audit, Management Review.
a)	Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.	Supply chain procedure was developed to follow RSPO SCCS 2017 namely RSPO Supply Chain Certification. The Procedure was sighted and found all elements of the RSPO Supply Chain standard were covered.
b)	Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records).	Sighted CPO and PK production record (sustainable and non-sustainable Mass Balance Monthly record), weighbridge report, dispatch record and training record was up to date and well maintained.
c)	Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organization's procedures for the implementation of this standard.	Assistant Engineer have overall responsible and authority over the implementation of RSPO supply chain requirement in RSPO Silimponon POM. Sighted appointment letter. Interview with sustainability committee member, mill manager, assistant mill manager & weighbridge operator was confirmed they are understood the supply chain requirements.
3.2	The site shall have a written procedure to conduct annual internal audit to determine whether the organization; i. Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. ii. Effectively implements and maintains the standard requirements within its organization. Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct nonconformities shall be subject to management review at least annually. The organization shall be able to maintain the internal audit records and reports.	Procedure for internal audit has established in June 2018.  RSPO internal audit was conducted in Aug 2019. The internal audit has followed the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. There was no NCR has been recorded. Audit Attendance sheet, audit plan, audit notes, was sighted by auditor.
<b>4</b>	<b>Purchasing and goods in</b>	

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4.1	<p>The receiving site shall ensure that purchases of RSPO certified oil palm products are in compliance and following minimum information for RSPO certified products is made available by the supplier in document form:</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or shipment / delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply Chain certificate number of the seller;</li> <li>• A unique identification number.</li> </ul> <p>Information shall be complete and can be presented either on a single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation).</p>	<p>Silimpopon POM has continued to implement and comply with the procedure in handling of purchasing and receiving as per RSPO standard requirements related to incoming FFB from Silimpopon Estate 1, Silimpopon Estate 2 outsider crops 12 estates, 31 smallholders, and from 3 from collection canter. There is no trade under the RSPO MB since this main assessment.</p>
a)	<p>The site shall have documentation that demonstrate that purchases are made to the material category agreed with their supplier (IP, SG or MB).</p>	<p>Silimpopon POM had continued received source of RSPO certified FFB from own group estate. Silimpopon POM had continued received FFB supply from own company estate namely Silimpopon Estate 1 and Silimpopon Estate 2. Outsider crops from 12 estates, 31 smallholders, and from 3 from collection canter.</p>
b)	<p>The site ensure that the products are verified as being RSPO certified. For sites that are required to announce and confirm trades in the RSPO IT platform, this shall include making Shipping Announcement and Shipping Confirmation on the RSPO IT platform on the level of each shipment.</p>	<p>Silimpopon POM has established a procedure to handle RSPO It platform named "RSPO IT Platform." Silimpopon POM has registered in IT platform Register under name: Syarikat Kretam Plantations Sdn Bhd (Silimpopon Palm Oil Mill)</p>
c)	<p>A check of the validity of the Supply Chain Certification of suppliers for all sites that are SC certified. This shall be checked via the RSPO website at least annually or through the RSPO IT platform by confirmation of shipping announcements.</p>	<p>Silimpopon POM had continued received FFB supply from own company estate namely Silimpopon Estate 1 and Silimpopon Estate 2. Outsider crops from 12 estates, 31 smallholders, and from 3 from collection canter.</p>
4.2	<p>The site shall have a mechanism in place for handling non-conforming material and/or documents.</p>	<p>Silimpopon POM has established Weighbridge Lintramax to control incoming material and outgoing products. The FFB supplier &amp; Product buyer &amp; its vehicle registration has to been registered in the system prior weighing. SOP control of non – conforming material/ / products procedure, established in June 2018, has indicate the mechanism to handle nonconforming material/documents such as disposition of the non-conformity materials or products.</p>

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<b>5</b>	<b>Outsourcing activities</b>	
5.1	<p>In cases where an operation seeking or holding certification outsources activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the operation seeking or holding certification shall ensure that the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard.</p> <p><i>This requirement should not apply to outsourced storage facilities where the management of the oil palm product(s) and instructions for tank movements are controlled by the organization (not the tank farm manager).</i></p>	<p>There are 2 outsource company CPO and PK transporter. The agreement document was available and communication on the RSPO supply chain requirement were communicated to them. Record of training was sighted. However, the agreement between Silimponon POM and outsourced transporter did not include clause stated that "the independent third party complies with the requirements of the RSPO Supply Chain Certification Standard. Thus, Major NCR RAR 01 2019 has been raised.</p>
5.2	<p>Sites which include outsourcing within the scope of their RSPO Supply Chain certificate shall ensure the following:</p> <ul style="list-style-type: none"> <li>a) The site has legal ownership of all input material to be included in outsourced processes;</li> <li>b) The site has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The responsibility is on the site to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary.</li> <li>c) The site has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</li> <li>d) The site seeking or holding certification shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to their respective operations, systems, and any and all information, when this is announced in advance.</li> </ul>	<ul style="list-style-type: none"> <li>a) There are 2 outsource company CPO and PK transporter.</li> <li>b) There is contract document between Silimponon POM and the transporters.</li> <li>c) The RSPO Supply Chain procedure has described on outsource activity.</li> <li>d) Attended the training which highlight on the RSPO issue.</li> </ul> <p>Inspection was carried out as additional effort to ensure no contamination sighted book at AP Post.</p>
5.3	The site shall record the names and contact details of all contractors used for the processing or production of RSPO certified materials.	List of contact person for both transporters were made available and up-to-date.
5.4	The site shall at its next audit inform its CB of the names and contact details of any new contractor used for the processing or production of RSPO certified materials.	No new contractors used for the processing or production of RSPO certified materials.
<b>6</b>	<b>Sales and goods out</b>	
6.1	The organization shall ensure that the following minimum information for RSPO certified products is made available in document form. Information must be complete and can be presented either on a	There is no transaction under the RSPO MB since this main assessment. However CU has established the procedure "handling certified FFB /CPO/PK and non-certified FFB/CPO/PK" Management Units for FFB supplied to the mills unique identification has established to

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	<p>single document or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documents and specification documentation):</p> <ul style="list-style-type: none"> <li>• The name and address of the buyer;</li> <li>• The name and address of the seller;</li> <li>• The loading or delivery date;</li> <li>• The date on which the documents were issued;</li> <li>• A description of the product, including the applicable supply chain model (Identity Preserved, Segregated or Mass Balance or the approved abbreviations);</li> <li>• The quantity of the products delivered;</li> <li>• Any related transport documentation;</li> <li>• Supply chain certificate number;</li> <li>• A unique identification number.</li> </ul>	<p>segregate certified FFB from his own estates with outsider crops. During interview with weighbridge clerks they were understand how to segregate the certified FFB and uncertified FFB</p> <p>Documented procedures related to sales and goods out were sighted and found adequate. Based on verification during the audit, SPOM has yet to deliver certified materials to end buyer. Therefore, following are sample of non- certified CPO &amp; PK sales which comply with the standard requirement except for the notation of Supply Chain model applied &amp; Supply Chain certificate number. For future certified transaction, SPOM will be indicating the 2 items in weighbridge dispatch ticket.</p>
<b>7</b>	<b>Registration of transactions</b>	
7.1	<p>Supply chain actors who:</p> <ul style="list-style-type: none"> <li>• are supply chain actors between the mill and final refinery;</li> <li>• take legal ownership and physically handle RSPO Certified Sustainable oil palm products; and</li> <li>• are part of the supply chain of RSPO Certified Sustainable oil palm products</li> </ul> <p>must register their transaction in the RSPO IT platform at the time of physical shipment as required by the rules set by RSPO.</p>	<p>Silimpocon POM is the actor in the supply chain system and they have legal ownership and physical handle RSPO certified sustainable CPO and PK. Silimpocon CU has registered in the RSPO IT platform.</p>
<b>8</b>	<b>Training</b>	
8.1	<p>The organization shall have a defined training plan, which is subject to on-going review and is supported by records of the training provided to staff.</p>	<p>Training plan has included the RSPO Supply chain training scheduled in Aug 2019 for staff &amp; workers.</p>
8.2	<p>Appropriate training shall be provided by the organization for personnel carrying out the tasks critical to the effective implementation of the supply chain certification system. Training shall be specific and relevant to the task(s) performed.</p>	<p>Available.</p> <p>The training conducted addressed specific and relevant task as required.</p>
<b>9</b>	<b>Record keeping</b>	
9.1	<p>The site shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of these RSPO Supply Chain Certification requirements.</p>	<p>SPOM has maintained the three-monthly accounting system to record receiving of RSPO certified FFB and deliveries of RSPO certified CPO and PK. Record titled as 'SCCS Mass Balance Sheet'.</p>
9.2	<p>Retention times for all records and reports shall be a minimum of two</p>	<p>There is no transaction yet under the RSPO MB since this main assessment. As per SOP</p>

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	(2) years and must comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	General chain of Custody - document no: SCCS-002, document record will have maintained for minimum of five years.
9.3	The organization shall be able to provide the estimate volume of palm oil / palm kernel oil content (separate categories) in the RSPO certified oil palm product and keep an up to date record of the volume purchased (input) and claimed (output) over a period of twelve (12) months.	There is no transaction under the RSPO MB since this main assessment. However, CU was able to provide estimate volume of CPO & PK based on the monthly OER and KER applied by the company.
<b>10</b>	<b>Conversion factors</b>	
5.10.1	Where applicable a conversion rate must be applied to provide a reliable estimate for the amount of certified output available from the associated inputs. Organizations may determine and set their own conversion rates which must be based upon past experience, documented and applied consistently. Guidance on conversion rates is published on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ). This is in particular relevant for derivatives of Palm Oil and Palm Kernel Oil, as used in the oleochemical and personal care industries. The guidance document for oleochemicals is available on the RSPO website ( <a href="http://www.rspo.org">www.rspo.org</a> ).	The actual OER and KER has been used as the conversion rates.
10.2	Conversion rates shall be periodically updated to ensure accuracy against actual performance or industry average if appropriate.	Daily OER & KER were provided in the production report. Both conversion rates were monitored on monthly basis to check their performance against industry average.
<b>11</b>	<b>Claims</b>	
11.1	The site shall only make claims regarding the use of or support of RSPO certified oil palm products that are in compliance with the RSPO rules on communications and claims.	There is no claim made under the RSPO MB since this main assessment.
<b>12</b>	<b>Complaints</b>	
12.1	The organization shall have in place and maintain documented procedures for collecting and resolving stakeholder complaints.	Silimponon POM has established a procedure "complaints & grievances procedure.
<b>13</b>	<b>Management review</b>	
13.1	The organization is required to hold management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	Documented procedure has defined management review will be conducted once a year Last conducted in Sept 2019.
13.2	The input to management review shall include information on: • Results of internal audits covering RSPO SCCS	Management review meeting dated in March 2019 (combine RSPO SC, MSPO SCCS and ISCC).

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	<ul style="list-style-type: none"> <li>• Customer feedback</li> <li>• Status of preventive and corrective actions</li> <li>• Follow-up actions from management reviews</li> <li>• Changes that could affect the management system</li> <li>• Recommendations for improvement</li> </ul>	<ul style="list-style-type: none"> <li>• Internal audit – 0 NCR</li> <li>• Customer feedback – currently there is no customer for MB certified for Silimpopon POM</li> <li>• Previous meeting – discuss related to process performance and product conformity</li> <li>• Recommendation for improvement – improve the established system</li> </ul>
13.3	<p>The output from the management review shall include any decisions and actions related to:</p> <ul style="list-style-type: none"> <li>• Improvement of the effectiveness of the management system and its processes</li> <li>• Resource needs</li> </ul>	<p>Recommendation for improvement Recourse sufficient.</p>

**SECTION C : SUPPY CHAIN MODELS (to only use whichever is applicable)**

	<b>Module D – CPO Mills: Identity Preserved – Not applicable</b>
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	<b>Module E – CPO Mills: Mass Balance</b>
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<b>E.3</b>	<b>Documented procedures</b>	
E.3.1	<p>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>a) Complete and up to date procedures covering the implementation of all the elements in these requirements;</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 procedures for the implementation of this standard.</p>	<p>a) Silimpopon POM Organizational, management systems and the operational systems, documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.</p> <p>Sighted Silimpopon Palm Oil Mill has procedure named RSPO Supply Chain Certification Procedure Among the documented requirements related to Mill Supply Chain definition, delivery of FFB to mill, delivery of CPO and PK to refinery, mass balance calculation, daily production report, checking validity of the certification of the suppliers, Internal Audit, Management Review.</p> <p>b) Assistant Engineer have overall responsible and authority over the implementation of RSPO supply chain requirement in RSPO Silimpopon POM. Interview with sustainability committee member, mill manager, assistant mill manager &amp; weighbridge operator was confirmed they are understood the supply chain requirements.</p>
E.3.2	<p>The site shall have documented procedures for receiving and processing certified and non-certified FFBs.</p>	<p>Silimpopon palm oil mill has continued to implement documented procedure ‘SOP RSPO Supply Chain Certification Procedure, Clause 5.3 &amp; 5.4 In related receiving and processing of FFB respectively.</p>
<b>E.4</b>	<b>Purchasing and goods in</b>	
E.4.1	<p>The site shall verify and document the volumes of certified and non-certified FFBs received.</p>	<p>Silimpopon POM had continued received FFB supply from own company estate namely Silimpopon Estate 1 and Silimpopon Estate 2. Outsider crops from 12 estates, 31</p>

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		smallholders, and from 3 from collection center.
E.4.2	The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.	There is no overproduction under the RSPO MB since this main assessment.
<b>E.5</b>	<b>Record keeping</b>	
E.5.1	<p>a) The site shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and/or 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.) For further details refer to Module C.</p>	<p>SPOM has maintained the three-monthly accounting system to record receiving of RSPO certified FFB and deliveries of RSPO certified CPO and PK. Record titled as 'SCCS Mass Balance Sheet'. It can be confirmed that the existing system will be able to comply with the standard requirement.</p>



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**Attachment 6**

**Syarikat Kretam Mill Sdn. Bhd. – Silimpopon Certification Unit  
Time-bound Plan for RSPO Certification**

Certification Unit	2016	2017	2018	2019	2020	2021	2022
	1	2	3	4	5	6	7
Syarikat Kretam Mill Sdn Bhd (Kretam Mill) *							
Abedon Sdn Bhd (Abedon Mill) *							
Syarikat Kretam Mill Sdn Bhd (Silimpopon Mill) and Silimpopon 1 Estate							
Syarikat Kretam Mill Sdn Bhd (Silimpopon Mill) - Silimpopon 2 Estate							

\*Certified by TUV NORD