



**SIRIM QAS INTERNATIONAL SDN. BHD.**  
Building 4, SIRIM Complex, No. 1, Persiaran Dato' Menteri,  
Section 2, P.O. Box 7035, 40911 Shah Alam, Selangor,  
Malaysia.

File Ref. : EL26030001

**RSPO PUBLIC SUMMARY REPORT  
INDEPENDENT SMALLHOLDER**

CLIENT : LKM Trading

RSPO MEMBERSHIP NO. : 1-0268-19-000-00

GROUP MANAGER : CHUA SOON LEE @ LIEW SOON LEE

DETAILS OF SMALLHOLDERS (LOCATION, GPS AND/OR HECTARAGE):

Certification Unit	Supply Base	GPS Location		Location
		Latitude	Longitude	
LKM Trading	LKM Trading Estate	N 5° 18' 31.89"	E 118° 29' 53.51"	Sungai Segama, Jalan Jeroco, 91109 Lahad Datu, Sabah.

AUDIT DATE : 26-28 April 2021

DURATION : 9 auditor days

STANDARD :  
RSPO INDEPENDENT SMALLHOLDER STANDARD FOR THE PRODUCTION OF SUSTAINABLE  
PALM OIL (NOVEMBER 2019)

SCOPE OF REGISTRATION (specify sites, tonnages of FFBs and/or approved processes) :  
PRODUCTION OF SUSTAINABLE FRESH FRUIT BUNCHES

NO. OF SMALLHOLDERS (Applicable to the scope of activities audited) : 2

TYPE OF AUDIT : ELIGIBILITY / MS A / INITIAL CERTIFICATION / ASA 1 / RECERTIFICATION

The following attachments form part of this report:

Non-conformity Report (s)



List of additional site (s)



Report by Audit Team Leader

Name : Mohd Razman Salim

Signature :   
Date : 5 July 2021

Acknowledgement by Client's Representative

Name : CHUA SOON LEE

Signature : 

Date : 12 July 2021

**RSPO PUBLIC SUMMARY REPORT - INDEPENDENT SMALLHOLDER**

<b>INITIAL COMPLIANCE</b>				
On-site audit date	: 17 – 18 September 2019	No. of auditor days:	10 auditor days	
Audit team	: Mohd Zulfakar Kamaruzaman (LA), Mohd Ab Raouf Asis, Selvasingam a/l Kandiah, Dzulfiqar Azmi, Mahzan Munap			
No. of major NCR	: 2	Indicator: RSPO P&C (2.1.1 & 6.1.2)	Closing date: 13/02/2020	
No. of minor NCR	: -	Indicator: -		
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	: LKM Trading Estate (2 smallholders)			
Justification of audit planning	: During stage 2 audit, the audit team visited the estate, linesite, chemical stores, schedule waste store, and other surrounding facilities such as waste collection area. In addition to the above, interviews were held with the management, employees and other relevant internal and external stakeholders.			
Name of peer reviewer	: Dr Dzolkhifli Omar			
Report approved by	: Kamini A/P M.Sooriamoorthy		Approval date: 16/03/2020	

<b>ASA 1</b>				
On-site audit date	: 26-28 April 2021	No. of auditor days:	9	
Audit team	: Mohd Razman Salim, Dzulfiqar Azmi, Mohd Zulfakar Kamaruzaman & Rohazimi Mat Nawi (Trainee Auditor)			
No. of major NCR only	: 11	Indicator: 1.1E, 1.1MS A, 1.3MS A, A2.3MS B, 3.1MS A, 3.4MS A, 3.5MS A, 3.6MS A, 4.1MS A, 4.7MS A & 4.9MS A 1	Closing date: 1/07/2021	
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	: LKM Trading Estate (2 smallholders)			
Changes since last audit	: No changes since last audit.			
Justification of audit planning	: During the audit, the audit team visited the estate, linesite, chemical stores, schedule waste store, and other surrounding facilities such as waste collection area. In addition to the above, interviews were held with the management, employees and other relevant stakeholders.			
Name of peer reviewer	: NA			
Report approved by	: Kamini Sooriamoorthy		Approval date: 5/07/2021	

**RSPO PUBLIC SUMMARY REPORT - INDEPENDENT SMALLHOLDER**

**TABLE 1 – SUMMARY OF INFORMATION**

	<b>STAGE 2 (Last license year)</b>	<b>ASA 1 (New license)</b>
<b>Period</b>	September 2019 to August 2020	April 2021 - May 2022
<b>FFB Production (MT)</b>	920.00	1,100.00
<b>Certified volume CSPO (MT) <i>OER applied @ 20% FFB</i></b>	184.00	<b>APPLICABLE FOR PHASE: ELIGIBILITY &amp; MS A ONLY</b>
<b>Certified volume CSPK (MT) <i>KER applied @ 5% FFB</i></b>	46.00	
<b>IS – CSPO <i>OER applied @ 20% FFB</i></b>	184.00	
<b>IS – CSPKO <i>PKO applied @ 45% CSPK</i></b>	20.70	
<b>IS – CSPKE <i>OER applied @ 55% CSPK</i></b>	25.30	
<b>Certified Areas (Ha)</b>	60.77	
<b>Planted Areas (Ha) <i>(Mature + Immature area)</i></b>	59.11	59.11
<b>Production Areas (Ha) <i>(Mature area only)</i></b>	59.11	59.11
<b>HCV Areas (Ha)</b>	-	-
<b>Conservation Areas (Ha)</b>	-	-
<b>REMARKS</b>		

**TABLE 2 – ISH GROUP INFORMATION**

	<b>VOLUME</b>
<b>New licence year's certified FFB (MT) – MS B</b> *Period of reporting: Apr 2021- Mar 2022	1,100.00
<b>Last licence year's certified FFB (MT) – MS B</b> *Period of reporting: Mar 2020 - Mar 2021 *Certified: 16 March 2020	1,159.01
<b>Last licence year's actual sold volume of certified FFB (MT, if applicable)</b>	734.98
<b>Last licence year's actual sold volume of certified FFB under other schemes (MT)</b> *MSPO	*424.03
<b>Last licence year's actual sold volume of certified FFB as conventional (MT)</b>	0
<b>Last licence year's volume of IS-CSPO (CREDIT) – ELIGIBILITY AND MS A</b>	-
<b>Last licence year's volume of IS-CSPKO (CREDIT) – ELIGIBILITY AND MS A</b>	-
<b>Last licence year's volume of IS-CSPKE (CREDIT) – ELIGIBILITY AND MS A</b>	-
<b>Last licence year's actual sold volume of IS-CSPO (CREDIT)</b>	0
<b>Last licence year's actual sold volume of IS-CSPKO (CREDIT)</b>	0
<b>Last licence year's actual sold volume of IS-CSPKE (CREDIT)</b>	0

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**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**

<b>Member of the Audit Team</b>	<b>Role/area of RSPO requirements</b>	<b>Qualifications</b>
Mohd Razman Salim	Lead Auditor / Social & HCV	Holds a B. Sc. Forestry from University Putra Malaysia. He had more than 8 years of experience in auditing since 2013.
Dzulfiqar Azmi	Auditor / Safety and Environment	Holds a B. Sc. in Agriculture from University Teknologi Mara (UiTM). He had more than 5 years of working experience in the oil palm operation and experience in auditing since 2017.
Mohd Zulfakar Kamaruzaman	Auditor / Supply Chain & Social	Holds a B. Sc. Forestry from University Putra Malaysia. He had more than 4 years of working experience in the oil palm operation and experience in auditing since 2014.
Rohazimi Mat Nawi	Trainee Auditor / Safety and Environment	Hold B. Sc (Hons) Chemical_Gas Engineering from Universiti Teknologi Malaysia. He has been in the Plantations Industry with various company having served in Palm Oil Mill more than 5 years.

**1.3 Audit methodology**

The minimum sample size should be four (4) members. For groups with fewer than four (4) members, 100% of the members shall be assessed. The following information shows sample size formula that shall be applied at every phase.

- 1) Eligibility =  $(\sqrt{y}) \times (0.5)$  where y is the number of group members;
- 2) Milestone A =  $(\sqrt{y}) \times (0.8)$  where y is the number of group members;
- 3) Milestone B =  $(\sqrt{y}) \times (z)$ , where y is the number of group members and z is the multiplier defined by the risk assessment.

The certification unit under assessment goes for Independent Smallholder Phased Approach for Certification, Claims and Benefits as:

Eligibility                       Milestone A                       Milestone B

And, in accordance with the RSPO Certification System for P&C and RSPO ISH Standard, the risk level of the size for the group has been determined as (applicable to MS B only):

Low risk (Level 1, z=1.0)                       Medium risk (Level 2, z=1.2)                       High risk (Level 3, z=2.0)

However, for LKM Trading, as the current members are two (2) only, 100% estate area under this group was covered during the assessment. The LKM Trading is a company owned by private smallholders. The audit included an on-site audit of LKM Trading Estate and its line site to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees and other relevant stakeholders were also conducted during the audit.

#### 1.4 Stakeholder Consultation

Stakeholder consultation was carried out during the on-site audit and the evidence from the stakeholder consultation carried out were as tabulated below: In general, there was no negative comments made against this independent smallholder.

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)	<p>The following were confirmed during the conduct of audit as there was no evidence to prove otherwise:</p> <ul style="list-style-type: none"> <li>▪ All workers signed the employment agreements with the estates/mill. They understood the contents of agreement, as these were prepared in Bahasa as the case may be. For those who couldn't read, the contents were explained to them in language they understood, usually by fellow countrymen who has worked in Malaysia longer.</li> <li>▪ They are aware of their working hours (8 hours) and confirmed they were paid overtime for any work in excess of 8 hours. There was no forced overtime.</li> <li>▪ They have been getting salaries above RM1,100 since Jan 2019. However, the payment of salary was not follow the Sabah Labour Ordinance which is paid before 8<sup>th</sup> every month, Thus, NCR was raised.</li> <li>▪ No abuse at work, and no sexual harassment. They understand what constitutes sexual harassment.</li> <li>▪ No discrimination.</li> <li>▪ Comfortable housing with water and electricity provided.</li> <li>▪ Have access to affordable food from the canteen/sundry shops at nearby Plantation i.e. Hap Seng Plantation.</li> <li>▪ Entitled to free medical facilities at the Nearby Plantation clinic (Hap Seng).</li> <li>▪ Have representatives who attend regular meetings with the management where they can put forward any complaints and or raise any issues. They are aware of the complaints form. They have used them to complaint about house defects.</li> <li>▪ They knew the types of work offered at estate when they were in their own countries.</li> <li>▪ All migrant workers keep their own passports.</li> </ul>
2) Settlers	Not applicable.
3) Villagers / Local communities (including women representatives, displaced communities)	No local communities surrounding the smallholder as the small holder is surrounding by Hap Seng Plantation Sungai Segama Estate. Had made appointment with head of village Kg. Litang for consultation during audit, however, he was not available at his house as auditor arrived. Communication through phone call also cannot be conducted since poor phone signal at remote area.
4) Suppliers	Smallholders by direct from Supplier in Lahad Datu such as fertiliser supplier - Sabah Softwoods Hybrid.
5) Contract workers	Not available for this audit.
6) Local & national NGOs	Not available for this audit.
7) Government agencies / Statutory bodies	No land claims/disputes and no social issues. Harmonious co-existence.
8) Independent growers / Smallholders	Not applicable.
9) Indigenous people	No indigenous people living nearby to the Smallholder.
10) Contractor	Not Applicable.
11) Previous land owner (if any)	The Land Title are originated from Sabah Land Development (Sabah Government) and Sell to Company Name Orient Tide Sdn Bhd in year 1999 and Orient Tide Sdn Bhd Sell their Land to Chua Soon Lee (1/4), Chua Soon Nyee (1/4), Chua Soon Yee (1/4) and Chua Soon Dee (1/4). Auditor has verified the record of Transfer from Orient Tide Sdn Bhd Sell their Land to Chua Soon Lee (1/4), Chua Soon Nyee (1/4), Chua Soon Yee (1/4) and Chua Soon Dee (1/4). The purpose of the land is cultivation of Oil Palm
12) Others (please specify)	Not applicable.

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.																												
<b>2.0</b>	<b>SCOPE OF CERTIFICATION AUDIT</b>																												
<b>2.1</b>	<p><b>Description of the certification unit</b></p> <p>The LKM Trading is a company owned by private smallholder. The Estate is located in Sungai Segama, Jalan Jeroco, Lahad Datu, Sabah. The location of the members are very close to Hap Seng Estate and Hap Seng POMs such as Bukit Mas POM, Jeroco 1 POM and Jeroco 2 POM.</p> <p>There are two (2) smallholders' unit under the same land title. The owners are the siblings of four (4) and they inherited their portion of the estate i.e. a quarter each, from their father. List of the independent smallholders i.e. group members of LKM Trading are tabulated below (also provided in Attachment 6). Mr Chua Soon Lee has been appointed as Group Manager for this RSPO Independent Smallholders group, the LKM Trading.</p> <table border="1"> <thead> <tr> <th>No</th> <th>Group member</th> <th>Site location address</th> <th>GPS Location</th> <th>Total certified area (ha)</th> <th>FFB production (MT/yr)</th> <th>Year of planting</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>CHUA SOON LEE @ LIEW SOON LEE and CHUA SOON NYEE</td> <td>KAMPUNG LITANG</td> <td>Latitude: 5° 18'31.891"N Longitude: 118°29'53.514"E</td> <td>30.77</td> <td>550</td> <td>2004</td> </tr> <tr> <td>2</td> <td>CHUA SOON DEE @ LIEW SOON DEE and CHUA SOON YEE @ LIEW SOON YEE</td> <td>KAMPUNG LITANG</td> <td>Latitude: 5° 18'31.891"N Longitude: 118°29'53.514"E</td> <td>30.00</td> <td>550</td> <td>2004</td> </tr> <tr> <td colspan="4">Total</td> <td>60.77</td> <td>1,100</td> <td></td> </tr> </tbody> </table> <p>The estate is fully developed with 100% oil palm planting. It began planting oil palm in year 2004. All produced crops are sent to Hap Seng Plantation's mills.</p>	No	Group member	Site location address	GPS Location	Total certified area (ha)	FFB production (MT/yr)	Year of planting	1	CHUA SOON LEE @ LIEW SOON LEE and CHUA SOON NYEE	KAMPUNG LITANG	Latitude: 5° 18'31.891"N Longitude: 118°29'53.514"E	30.77	550	2004	2	CHUA SOON DEE @ LIEW SOON DEE and CHUA SOON YEE @ LIEW SOON YEE	KAMPUNG LITANG	Latitude: 5° 18'31.891"N Longitude: 118°29'53.514"E	30.00	550	2004	Total				60.77	1,100	
No	Group member	Site location address	GPS Location	Total certified area (ha)	FFB production (MT/yr)	Year of planting																							
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2	CHUA SOON DEE @ LIEW SOON DEE and CHUA SOON YEE @ LIEW SOON YEE	KAMPUNG LITANG	Latitude: 5° 18'31.891"N Longitude: 118°29'53.514"E	30.00	550	2004																							
Total				60.77	1,100																								
<b>2.2</b>	<b>Description of the Supply Base (including the planting profile)</b>																												
<p>Table 1 Planted and certified area of LKM Trading</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Planted (ha)</th> <th>Certified (ha)</th> </tr> </thead> <tbody> <tr> <td>LKM Trading</td> <td>59.11</td> <td>60.77</td> </tr> <tr> <td><b>Total</b></td> <td><b>59.11</b></td> <td><b>60.77</b></td> </tr> </tbody> </table>		Estate	Planted (ha)	Certified (ha)	LKM Trading	59.11	60.77	<b>Total</b>	<b>59.11</b>	<b>60.77</b>																			
Estate	Planted (ha)	Certified (ha)																											
LKM Trading	59.11	60.77																											
<b>Total</b>	<b>59.11</b>	<b>60.77</b>																											



Table 2 Planting profile for LKM Trading Estate

Year of planting	Planting cycle (1st, 2nd, 3rd, etc. Generation)	Mature / Immature	Planted area (ha)	Percentage of planted area (%)
2004	1st	Mature	59.11	100%
<b>Total</b>			<b>59.11</b>	<b>100%</b>

Table 3 FFB Production for LKM Trading Estate

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
LKM Trading	1,100	100%
<b>Total</b>	<b>1,100</b>	<b>100%</b>

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

The details of the contact person are as shown below:

Name	:	CHUA SOON LEE @ LIEW SOON LEE
Position	:	RSPO Group Manager, LKM Trading
Address	:	Off 40 KM, Jalan Jeroco, 91100, Lahad Datu,
Phone no.	:	Sabah, Malaysia
Fax no.	:	016-7114317
Email	:	chuasoonlee@gmail.com

**3.0 AUDIT FINDINGS**

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

Has increase the FFB production from 920MT from Stage 2 audit (estimated) to 1,100MT for this Surveillance 1 Audit, which has been based on the actual production record from the previous year.

3.2 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.)

None at the time of audit.

3.4 Complaint received from stakeholder (if any)

None.

**4.0 DETAILS OF NON-CONFORMITY REPORT - INDEPENDENT SMALLHOLDERS**

For details checklist, refer to Attachment 3 :

Total no. of major NCR(s) : 11 List : 1.1E, 1.1MS A, 1.3MS A, A2.3MS B, 3.1MS A, 3.4MS A, 3.5MS A, 3.6MS A, 4.1MS A, 4.7MS A & 4.9MS A 1

**5.0 AUDIT CONCLUSION**

Independent Smallholder Phased Approach for Certification, Claims and Benefits:

Eligibility

Milestone A

Milestone B

In general, it can be concluded that the organization has established and maintained its management system in line with the RSPO Independent Smallholder Standard for the Production of Sustainable Palm Oil standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements specified for the phase above.

**6.0 RECOMMENDATION**

No NCR recorded. Recommended to continue certification.

Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the audit team. The NCR(s) have been satisfactorily closed out. Recommended to continue certification.

Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s) which have not been satisfactorily closed out within 90 days of the audit. Recommended for suspension of the certificate.

*Note: Major NCRs which are not addressed within a further 90 days shall result in the certificate being withdrawn.*

**7.0**

IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON-CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON-CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION UNDER INDEPENDENT SMALLHOLDER STANDARD.

**Audit Team Leader :**

Mohd Razman Salim

(Name)

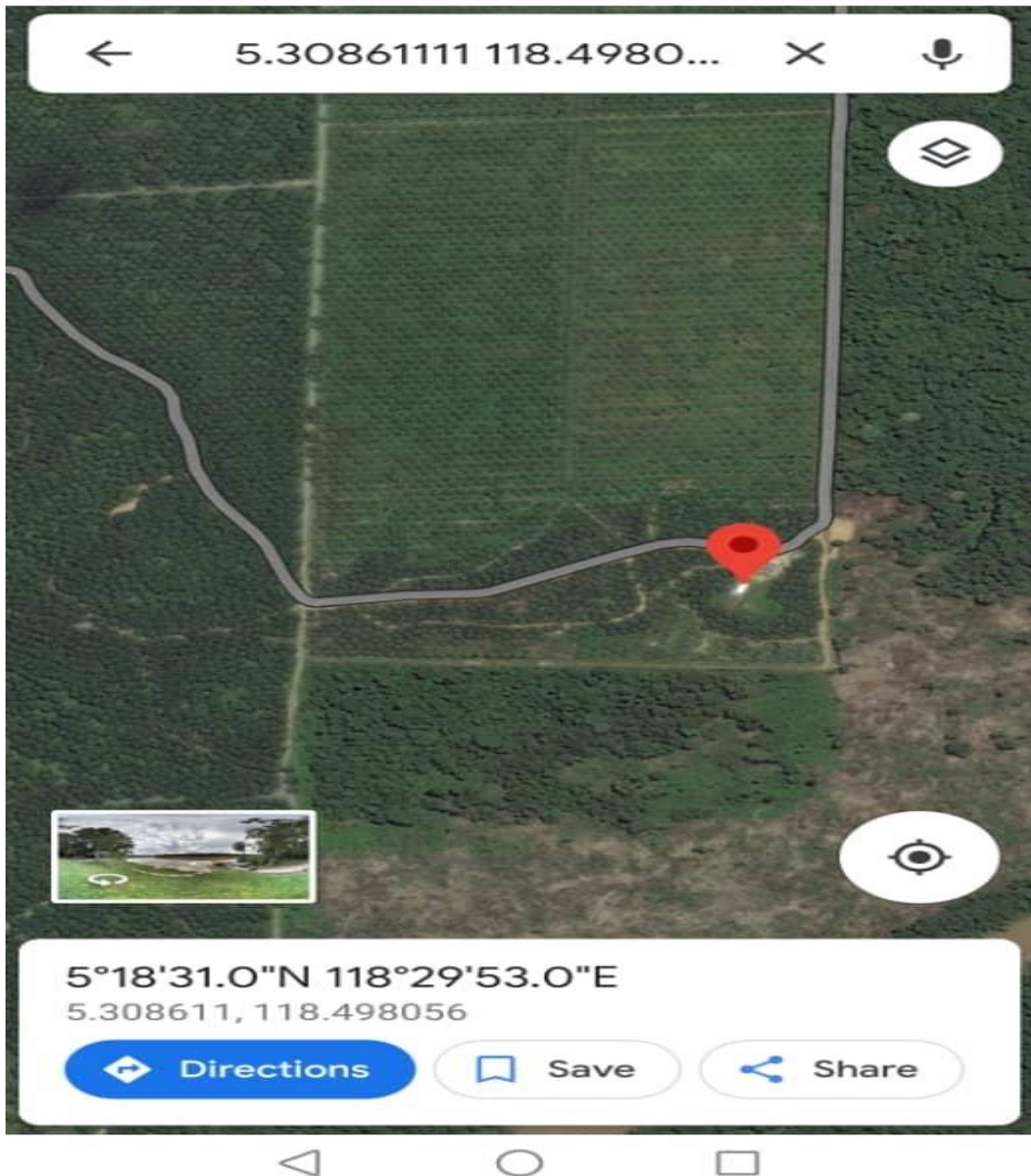


(Signature)

1/07/2021

(Date)

Map of LKM Trading



**RSPO INDEPENDENT SMALLHOLDER AUDIT PLAN**

**ANNUAL SURVEILLANCE 1 AUDIT PLAN**

**1. Objectives**

The objectives of the assessment are as follows:

- (i) To determine Certification Unit conformance against the RSPO Independent Smallholder Standard 2019.
- (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** : 26-28 April 2021

**3. Site of assessment** : LKM Trading

**4. Reference Standard :**

- a. RSPO Independent Smallholder (ISH) Standard 2019
- b. RSPO Certification Systems, Nov 2020
- c. Company's audit criteria including Company's Manual/Procedures

**5. Assessment Team**

- (i) Audit Team Leader: Mohd Razman Salim (MRS) - Social, HCV
- (ii) Auditor : i) Dzulfiqar Azmi (DA) – Safety, Environment  
ii) Mohd Zulfakar Kamaruzaman (MZK) – GAP
- (iii) Trainee Auditor : Rohazimi Mat Nawi (RMN)

*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. 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. Repeated major non-compliance in consecutive audits will also result in recommendation for suspension.

**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 NCR

**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

**RSPO PUBLIC SUMMARY REPORT - INDEPENDENT SMALLHOLDER**

**Day 0: 25 April 2021 (Sunday) – Travelling to the site**

**Day 1: 26 April 2021 (Monday)**

<b>Time</b>	<b>Activities / Areas to be visited</b>			<b>Auditee</b>
8.00am	Opening meeting - Audit team introduction and briefing on assessment objectives, scope, methodology, criteria and programmes by SIRIM QAS Audit Team Leader			Management representative
8:30am	Organization Representative - Briefing on RSPO implementation, significant change on organization activity, structure, certified areas, machinery, FFB, supply bases, time bound plan, actions taken to address previous audit findings. Logistic discussion to the sites to be visited.			
9.00am	To assign each audit team members – site and the P&C requirements			
	<b>MRS</b>	<b>DA</b>	<b>MZK &amp; RMN</b>	
	<ul style="list-style-type: none"> <li>• Social aspects, child labour</li> <li>• Interview with worker representative</li> <li>• Linesite inspection</li> <li>• Complaints and grievances</li> <li>• Land titles, user rights</li> <li>• Stakeholder consultation with affected communities surrounding the CU</li> <li>• High conservation value</li> </ul>	<ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Environmental management – witness activities at site</li> <li>• Chemical store/fertilizer</li> <li>• Waste &amp; chemical management</li> <li>• Facilities at workplace</li> <li>• Training and skill development programmes</li> <li>• Interview with workers, environmental issues</li> <li>• Monitoring buffer zones areas</li> </ul>	<ul style="list-style-type: none"> <li>• Good Agriculture practices</li> <li>• IPM implementation, training and safe use of agro-chemicals.</li> <li>• Occupational safety &amp; health practice – witness activities at site</li> <li>• Interview with workers</li> </ul>	Guide(s) for each auditor
1.00pm	Lunch Break / Zuhur Prayer			All
2.00pm	Continue assessment at estate			
4.30 – 5.00 pm	Audit team discussion / Debrief meeting with client on issues (if any) / End of Day 1 audit			All
9.00 – 10.00 pm	Discussion on potential NCRs			Audit team only

**RSPO PUBLIC SUMMARY REPORT - INDEPENDENT SMALLHOLDER**

**Day 2: 27 April 2021 (Tuesday)**

<b>Time</b>	<b>Activities / Areas to be visited</b>			<b>Auditee</b>
8.00am	Overview of current activities at Supply base sites. To assign each audit team members – site and the P&C requirements			Management representative
8:30am	To assign each audit team members – site and the P&C requirements			
	<b>MRS</b>	<b>DA &amp; RMN</b>	<b>MZK</b>	Guide(s) for each auditor
	<ul style="list-style-type: none"> <li>• Social aspects, child labour</li> <li>• Interview with worker representative</li> <li>• Linesite inspection</li> <li>• Complaints and grievances</li> <li>• Land titles, user rights</li> <li>• Stakeholder consultation with affected communities surrounding the CU</li> <li>• High conservation value</li> </ul>	<ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Environmental management – witness activities at site</li> <li>• Chemical store/fertilizer</li> <li>• Waste &amp; chemical management</li> <li>• Facilities at workplace</li> <li>• Training and skill development programmes</li> <li>• Interview with workers, environmental issues</li> <li>• Monitoring buffer zones areas</li> </ul>	<ul style="list-style-type: none"> <li>• Good Agriculture practices</li> <li>• IPM implementation, training and safe use of agro-chemicals.</li> <li>• Occupational safety &amp; health practice – witness activities at site</li> <li>• Interview with workers</li> </ul>	
1.00pm	Lunch Break / Zuhur Prayer			All
2.00pm	Continue assessment at estate			
4.30 – 5.00 pm	Audit team discussion / Debrief meeting with client on issues (if any) / End of Day 2 audit			All
9.00 – 10.00 pm	Discussion on potential NCRs			Audit team only

**RSPO PUBLIC SUMMARY REPORT - INDEPENDENT SMALLHOLDER**

**Day 3: 28 April 2021 (Wednesday)**

<b>Time</b>	<b>Activities / Areas to be visited</b>			<b>Auditee</b>
8.00am	Continue unfinished assessments			Management representative
8:30am	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	<b>MRS</b>	<b>DA &amp; RMN</b>	<b>MZK</b>	
	<ul style="list-style-type: none"> <li>• Social aspects, child labour</li> <li>• Interview with worker representative</li> <li>• Linesite inspection</li> <li>• Complaints and grievances</li> <li>• Land titles, user rights</li> <li>• Stakeholder consultation with affected communities surrounding the CU</li> <li>• High conservation value</li> </ul>	<ul style="list-style-type: none"> <li>• Laws and regulations</li> <li>• Environmental management – witness activities at site</li> <li>• Chemical store/fertilizer</li> <li>• Waste &amp; chemical management</li> <li>• Facilities at workplace</li> <li>• Training and skill development programmes</li> <li>• Interview with workers, environmental issues</li> <li>• Monitoring buffer zones areas</li> </ul>	<ul style="list-style-type: none"> <li>• Good Agriculture practices</li> <li>• IPM implementation, training and safe use of agro-chemicals.</li> <li>• Occupational safety &amp; health practice – witness activities at site</li> <li>• Interview with workers</li> </ul>	
1.00pm	Lunch Break / Zuhur Prayer			All
2.00pm	Continue assessment at estate			
3.30 – 4.00 pm	<ul style="list-style-type: none"> <li>• Verification on outstanding issues for CU</li> <li>• Auditor to inform auditee on the required document / records</li> <li>• Continue Audit Team discussion and preparation of assessment findings.</li> </ul>			All
4.00 – 5.00 pm	<ul style="list-style-type: none"> <li>• Discussion and acceptance on assessment findings with Management Representative.</li> <li>• Closing meeting at CU</li> </ul>			Audit team only

**Day 4: 29 April 2021 (Thursday) – Travelling back to KL**



**RSPO INDEPENDENT SMALLHOLDER STANDARD AUDIT CHECKLIST AND FINDINGS  
(RSPO ISH STANDARD NOV 2019)**

**Independent Smallholder Phased Approach for Certification, Claims and Benefits:**

Eligibility (E)                     
  Milestone A (MS A)                     
  Milestone B (MS B)

**(I) Internal Control System Requirements for Smallholder Groups**

**A – ICS: Group entity and group management requirements**

Clause	Indicators	Comply Yes/No	Findings
A1 The group demonstrates that they are legally formed.	<b>A1.1 E / MS A / MS B</b> The group has appointed a group manager.	Yes	Mr Chua Soon Lee has been appointed as LKM Trading – Group Manager by the members (Chua Soon Nyee, Chua Soon Yee and Chua Soon Dee) based on letter in March 2019. LKM Trading had appointed a Group Manager as the management representative. Organisation structure detailing the positions and responsibilities of all members was made available.
	<b>A1.2 E / MS A / MS B</b> The group manager has evidence of legal identity.	Yes	LKM Trading is a legal entity which is a registered Malaysian company under trading as per law. It provides support and assistance to independent small oil palm producers which are consists of smallholders.
	<b>A1.3 E / MS A/ MS B</b> The group has membership requirements.	Yes	The membership requirement is based on contract 'Undertake to Enter Into This Contract Agreement'.
	<b>A1.4 E</b> All members have signed and acknowledged membership requirements.	Yes	Verified the contract between the Group and the Producer. LKM Trading – herein referred to as the Group. Chua Soon Yee & Chua Soon Dee, Chua Soon Yee & Chua Soon Dee – herein referred to as the Producer. The members have signed an agreement with the Group Manager in Sept 2019 and committing to achieving compliance with the RSPO standards and requirements.
	<b>A1.4 MS A</b> All members can demonstrate understanding of membership requirements.	Yes	The Group Manager have kept evidence that the nature and structure of the group has been communicated to all members of the Group in an appropriate manner.  Compulsory training was conducted covering all the requirement mentioned for all members especially on RSPO certification, criteria for group membership, group members' documentation and plantation, agriculture practise, policies, safety and environment training, other obligation and etc. The latest training was conducted in May 2019.

**RSPO PUBLIC SUMMARY REPORT - INDEPENDENT SMALLHOLDER**

<b>Clause</b>	<b>Indicators</b>	<b>Comply Yes/No</b>	<b>Findings</b>
A2 The group manager is responsible for managing the group for certification.	<b>A2.1 E</b> The group manager has planned for the implementation of the ICS.	Yes	LKM Trading had established a SOP and Flow chart for Internal Audit System.
	<b>A2.1 MS A</b> The group manager can demonstrate compliance of the ICS by individual members.	Yes	The internal audit was conducted in Oct 2020 and the follow-up audit on the findings were done in Nov & Dec 2020 and Apr 2021. A management review was conducted in Oct 2020. GAP assessment was done along with the Internal audit. On GAP activities free consultancy was provided by Hap Seng Sustainability Team.
	<b>A2.2 E</b> The group manager demonstrates understanding of the RSPO ISH Standard, group certification and related topics and has sufficient resources to manage the group.	Yes	Based on interview and evidence of implementation collected during site visit, audit team has verified that the Group Manager and the mandore are able to demonstrate competence and knowledge of: <ul style="list-style-type: none"> <li>▪ RSPO Independent Smallholder Standard, 2019</li> <li>▪ RSPO Supply Chain Certification Standard</li> <li>▪ Internal audit procedure and policies</li> </ul>
	<b>A2.2 MS A</b> The group manager can demonstrate capacity to manage and operate group certification and certification requirements.	Yes	The Group Manager is able to demonstrate sufficient resources and capacity for managing group certification and performance assessment against this standard.
	<b>A2.3 E</b> A group annual training plan is available covering the RSPO ISH Standard, group management (which includes group objectives, structure, relevant procedures and the certification process) and other topics as outlined in the ISH Standard.	Yes	A 2021 Training Plan titled 'Jadual Latihan bagi Tahun 2021' has been established by LKM Trading for the following courses aimed at creating awareness and improving knowledge and competency. It covers all aspects of the RSPO ISH Standard.
	<b>A2.3 MS A</b> The group manager implements a phased approach to ensure members have progressively attended training on the ISH Standard, group management and other topics as outlined in the ISH Standard according to the group annual training plan.	Yes	Since there are only 2 smallholders in the group, the training was conducted by following the training plan.
	<b>A2.3 MS B</b> All members attended training and can demonstrate understanding of the ISH Standard, group management and	No	The training conducted in 2020 were made available as listed below:

**RSPO PUBLIC SUMMARY REPORT - INDEPENDENT SMALLHOLDER**

Clause	Indicators	Comply Yes/No	Findings																																		
	<p>Certification requirements including awareness on BMPs, HCV, Environmental protection, social welfare of workers and business operations.</p>		<table border="1"> <thead> <tr> <th data-bbox="1041 280 1128 325">No.</th> <th data-bbox="1128 280 1747 325">Training Description</th> </tr> </thead> <tbody> <tr> <td data-bbox="1041 325 1128 368">1</td> <td data-bbox="1128 325 1747 368">FFB Harvesting and Evacuation</td> </tr> <tr> <td data-bbox="1041 368 1128 411">2</td> <td data-bbox="1128 368 1747 411">Broadcasting and Storage of Fertiliser</td> </tr> <tr> <td data-bbox="1041 411 1128 454">3</td> <td data-bbox="1128 411 1747 454">Triple rinsing of empty fertilizer bag</td> </tr> <tr> <td data-bbox="1041 454 1128 497">4</td> <td data-bbox="1128 454 1747 497">Delivery and Handling diesel and lubricants</td> </tr> <tr> <td data-bbox="1041 497 1128 541">5</td> <td data-bbox="1128 497 1747 541">Grass cutting</td> </tr> <tr> <td data-bbox="1041 541 1128 584">6</td> <td data-bbox="1128 541 1747 584">Transporting and Handling of FFB</td> </tr> <tr> <td data-bbox="1041 584 1128 627">7</td> <td data-bbox="1128 584 1747 627">Use Fire Extinguisher</td> </tr> <tr> <td data-bbox="1041 627 1128 670">8</td> <td data-bbox="1128 627 1747 670">Briefing on Sexual Harassment</td> </tr> <tr> <td data-bbox="1041 670 1128 713">9</td> <td data-bbox="1128 670 1747 713">PPE Use and Replacement</td> </tr> <tr> <td data-bbox="1041 713 1128 756">10</td> <td data-bbox="1128 713 1747 756">Policy Briefing</td> </tr> <tr> <td data-bbox="1041 756 1128 799">11</td> <td data-bbox="1128 756 1747 799">Integrated Pest Management</td> </tr> <tr> <td data-bbox="1041 799 1128 842">12</td> <td data-bbox="1128 799 1747 842">First Aid</td> </tr> <tr> <td data-bbox="1041 842 1128 885">13</td> <td data-bbox="1128 842 1747 885">High Conservation Area &amp; Rare, Threatened and Endangered Species</td> </tr> <tr> <td data-bbox="1041 885 1128 928">14</td> <td data-bbox="1128 885 1747 928">Waste Management - Scheduled Waste &amp; 3R</td> </tr> <tr> <td data-bbox="1041 928 1128 971">16</td> <td data-bbox="1128 928 1747 971">Manuring and Fertiliser Storage Training</td> </tr> </tbody> </table>	No.	Training Description	1	FFB Harvesting and Evacuation	2	Broadcasting and Storage of Fertiliser	3	Triple rinsing of empty fertilizer bag	4	Delivery and Handling diesel and lubricants	5	Grass cutting	6	Transporting and Handling of FFB	7	Use Fire Extinguisher	8	Briefing on Sexual Harassment	9	PPE Use and Replacement	10	Policy Briefing	11	Integrated Pest Management	12	First Aid	13	High Conservation Area & Rare, Threatened and Endangered Species	14	Waste Management - Scheduled Waste & 3R	16	Manuring and Fertiliser Storage Training		<p>However, record of training for all members on ISH Standard, group management and certification requirements including awareness on BMPs, HCV, environmental protection, social welfare of workers and business operations were not available during audit. Thus, Major NCR MRS 01 2021 was raised.</p>
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**RSPO PUBLIC SUMMARY REPORT - INDEPENDENT SMALLHOLDER**

**B – ICS: Policies and management**

Clause	Indicators	Comply Yes/No	Findings																			
B1 The group ICS contains documented policies and procedures for operational management.	<b>B1.1 E</b> A group ICS is available for operational management including procedures of expulsion and sanctions for members who fail to comply, and a procedure to conduct internal audits.	Yes	Expulsion and sanctions for members who fail to comply been stated inside contract item 3. Flowchart for Internal Audit System for LKM Trading is established to monitor the performance of the estate management and controlling the compliance with the RSPO standard.																			
	<b>B1.1 MS A</b> The ICS is implemented and an internal audit is conducted for at least half of the group members and all audit findings are closed.	Yes	Internal audit conducted, as below.																			
	<b>B1.1 MS B</b> The ICS is implemented and an annual internal audit of the group is conducted for all group members and all audit findings are resolved.	Yes	The internal audit for LKM Trading had been conducted with frequency once/year with latest conducted in Oct 2020 by personnel from Hap Seng Plantations Holdings Berhad accordance RSPO Management System Requirements and Guidance for Group Certification of FFB Production March 2018. Sighted that the internal findings were recorded 4 major NCR, and all the findings had adequately closed. The organization has plan to conduct next internal audit with new RSPO ISH Standard in October 2021.																			
	<b>B1.2 E</b> Basic information, farm information, production data, legal documentation of group members and signed Smallholder Declarations are available to the group manager.	Yes	Basic information consists of information such as below were sighted c/w signed by the smallholder available and sighted. <table border="1" data-bbox="1041 954 1998 1088"> <thead> <tr> <th>Group members</th> <th>Title Number</th> <th>Hectarage</th> <th>Production</th> </tr> </thead> <tbody> <tr> <td>Chua Soon Lee</td> <td>CL095331712</td> <td>30.77</td> <td>460 Mt</td> </tr> <tr> <td>Chua Soon Nye</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Chua Soon Yee</td> <td>CL095331712</td> <td>30.00</td> <td>460 Mt</td> </tr> <tr> <td>Chua Soon Dee</td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Group members	Title Number	Hectarage	Production	Chua Soon Lee	CL095331712	30.77	460 Mt	Chua Soon Nye				Chua Soon Yee	CL095331712	30.00	460 Mt	Chua Soon Dee		
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**RSPO PUBLIC SUMMARY REPORT - INDEPENDENT SMALLHOLDER**

**C – ICS: Group business planning**

<b>Clause</b>	<b>Indicators</b>	<b>Comply Yes/No</b>	<b>Findings</b>
C1 The group has a business plan prepared with the participation and contributions of all group members.	<b>C1.1 E</b> An annual group business plan is available, which includes: • production and income forecasting based on historical records • plans for expansion.	Yes	LKM Trading had a documented business plans with projections including production and income forecasting based on historical records and plans for expansion. The budget provisions covered Revenue and Expenditure on Production Cost, Field Upkeep and General Charges. Sighted the Business Plan has been kept in file Business Plan and forecasting based on historical record since 2012.
	<b>C1.1 MS A</b> The group business plan is implemented and reviewed at least annually.	Yes	LKM Trading had a documented business plans with projections until the financial year 2025. The budget provisions covered Revenue and Expenditure on Production Cost, Field Upkeep and General Charges. Attention was given to crop projection, cost of production, cost per ton and per hectare indicators to monitor the performance of each operating unit. The cost of production was reviewed and compared against expenditure each year with projections in place for future years.
	<b>C1.1 MS B</b> The group demonstrates financial stability and growth and is able to support itself financially.	Yes	The Group Manager had conducted risk assessment before entering the RSPO but since this is a siblings-owned company, LKM Trading demonstrates financial stability and growth and is able to support itself financially.
C2 The ICS of the group is integrated with the group's management plan.	<b>C.2.1 E</b> A group management plan is available, which includes: • training/capacity building plans to Improve productivity of group members • an approach to strengthen links within the supply chain • plan for continuous improvement projects (i.e. on waste, soil, etc.), if any.	Yes	Group Management Plan was available on Continuous Improvement Plan and updated in Nov 2020. LKM Trading was committed to implement best agricultural practices to Improve productivity of group members, strengthen links within the Supply chain and continuous improvement inclusive of timely and proper fertilizer application; maintain/conserves water by water management, improve on accessibility to maximise crop evacuation, reduce surface run off water to prevent leaching of fertilisers, maintaining at least 2 rounds of harvesting per month, and strengthen Links supply Chain by seek help from Hap Seng due to FFB send to their Mill and always communicate with them if any related to RSPO. The LKM Trading also maintained efforts to improve continuously its environmental impacts. Among the relevant plans and measures were reduction of diesel usage / GHG emission, maintain water quality, reduce soil erosion, reduce land contamination, improve soil fertility, and reduce waste.
	<b>C2.1 MS A</b> The group management plan is implemented and reviewed at least annually.	Yes	Sighted the Group Management Plan has been developed under the name of Continuous Improvement Plan updated in November 2020. Sighted during this surveillance audit the Plan has been implemented however in slow progress due to Pandemic COVID 19.

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Clause	Indicators	Comply Yes/No	Findings
	<b>C2.1 MS B</b> The group manager demonstrates the group's compliance with this ISH Standard.	Yes	The Group Manager of LKM Mr Chua Soon Lee has demonstrates the knowledge of ISH Standard. And LKM Trading are in progress to achieve the group compliance with the new ISH Standard 2019.

**D – ICS: Group trading system for certified volumes**

Clause	Indicators	Comply Yes/No	Findings
D1 The group has a procedure and system in place for the tracking of FFB.	<b>D1.1 E</b> Record sheets to track the annual production and sales of certified volumes, covering traceability of producers and/or traders are available.	Yes	LKM Trading has maintained the yearly accounting system to Record sheets to track the annual production and sales of certified volumes, covering traceability of producers and/or traders RSPO certified and deliveries FFB. Record titled as <i>"Records of Delivery and Sales of FFB at Jeroco/Bukit Mas"</i> .
	<b>D1.1 MS A</b> Group manager maintains annual production records and sales of certified volumes.	Yes	LKM Trading has maintained the yearly accounting system to Record sheets to track the annual production and sales of certified volumes, covering traceability of producers and/or traders RSPO certified and deliveries FFB. Record titled as <i>"Records of Delivery and Sales of FFB at Jeroco/Bukit Mas"</i> .
	<b>D1.1 MS B</b> Group manager maintains annual production records and sales of certified volumes of all FFB sources.	Yes	LKM Trading has maintained the yearly accounting system to Record sheets to track the annual production and sales of certified volumes, covering traceability of producers and/or traders RSPO certified and deliveries FFB. Record titled as <i>"Records of Delivery and Sales of FFB at Jeroco/Bukit Mas"</i> . LKM also has maintained all their receipts of FFB sales in the file name LKM Trading Weighbridge ticket.
D2 The group documents and implements a system for the tracking of FFB.	<b>D2.1 E</b> NA.	NA	-
	<b>D2.1 MS A</b> The group manager maintains annual production data and sales of certified volumes through Book and Claim for the group based on actual receipts for and sales by all members.	Yes	LKM Trading maintains annual production data and sales of certified volumes in the file Weighbridge Ticket and documents 'Records of Delivery and Sales of FFB at Jeroco/Bukit Mas'. The procedure in handling of sale and delivery was sighted namely SOP for Supply Chain and Traceability dated December 2020 and found adequate.

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<b>Clause</b>	<b>Indicators</b>	<b>Comply Yes/No</b>	<b>Findings</b>
	<p><b>D2.1 MS B</b> The group manager maintains annual production data and sales of certified volumes through physical or Book and Claim for the group based on actual receipts and sales for all members and 100% of all certified volumes.</p>	Yes	LKM Trading has maintained the yearly accounting system to Record sheets to track the annual production and sales of certified volumes, covering traceability of producers and/or traders RSPO certified and deliveries FFB. Record titled as <i>“Records of Delivery and Sales of FFB at Jeroco/Bukit Mas”</i> . LKM also has maintained all their receipts of FFB sales in the file name LKM Trading Weighbridge ticket and it can be confirmed is all 100% certified volume.
D3 The group has a procedure and system for premium distribution.	<p><b>D3.1 E</b> The group and group manager have agreed on how the premiums should be used and the agreement is recorded and communicated to the group members. Prices, premiums, and timing of premium payment are clearly communicated and transparent to all group members. Premiums disbursed to members at all stages are recorded and the premiums are paid in a timely and convenient manner.</p>	Yes	The group (Chua Soon Yee, Chua Soon Dee, Chua Soon Nyee) and group manager Mr Chua Soon Lee have agreed on how the premiums should be used which is to cover the cost of RSPO Certification and the agreement is recorded in the contract between all of the members and communicated to the group members during the signage of contract. Premium is disbursed to members at all stages are recorded and the premiums are paid in a timely and convenient manner, However, all of Groups Member are decided to use back Premium for RSPO Certification.
	<p><b>D3.1 MS A</b> The disbursement of premiums, including price and timing of the disbursement to group members is clearly recorded.</p>	Yes	The disbursement received by the LKM Trading from Hap Seng Bukit Mas POM are already recorded in the Letter FFB Statement of Account. For Group Member Premium is disbursed to members at all stages are recorded and the premiums are paid in a timely and convenient manner. However, all of Group Member are decided to use back Premium for RSPO Certification as per evidence in letter dated January 2021.
	<p><b>D3.1 MS B</b> N/A</p>	NA	-

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**(II) RSPO ISH STANDARD 2019**

**Principle 1: Optimise productivity, efficiency, positive impacts and resilience**

Implement professional and transparent operations to secure sustainable livelihood improvements.

Clause	Indicators	Comply Yes/No	Findings
1.1 Smallholders establish a legal entity that has the organisational capacity to comply with the RSPO ISH Standard.	<b>1.1 E</b> Legally registered entities have documented evidence to include: 1. Legal formation (as per country requirements) 2. Fair and transparent decision making and governance. 3. Additional documents per requirements for Group Formation and Management. 4. Signed or thumb printed Smallholder Declaration from all smallholder members (Reference Annex 2).	No	LKM Trading is a legal entity which is a registered Malaysian company under trading as per the law. It provides support and assistance to independent small oil palm producers which are consists of smallholders. Verified the contract between the Group and the Producer. LKM Trading – herein referred to as the Group. Chua Soon Yee & Chua Soon Dee, Chua Soon Yee & Chua Soon Dee – herein referred to as the Producer. The members have signed an agreement with the Group Manager in Sept 2019 and committing to achieving compliance with the RSPO standards and requirements. However, the signed agreement for all smallholder dated 7 March 2019 did not used the existing Smallholder Declaration in Annex 2 or develop a new Smallholder Declaration based on the template in Annex 2. Thus, a Major NCR MRS 02 2021 was raised.
	<b>1.1 MS A</b> Group manager and group members have an Internal Control System (ICS) that meets all the ICS Eligibility and MS A requirements (section 3.2 below) and complete training on oil palm pricing mechanisms, financial management, and best practices for smallholder organisations.	No	All in place except that the record of training on oil palm pricing mechanisms, financial management, and best practices for smallholder organisations were not available during audit. Thus, a Major NCR MRS 03 2021 was raised.
	<b>1.1 MS B</b> Smallholder groups are operating in accordance to best management practices for groups, including: • Fair and transparent decision-making and governance • Sustainable financial management.	Yes	LKM Trading are operating accordance to best management practices for groups all decision making is based on fair and transparent. LKM Trading also had sustainable financial management since this Group is siblings' group all decision making is through siblings meeting and no issue regarding the fair and transparent.



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1.2 Smallholders have the capacity to effectively manage their farm.	<b>1.2 E</b> NA.	NA	-
	<b>1.2 MS A</b> Smallholders complete training on farm business operations, monitoring and planning. The training includes capacity building on record keeping for production, including inputs and yields, transactions, and variety.	Yes	Compulsory training was conducted covering all the requirement mentioned for all members especially on RSPO certification, business operations, monitoring and planning criteria for group membership, group members' documentation and plantation, agriculture practise, policies, safety and environment training, other obligation and etc. The last training was conducted in Dec 2020.
	<b>1.2 MS B</b> Smallholders are managing their farms effectively and maintain records of production and transaction data of all FFB sales.	Yes	LKM Trading is able to demonstrate sufficient resources and capacity for managing group certification and performance assessment against this standard. Group Manager and mandore were appointed to monitor the performance of the members through field visit, internal audit and risk assessment for members. LKM also maintain records of Production and Transaction Data of all FFB Sales to Bt Mas POM. The FFB Sales records were sighted.
1.3 Smallholders implement good agricultural practices (GAP) on their farms.	<b>1.3 E</b> Smallholders commit to implementing good agricultural practices on their farms. (reference Smallholder Declaration, 1.1 E, Annex 2).	Yes	LKM Trading has commit to implementing Good Agriculture Practices on their Farm. SOPs in place.
	<b>1.3 MS A</b> Smallholders complete training on GAP.	No	LKM Trading training programmes for 2021 covered all aspects of the RSPO ISH 2019. Regular assessments of training needs were presented to auditors by the LKM Trading Training Plan was established in January 2021. A training needs identification matrix has been established with target dates for the training to be conducted. However, it was found that records of training conducted were not adequate. Therefore, Major MZK 01 2021 has been raised.
	<b>1.3 MS B</b> Smallholders have adopted GAP on their farms and are tracking productivity through, but not limited to, records of FFB sales.	Yes	There is evidence that LKM have adopted GAP on their farms, and pesticides had not been used to control weeds or pests. There was no pest attacks and only manual weeding was carried out to control weeds. No record to show purchased of pesticides. The LKM has increased in planting of beneficial plants to monitor pest through Early Warning System.

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**Principle 2: Ensure legality, respect for land rights and community wellbeing.**

Comply with the law and respect communities' rights.

Clause	Indicators	Comply Yes/No	Findings
2.1 Smallholders have legal or customary rights to use the land in accordance with national and local laws, and customary practices.	<b>2.1 E</b> Smallholders provide the coordinates or maps of their plots and evidence of ownership, or rights to use the land. (reference Indicator 1.1 E, Annex 2).	Yes	Smallholders has provided the coordinates (Latitude @ 5.30885 & Longitude @ 118.49819) and maps of their plots (attached in the report – Attachment 1). The legal ownership and the maps to indicate the boundary stone were sighted at LKM Trading. The Land Title for both smallholders' plot has been verified, The Land Title are originated from Sabah Land Development (Sabah Government) and Sell to Company Name Orient Tide Sdn. Bhd. on 26 August 1999 and Orient Tide Sdn Bhd Sell their Land to Chua Soon Lee (1/4), Chua Soon Nyee (1/4), Chua Soon Yee (1/4) and Chua Soon Dee (1/4). Auditor has verified the record of Transfer from Orient Tide Sdn Bhd Sell their Land to Chua Soon Lee (1/4), Chua Soon Nyee (1/4), Chua Soon Yee (1/4) and Chua Soon Dee (1/4). The purpose of the land is cultivation of Oil Palm.
	<b>2.1 MS A</b> Smallholders can demonstrate legal ownership or native and/or customary rights to use the land or demonstrate that they are in the process of legalisation of that right.	Yes	Smallholders have demonstrated legal ownership or native and/or customary rights to use the land or demonstrate that they are in the process of legalisation of that right. As reported in 2.1 E of this checklist, it has been verified that the land is now legitimately owned by LKM Trading since 1999. The audit team had confirmed that there were no land issues related to previous owners.
	<b>2.1 MS B</b> Smallholders plots are clearly and visibly demarcated and maintained, and the smallholders are operating only within these boundaries.	Yes	Field verification LKM Trading, observed the boundary stones were maintained between the estate and the neighboring private oil palm estates such as Hap Seng Sungai Segama Estate and neighboring smallholders. Visible marker has been seen available at LKM Trading.
2.2 Smallholders have not acquired lands from indigenous peoples, local communities or other users without their free, prior and informed consent (FPIC), based on a simplified FPIC approach.	<b>2.2 E / MS A / MS B</b> For existing plots, smallholders can demonstrate that they have not acquired land without FPIC of indigenous peoples, local communities or other users (reference Indicator 1.1 E, Annex 2).	Yes	There is no land dispute recorded. This was verified through stakeholders' consultation. Furthermore, as reported in 2.1 E of this checklist, LKM Trading has been developed since 1999, after it was bought from the previous land owner; villagers and Sabah Land Development. All the related documentation regarding the land acquisition was kept in LKM Trading Office, Lahad Datu and was verified by the auditor.

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<b>Clause</b>	<b>Indicators</b>	<b>Comply Yes/No</b>	<b>Findings</b>
2.3 The right to use the land is not disputed by indigenous peoples, local communities, or other users.	<b>2.3 E</b> Smallholders declare any existing disputes on the land, commit to resolving said disputes and provide information on the current status of those disputes (if any). (Reference Indicators 1.1 E, Annex 2).	Yes	There is no land dispute recorded. This was verified through stakeholders' consultation.
	<b>2.3 MS A / MS B</b> There is an absence of disputes among indigenous peoples, local communities or other users, regarding land, resource-use and access rights; or where there is a dispute, dispute resolution processes are implemented and the process is accepted by all parties involved.	Yes	There is no land dispute recorded. This was verified through stakeholders' consultation.
2.4 Smallholder plots are located outside of areas classified as national parks or protected areas, as defined by national, regional or local law, or as specified in National Interpretations.	<b>2.4 E / MS A / MS B</b> Smallholder plots are located outside of areas classified as national parks or protected areas as defined by national, regional or local law, or as specified in National Interpretations (Reference 1.1 E, Annex 2).	Yes	During site visit and document review of HCV area and Biodiversity assessment report with revision dated Dec 2020, observed smallholder plots are located outside of areas classified as national parks or protected areas as defined by national, regional or local law, or as specified in National Interpretations. Thus, this indicator is not available.
<b>2.5</b> For new planting, smallholders do not clear or acquire any land without obtaining FPIC of indigenous peoples and/or local	<b>2.5 E</b> For new oil palm planting, smallholders commit not to clear or acquire land from indigenous peoples, local communities, or other users without their FPIC, based on a simplified FPIC approach (reference 1.1 E, Annex 2).	Yes	There is no plan for new planting of oil palm smallholders within the group. Therefore, this indicator not applicable.

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Clause	Indicators	Comply Yes/No	Findings
communities and/or other users, based on a simplified FPIC approach.  *Do any smallholders within the group have plans for new planting of oil palm? If none, SKIP.	<b>2.5 MS A</b> Smallholders complete training on how to conduct a simplified FPIC approach.  *Do any smallholders within the group have plans for new planting of oil palm? If none, SKIP.	Yes	There is no plan for new planting of oil palm smallholders within the group. Therefore, this indicator not applicable.
	<b>2.5 MS B</b> Based on a simplified FPIC approach, smallholders jointly agree on a plan with the affected indigenous peoples and/or local communities and/or other rights holders, including vulnerable groups, for new oil palm developments, if these involve land-use change.  *Do any smallholders within the group have plans for new planting of oil palm? If none, SKIP	Yes	There is no plan for new planting of oil palm smallholders within the group. Therefore, this indicator not applicable.

**Principle 3: Respects human rights, including workers' rights and conditions.**

Safeguard human rights and protect workers' rights, ensuring safe and decent working conditions.

Clause	Indicators	Comply Yes/No	Findings
3.1 There is no use of forced labour.	<b>3.1 E</b> Smallholders commit to no use of forced labour and ensure that any use of forced labour on the farm is terminated at Eligibility. They provide information on the source of labour, including family members, working on the farm and hired labour including contract workers (reference 1.1 E, Annex 2).	Yes	A special labour policy for employment of foreign workers has been addressed in the social policy. The policy mentioned that foreign employees will be treated fairly in terms of recruitment, terms and conditions of work, provide decent living and no contract substitution. The procedure has been implemented for any employment related with foreign workers.  The migrant workers are directly hired. No third party for the recruitment for all workers as verified with Group Manager and during interview session with workers. Both workers have been worked under the Group Manager since year 1999.

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Clause	Indicators	Comply Yes/No	Findings
	<p><b>3.1 MS A</b> Smallholders complete training on free and fair labour and implement measures to ensure that all work is voluntary, and the following practices are prohibited:</p> <ul style="list-style-type: none"> <li>• Retention of identity documents including but not limited to passports;</li> <li>• Payment of recruitment fees by workers;</li> <li>• Contract substitution;</li> <li>• Involuntary overtime;</li> <li>• Lack of freedom of workers to resign;</li> <li>• Penalty for termination of employment;</li> <li>• Debt bondage;</li> <li>• Withholding of wages.</li> </ul>	No	Record of training on free and fair labour as mentioned in the requirement were not available during audit. Thus, a Major NCR MRS 04 2021 was raised.
	<p><b>3.1 MS B</b> Workers on the farm, including their families, have unrestricted access to their identity documents, have freedom of movement and can declare that their employment is freely chosen.</p>	Yes	There are no families of workers staying in the farm. The workers kept their own identity documents (passport and work permit). The workers also have freedom of movement and declared that their employment is freely chosen.
<p>3.2 Children are not employed or exploited. Work by Children is acceptable on family farms, under adult supervision and when not interfering with education programmes. Children are not exposed to hazardous working conditions.</p>	<p><b>3.2 E</b> Smallholders are aware of what defines child labour and ensure that any child labour in farm operations is terminated at Eligibility.</p> <p>Awareness of child labour and commitment to no child labour includes:</p> <ol style="list-style-type: none"> <li>1. Compliance with the minimum age of workers and as defined by local, state, or national law, or international law in the absence of local, state or national laws.</li> <li>2. Not exposing children to hazardous work.</li> <li>3. Providing adult supervision of children and/or young people working on the farm.</li> <li>4. Ensuring the practice of children's right to education is unrestricted and respected (reference 1.1 E, Annex 2).</li> </ol>	Yes	"Polisi Buruh Kanak-Kanak" dated in July 2018 is publicly available at the visited estate. The policy statements emphasized on child under 18 years must not be employed to work in hazardous areas. This policy is posted on notice boards in the estate office. Smallholders are aware of what defines child labour and ensure that any child labour in farm operations is terminated at Eligibility. Based on the record list of workers and passport, all workers are above 18 years old.

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Clause	Indicators	Comply Yes/No	Findings
	<p><b>3.2 MS A / MS B</b>                      Group managers and smallholders implement measures to protect children as follows:                      1. There are no workers on smallholder farms under the age of 15 or under the minimum age defined by local, state or national law, whichever is higher.                      2. Children are only permitted to help on family farms and are not permitted to perform dangerous, hazardous or heavy work.                      3. If young workers are employed, their work is not mentally or physically harmful and does not interfere with their schooling, if applicable.</p>	Yes	Audit team has verified employment card, copies of passports of Philippines workers, and List of Foreign Workers. No record of persons underage of eighteen at all visited estate.
<p>3.3                      Workers' pay complies with minimum legal requirements, mandatory industry standards as defined by national law or collective bargaining, whichever takes priority in local regulations.</p> <p>*Are there workers on the farm? If no, SKIP</p>	<p><b>3.3 E</b>                      Smallholders commit to pay workers according to minimum legal requirements or mandatory industry standards (reference 1.1 E, Annex 2).</p>	Yes	All workers had been paid according to minimum legal requirements Sabah Labour Ordinance [Section 108 (1)] and Minimum Wage Order 2018. There was no late payment of wages for the year 2020.
	<p><b>3.3 MS A</b>                      Workers receive payments as expected and agreed in accordance with at least the legal minimum wage rate (excluding overtime premiums) and without discrimination against vulnerable groups, including women.</p>	Yes	As in 3.3 MS B.
	<p><b>3.3 MS B</b>                      Workers receive payments as expected and agreed in accordance with at least the legal minimum wage rate (excluding overtime premiums) and without discrimination against vulnerable groups, including women.</p>	Yes	Pay and conditions are documented and made available during the audit. These are contained in the workers' payslips and employment contracts. Pay slips were sighted and are provided to workers on a monthly basis as confirmed during worker interviews. Pay slips for Estate field workers show breakdown for all work done such as allowances received, deductions, no. of days worked.

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Clause	Indicators	Comply Yes/No	Findings
			Pay slip for general worker was verified by auditor. The wages has followed the Minimum Wages Order 2018. All employee's pay slip for the month of January – March 2021 were verified as follows: Worker No CSY1, CSY2, CSY3, CSL1, CSL2, CSL3, CSL4, CSL5, and CSL6.
<p>3.4 Workers understand their rights and freedom to file a complaint/grievance to group manager or relevant third parties, including RSPO.</p> <p>*Are there workers on the farm? If no, SKIP</p>	<p><b>3.4 E</b> Smallholders commit to respect the rights of workers to file a complaint/grievance (reference 1.1 E, Annex 2).</p>	Yes	<p>LKM Trading has established a procedure to comply with the requirement and it describe the procedures and mechanism to be taken should any stakeholders (either external or internal) wish to communicate with the company on any issues concerning their interest:</p> <ul style="list-style-type: none"> <li>i) Consultation Procedure</li> <li>ii) <i>Carta Aliran Membuat Aduan Kepada Pihak Pengurusan</i></li> <li>iii) <i>Carta Aliran Membuat Aduan Masalah</i></li> <li>iv) <i>Carta Airan Aduan ke Pihak Atasan</i></li> <li>v) Carta Aliran Aduan (Grievance Procedure)</li> <li>vi) External Communications Procedure</li> </ul>
	<p><b>3.4 MS A</b> Smallholders complete training on workers' rights to file a complaint/ grievance and communicate to workers the means to file a complaint/grievance.</p>	No	The specific grievance mechanism titled 'Grievances Procedure/Prosedur Aduan' dated in Jan 2021 is available in the LKM Trading. The LKM Trading have clear flow chart on how to handle complaints and grievances from internal and external. However, record of training for all smallholders on workers' rights to file a complaint/ grievance was not available during audit. Thus, a Major NCR MRS 05 2021 was raised.
	<p><b>3.4 MS B</b> Workers are aware of and have access to an effective means for filing a complaint/ grievance.</p>	Yes	All records of (internal and external) complaints and grievances were kept within the grievance/request record book/ Grievance and Complaint Logbook Internal Stakeholders as well as in complaint form.
<p>3.5 Working conditions and facilities are safe and meet minimum legal requirements.</p>	<p><b>3.5 E</b> Smallholders commit to providing safe working conditions and facilities (reference 1.1 E, Annex 2).</p>	Yes	LKM Trading committed to provided safe working conditions and facilities by developed OSH Policy signed by the Group Manager dated in July 2018. The policy has been displayed at notice boards at office and at main entrance gate. Besides that, the OSH Policy has been communicated to all workers via morning muster. During the interview with sample workers at harvesting area, they are aware and understood the safe working condition and safety commitment as per established policy. Furthermore, LKM Trading has established OSH Plan that captures significant farm activities to ensure work practices for all workers are safe.
	<p><b>3.5 MS A</b> Smallholders, workers, and family members complete training and aware of health and safety risks associated with farm work, (including that of pesticide use) and how to mitigate them.</p>	No	Workers have completed the training and aware of health and safety risks associated with farm work and how to mitigate them. Interview workers revealed the training have been implemented and the necessary record has been maintained. Overall performance and understanding of smallholders, workers, and family members was satisfactory condition. However, there is no evidence of smallholders and family members attaining a completed

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Clause	Indicators	Comply Yes/No	Findings
			training and aware of health and safety risks associated with farm work. Therefore, Major NCR DA 01 2021 was raised.
	<p><b>3.5 MS B</b> Workers, including smallholder family members, have access to safe working conditions and amenities that include:</p> <ul style="list-style-type: none"> <li>• Safe and adequate housing, where applicable;</li> <li>• Access to basic first aid supplies;</li> <li>• Health and safety equipment, including minimum personal protective equipment (PPE) if appropriate for the type of work;</li> <li>• Adequate drinking water;</li> <li>• Access to toilets.</li> </ul>	Yes	<p>Workers, including smallholder family members, have access to safe working conditions and amenities. LKM Trading continues to provide free housing, water supply, free medical services and free electricity. The conditions of the houses at LKM Trading were safe and good condition with one bedroom, toilet, living hall and wet kitchen. The compounds were well kept and clean. LKM Trading workers using water from water rain harvesting for bath and washing clothes. Meanwhile, for drinking consumption, the management provided free drinking water to all workers. Log book free drinking water distribution has been sighted. Workers interviewed confirmed that the houses and amenities provided are adequate, comfortable and requests for repairs were attended to in a timely manner.</p> <p>Noted on evidence that first aid kit is available at all works place with complete contents and no medication with expired date.</p> <p>All workers such as harvesters and upkeep workers were continuously trained in safe working practices including SSOP for PPE related to their job function 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 free of charge to employees of estate visited.</p>
<p><b>3.6</b> There is no discrimination, harassment, or abuse on the farm.</p> <p>*Are there workers on the farm? If no, SKIP</p>	<p><b>3.6 E</b> Smallholders commit to no discrimination, harassment or abuse on the farm (reference 1.1 E, Annex 2).</p>	Yes	There is a publicly available equal opportunities policy (Polisi Kesamarataan Hak) dated in July 2018 which states that the group manager is providing equal opportunity to all and does not practice discrimination based on race, caste, national, origin, disability, gender, sexual orientation, union membership, political affiliation, or age.
	<p><b>3.6 MS A</b> Smallholders complete training on workplace discrimination, harassment and abuse and are aware of the need for a safe workspace.</p>	No	Record of training on workplace discrimination, harassment and abuse and are aware of the need for a safe workspace as were not available during audit. Thus, a Major NCR MRS 06 2021 was raised.
	<p><b>3.6 MS B</b> Workers freely express that they are working in a place that is free from discrimination, harassment, or abuse.</p>	Yes	The interviewed with sampled foreign workers confirmed that they are working in a place that is free from discrimination, harassment, or abuse. They are happy to work under the management of Group Manager.



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**Principle 4: Protect, conserve and enhance ecosystems and the environment**

Protect the environment, conserve biodiversity, enhance ecosystems and ensure sustainable management natural resources.

Clause	Indicators	Comply Yes/No	Findings
4.1 High Conservation Values (HCVs) on the smallholder plot or within the managed area and High Carbon Stock (HCS) forests identified after November 2019 using the simplified combined HCV-HCS approach, are managed to ensure that they are maintained and/or enhanced.	<b>4.1 E</b> Smallholders commit to protect HCVs and HCS forests through the precautionary practices approach (reference 1.1 E, Annex 2).	Yes	There was no evidence to show that all smallholders commit to protect HCVs and HCS forests through the precautionary practices approach. Thus, a Major NCR has been raised. Refer to NCR No. MRS 02 2021 at Indicator 1.1E.
	<b>4.1 MS A</b> Smallholders complete training on and are aware of: • the importance of maintaining and conserving HCVs and HCS forests • human-wildlife conflict and mitigation efforts • RTE species and important ecosystems.	No	Record of training for all smallholders HCVs and HCS forests, human-wildlife conflict and RTE species were not available during audit. Only training record for mandore and workers were made available and kept at estate office. Thus, a Major NCR MRS 07 2021 was raised.
	<b>4.1 MS B</b> Smallholders implement Precautionary practices and manage and maintain RTE species, HCVs and HCS forests, where applicable.	Yes	LKM Trading continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along all natural waterways. During site visits, it was observed that the boundaries of these riparian belt along through in or flowing nearby Sg. Litang Kecil where most of the small rivers were linked to Sg. Segama was clearly demarcated with red paint around the palm trunk. Natural vegetation has colonized these riparian buffer belts as no weeding or fertilizer application was allowed. This buffer belt was also shown in the maps of the estates and being conserved.
4.2 Where the existing smallholder plot has been planted and cleared after November 2005 or is on an area identified as HCS forest after November 2019 up to the eligibility period, a RaCP process appropriate for smallholders based on Land Use Change	<b>4.2 E</b> Smallholders provide information on all smallholder plots converted and planted with oil palm after 2005, through use of the simplified combined HCV-HCS approach for Smallholders (reference 1.1 E, Annex 2).	Yes	The plantation area was planted in 2004 as verified during site visit and age of oil palm.
	<b>4.2 MS A</b> Group members develop a plan to identify the maximum area for on-site remediation of HCVs lost since 2005 and HCS forests lost since November 2019, through a participatory process and the plan is submitted to RSPO.	Yes	The plantation area was planted in 2004 as verified during site visit and age of oil palm. Thus, this indicator is not applicable.

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Clause	Indicators	Comply Yes/No	Findings
Analysis (LUCA) will be applicable (reference preamble).	<b>4.2 MS B</b> An RSPO approved plan to remediate HCVs lost since 2005 and HCS forests lost since November 2019 is implemented.	Yes	The plantation area was planted in 2004 as verified during site visit and age of oil palm. Thus, this indicator is not applicable.
4.3 New planting of Independent smallholders, since November 2019: • Do not replace any HCVs • Do not replace any HCS forests as defined by the simplified combined HCV-HCS approach • Are not on steep slopes (more than 25 degrees or as in the National Interpretation) • Are not on peat areas of any depth.  *Do any smallholders within the group have plans for new planting of oil palm?	<b>4.3 E</b> Smallholders provide information on all planned new planting and commit to no new planting are on HCVs or HCS forests, on steep slopes (more than 25 degrees or as in the National Interpretation) or on peat (reference 1.1 E, Annex 2).	Yes	Auditors has verified through checking the <a href="http://www.globalforestwatch.com">www.globalforestwatch.com</a> , GOOGLE Maps, Estate Maps and also through site visit to the LKM Trading. Based on the audit findings, it was confirmed that there were no new planting or new development of areas at LKM Trading. Hence, there was no need for planned new planting and commit to no new planting are on HCVs or HCS forests, on steep slopes (more than 25 degrees or as in the National Interpretation) or on peat (reference 1.1 E, Annex 2).
	<b>4.3 MS A</b> Before any land preparation commences, group members develop an integrated management plan through a participatory approach to maintain or enhance HCVs as well as HCS forests identified after November 2019, as identified by the simplified combined HCV-HCS approach, before any land preparation commences.  *Do any smallholders within the group have plans for new planting of oil palm?	Yes	Auditors has verified through checking the <a href="http://www.globalforestwatch.com">www.globalforestwatch.com</a> , GOOGLE Maps, Estate Maps and also through site visit to the LKM Trading. Based on the audit findings, it was confirmed that there were no new planting or new development of areas at LKM Trading. Hence, there was no need for develop an integrated management plan through a participatory approach to maintain or enhance HCVs as well as HCS forests identified after November 2019, as identified by the simplified combined HCV-HCS approach before any land preparation commences.
*Do any smallholders within the group have plans for new planting of oil palm? If none, SKIP.	<b>4.3 MS B</b> Smallholders have an RSPO approved Integrated management plan for their planned new planting and share a notice of this plan with those involved in the participatory mapping before any land preparation commences.  *Do any smallholders within the group have plans for new planting of oil palm?	Yes	Auditors has verified through checking the <a href="http://www.globalforestwatch.com">www.globalforestwatch.com</a> , GOOGLE Maps, Estate Maps and also through site visit to the LKM Trading. Based on the audit findings, it was confirmed that there were no new planting or new development of areas at LKM Trading. Hence, there was no need for RSPO approved Integrated management plan for their planned new planting and share a notice of this plan with those involved in the participatory mapping before any land preparation commences.

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<b>Clause</b>	<b>Indicators</b>	<b>Comply Yes/No</b>	<b>Findings</b>
<p>4.4 Where smallholder plots exist on peat, subsidence and degradation of peat soils are minimised by use of best management practices.</p> <p>*Do any smallholders within the group have existing plots on peat? If no, SKIP</p>	<p><b>4.4 E</b> Group manager confirms presence of peat on existing plots within the group and smallholders on peat commit to using best management practices (BMPs), and minimising subsidence and degradation of peat soils (reference 1.1 E, Annex 2).</p>	Yes	Not applicable as based on the Soil Map extracted from “The Soils of Sabah” document by the Agronomic Depart of Hap Seng Plantations Holdings Berhad there was no peat soils in LKM Trading. This was also confirmed during the field visit. The soils were of Kinabatangan and Kretam series.
	<p><b>4.4 MS A</b> Smallholders complete training on best management practices (BMPs) for peat. The group has an action plan to minimise risk of fire, to apply BMPs for planting on peat and manage water systems in the certification unit.</p>	Yes	Not applicable as was no peat soils in LKM Trading.
	<p><b>4.4 MS B</b> Smallholders implement the group’s action plan based on BMPs, including fire and water management, and monitoring of subsidence rate for existing planting on peat.</p>	Yes	Not applicable as was no peat soils in LKM Trading.
<p>4.5 Plots on peat are replanted only on areas with low risk of flooding or saline intrusion as demonstrated by a risk assessment.</p> <p>*Do any smallholders within the group have plans for replanting</p>	<p><b>4.5 E</b> Smallholders commit to provide information on all plans for replanting and commit that replanting will only be in areas with low risk of flooding or saline intrusion (reference 1.1 E, Annex 2).</p>	Yes	Not applicable as was no peat soils in LKM Trading.
	<p><b>4.5 MS A</b> Smallholders with plots on peat complete training on identification of future risks of flooding or saline intrusion, and alternate land development strategies.</p>	Yes	Not applicable as was no peat soils in LKM Trading.

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Clause	Indicators	Comply Yes/No	Findings
plots that are located on peat? If no, SKIP.	<b>4.5 MS B</b> Prior to replanting on peat, smallholders complete a risk assessment related to flooding or saline intrusion and, where there is high risk, present a plan that includes alternate land development strategies, preferencing alternative livelihood planning.	Yes	Not applicable as was no peat soils in LKM Trading.
4.6 Fire is not used on the oil palm plot for preparing land or for pest control, nor open fire for waste management on the farm.	<b>4.6 E</b> Smallholders commit to no burning for preparing land or for pest control, nor open fire for waste management. Group manager records evidence of prior burning of members joining the group (reference 1.1 E, Annex 2).	Yes	There is no land preparation by burning as no replanting at LKM Trading. All palms were planted in the year 2005 and replanting may be due in year 2030.
	<b>4.6 MS A</b> There is no physical evidence of new burning (after eligibility) for land preparation for oil palm by smallholders. Smallholders complete training on and are aware of: <ul style="list-style-type: none"> <li>• alternatives to fire for land preparation and farm waste management (where appropriate and possible)</li> <li>• alternatives to fire for pest control</li> <li>• fire prevention and how to respond to and manage fires in their community and village.</li> </ul>	Yes	As below.
	<b>4.6 MS B</b> Smallholders do not use fire or practice burning for land preparation, waste management or pest control on the farm. For pest control, fire may be used only in exceptional circumstances i.e. where no other effective measures exist and with prior approval of relevant authority.	Yes	There had been no land preparation by burning as there had been no replanting on LKM Trading. All palms were planted in the year 2005 and replanting may be due only around year 2030. However, LKM Trading had established and documented a Zero Burning Policy in its Sustainable Agriculture Policy. The policy dated July 2018 and signed by the Group Manager. The policy advocated: "A strict Zero Burning Policy is practiced in relation to all new plantings, replanting or other developments". As of to date Group Manager has no plan to include new member and also Group manager will do the assessment to record any evidence of prior burning of members before joining the group.

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Clause	Indicators	Comply Yes/No	Findings
<p>4.7 Riparian buffer zones are identified and managed to ensure they are maintained and/or enhanced.</p>	<p><b>4.7 E</b> Group manager identifies riparian buffer zones within the group and smallholders commit to no new planting in riparian zones (reference 1.1 E, Annex 2).</p>	<p>Yes</p>	<p>Group Manager already identified riparian buffer zones as HCV 4 class in the “HCV Area and Biodiversity Assessment Report” with revision date in Dec 2020. The identification of buffer zones within the group and smallholders committed to no new plantings in riparian zones. The boundaries of these riparian belt along through in or flowing nearby Sg. Litang Kecil where most of the small rivers were linked to Sg. Segama was clearly demarcated with red paint around the palm trunk.</p>
	<p><b>4.7 MS A</b> Smallholders complete training on and are aware of riparian buffer zone management, and the group has an action plan to maintain and/or enhance riparian buffer zones.</p>	<p>No</p>	<p>There is no evidence of smallholders attaining a completed training and aware of riparian buffer zone management. Therefore, Major NCR DA 02 2021 was raised.</p>
	<p><b>4.7 MS B</b> Smallholders maintain and/or enhance riparian buffer zone areas.</p>	<p>Yes</p>	<p>LKM Trading continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along all natural waterways. Natural vegetation has colonized these riparian buffer belts as no weeding or fertilizer application was allowed. This buffer belt was also shown in the maps of the estates and being conserved. There was no construction of bunds/weirs/dams across the rivers of waterways passing through the estate.</p>
<p>4.8 Pesticides are used in ways that do not endanger the health of workers, family, communities, or the environment</p>	<p><b>4.8 E</b> Smallholders commit to phase out paraquat and pesticides categorised as WHO Class 1A or 1B and those listed by the Stockholm or Rotterdam Conventions by:  <ul style="list-style-type: none"> <li>• immediately stop purchasing these pesticides</li> <li>• phasing out use of remaining stock by MS A</li> <li>• providing information for the group manager to keep record of pesticide purchase and use (reference 1.1 E, Annex 2).</li> </ul> </p>	<p>Yes</p>	<p>No paraquat &amp; pesticide listed categorised as WHO Class 1A or 1B and those listed by the Stockholm or Rotterdam Conventions used by LKM Trading. The organization used manual weeding.</p>

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Clause	Indicators	Comply Yes/No	Findings
	<b>4.8 MS A</b> Smallholders complete training on BMPs for pesticides including pesticide usage, awareness on risks for pregnant and breastfeeding women and young workers; storage and disposal; paraquat and pesticides listed by WHO Class 1A or 1B, the Stockholm or Rotterdam Conventions (and in compliance with 3.5).	Yes	Pesticides had not been used as there was no evidence to show that LKM Trading had used pesticides to control weeds or pests. There had been no pest attacks and only Manual Weeding was carried out to control weeds and also no record to show that pesticides purchased. This indicator is therefore not applicable to LKM Trading.
	<b>4.8 MS B</b> Smallholders implement BMPS for all pesticide use, including prohibiting use of pesticides by pregnant and breastfeeding women and young workers, and exclusion of paraquat and pesticides that are categorised as WHO Class 1A or 1B, or those listed by the Stockholm or Rotterdam Conventions, unless when authorised by relevant authorities for pest outbreaks.	Yes	Pesticides had not been used as there was no evidence to show that LKM Trading had used pesticides to control weeds or pests. There had been no pest attacks and only Manual Weeding was carried out to control weeds and also no record to show that pesticides purchased. This indicator is therefore not applicable to LKM Trading.
4.9 The group and smallholders manage pests, diseases, weeds and invasive introduced species using appropriate techniques, including but not limited to Integrated Pest Management (IPM) techniques.	<b>4.9 E</b> NA.	NA	-
	<b>4.9 MS A</b> Smallholders complete training on and are aware of BMPs, including, but not limited to safe chemical use, IPM, weed and invasive species management.	No	IPM training had been conducted in Dec 2020 by Group Manager to all employees. However, there is no evidence that all smallholders had completed training on BMPs, IPM, weed and invasive species management available during the audit. Thus, a Major NCR RMN 01 2021 was raised.
	<b>4.9 MS B</b> The group and smallholders maximise use of IPM approaches to minimise use of pesticides and herbicides on their farm.	Yes	LKM Trading had a documented integrated pest management (IPM) system..The IPM technique included the planting of beneficial plants such as <i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Turnera sublate</i> . Sighted Beneficial Plant Programme for 2020 updated with total 12 chain completed for both estates.

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**Attachment 4**

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

<b>ISH Indicator</b>	<b>Specification <i>Major only</i></b>	<b>Detail Non-conformances</b>	<b><i>Root Cause &amp; Corrective Action</i> Taken by the CU</b>	<b>Verification Statement by Auditors</b>
Indicator A2.3 MS B  MRS 01 2021	Major	<p><b>Requirement: Indicator A2.3 MS B</b> All members attended training and can demonstrate understanding of the ISH Standard, group management and Certification requirements including awareness on BMPs, HCV, Environmental protection, social welfare of workers and business operations.</p> <p><b>Finding:</b> There was no evidence to show that all members have attended training as per requirement.</p> <p><b>Objective evidence:</b> Record of training for all members on ISH Standard, group management and certification requirements including awareness on BMPs, HCV, environmental protection, social welfare of workers and business operations were not available during audit.</p>	<p><b>Root cause:</b> The estate management misunderstand on the new standard of RSPO ISH 2019 that required to conduct training to smallholder members too (although not involve directly in the estate management) and not only to the worker level as per previous practice.</p> <p><b>Corrective Action:</b> Correction: LKM Management immediately conduct the training on awareness on BMP, HCV, Environmental Protection, social welfare of workers and business operations with smallholder members. (Attachment 1)</p> <p>Corrective Action Plan: Yearly checking by LKM management with record on the new requirement of RSPO ISH 2019.</p>	<p>Verified the meeting minute of online briefing on RSPO (ISH 2019) and MSPO standard requirement to all independent smallholders in May 2021:</p> <ol style="list-style-type: none"> <li>1) Chua Soon Dee</li> <li>2) Chua Soon Nyee</li> <li>3) Chua Soon Yee</li> <li>4) Chua Soon Lee</li> </ol> <p><b>Status: Closed.</b></p>
Indicator 1.1E  MRS 02 2021	Major	<p><b>Requirement: Indicator 1.1 E</b> Legally registered entities have documented evidence to include: 4. Signed or thumb printed Smallholder Declaration from all smallholder Declaration from all smallholder members (Reference Annex 2).</p> <p><b>Finding:</b> The signed agreement from all smallholder member did not fully follow the Smallholder Declaration template in the RSPO ISH Standard Annex 2.</p> <p><b>Objective evidence:</b> The signed agreement for all smallholder members dated 7 March 2019 did not used the standard template for Smallholder Declaration in</p>	<p><b>Root cause:</b> The estate management lack of understanding on the new standard of RSPO ISH 2019 that require management to include "Smallholder Declaration" into contract agreement between smallholder members.</p> <p><b>Corrective Action:</b> Correction: LKM Management immediately revised the contract agreement between smallholder members by including the "Smallholder Declaration" into the contract agreement. (Attachment 2)</p>	<p>Verified the 'LKM Trading - Contract' which have been by all independent smallholders. The agreement has followed the Smallholder Declaration template in the RSPO ISH Standard Annex 2.</p> <p><b>Status: Closed.</b></p>

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		Annex 2 or develop a new Smallholder Declaration based on the template in Annex 2.	Corrective Action Plan: Yearly checking by LKM management with record on the new requirement of RSPO ISH 2019.	
Indicator 1.1 MS A MRS 03 2021	Major	<p><b>Requirement: Indicator 1.1 MS A</b> Group manager and group members have an Internal Control System (ICS) that meets all the ICS Eligibility and MS A requirements (section 3.2 below) and complete training on oil palm pricing mechanisms, financial management, and best practices for smallholder organisations.</p> <p><b>Finding:</b> There was no evidence to show that all members have attended training as per requirement.</p> <p><b>Objective evidence:</b> Record of training on oil palm pricing mechanisms, financial management, and best practices for smallholder organisations are not available during audit.</p>	<p><b>Root cause:</b> The estate management misunderstand on the new standard of RSPO ISH 2019 that required to conduct training to smallholder members too (although not involve directly in the estate management) and not only to the worker level as per previous practice.</p> <p><b>Corrective Action:</b> Correction: LKM Management immediately conduct the training on oil palm pricing mechanisms, financial management, best practices for smallholder organizations with smallholder members. (Attachment 1)</p> <p>Corrective Action Plan: Yearly checking by LKM management with record on the new requirement of RSPO ISH 2019.</p>	<p>Verified the meeting minute of online briefing on RSPO (ISH 2019) and MSPO standard requirement to all independent smallholders in May 2021:</p> <ol style="list-style-type: none"> <li>1) Chua Soon Dee</li> <li>2) Chua Soon Nyee</li> <li>3) Chua Soon Yee</li> <li>4) Chua Soon Lee</li> </ol> <p><b>Status: Closed.</b></p>
Indicator 1.3 MS A MZK 01 2021	Major	<p><b>Requirement : Indicator 1.3 MS A</b> Smallholders complete training on GAP.</p> <p><b>Finding :</b> There was no evidence to show that Smallholders have attended training as per requirement.</p> <p><b>Objective evidence :</b> Record of training for all smallholders on GAP are not available during the audit.</p>	<p><b>Root cause:</b> The estate management misunderstand on the new standard of RSPO ISH 2019 that required to conduct training to smallholder members too (although not involve directly in the estate management) and not only to the worker level as per previous practice.</p> <p><b>Corrective Action:</b> Correction: LKM Management immediately conduct the training on GAP with smallholder members. (Attachment 1)</p>	<p>Verified the meeting minute of online briefing on RSPO (ISH 2019) and MSPO standard requirement to all independent smallholders in May 2021:</p> <ol style="list-style-type: none"> <li>1) Chua Soon Dee</li> <li>2) Chua Soon Nyee</li> <li>3) Chua Soon Yee</li> <li>4) Chua Soon Lee</li> </ol> <p><b>Status: Closed.</b></p>



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			<p>Corrective Action Plan: Yearly checking by LKM management with record on the new requirement of RSPO ISH 2019.</p>	
<p>Indicator 3.1 MS A MRS 04 2021</p>	Major	<p><b>Requirement: Indicator 3.1 MS A</b> Smallholders complete training on free and fair labour and implement measures to ensure that all work is voluntary, and the following practices are prohibited:</p> <ul style="list-style-type: none"> <li>• Retention of identity documents including but not limited to passports;</li> <li>• Payment of recruitment fees by workers;</li> <li>• Contract substitution;</li> <li>• Involuntary overtime;</li> <li>• Lack of freedom of workers to resign;</li> <li>• Penalty for termination of employment;</li> <li>• Debt bondage;</li> <li>• Withholding of wages.</li> </ul> <p><b>Finding:</b> There was no evidence to show that all smallholders have attended training as per requirement.</p> <p><b>Objective evidence:</b> Record of training on free and fair labour was not available during audit</p>	<p><b>Root cause:</b> The estate management misunderstand on the new standard of RSPO ISH 2019 that required to conduct training to smallholder members too (although not involve directly in the estate management) and not only to the worker level as per previous practice.</p> <p><b>Corrective Action:</b> Correction: LKM Management immediately conduct the training on free and fair labour with smallholder members. (Attachment 1)</p> <p>Corrective Action Plan: Yearly checking by LKM management with record on the new requirement of RSPO ISH 2019.</p>	<p>Verified the meeting minute of online briefing on RSPO (ISH 2019) and MSPO standard requirement to all independent smallholders in May 2021:</p> <ol style="list-style-type: none"> <li>1) Chua Soon Dee</li> <li>2) Chua Soon Nyee</li> <li>3) Chua Soon Yee</li> <li>4) Chua Soon Lee</li> </ol> <p><b>Status: Closed.</b></p>
<p>Indicator 3.4 MS A MRS 05 2021</p>	Major	<p><b>Requirement: Indicator 3.4 MS A</b> Smallholders complete training on workers' rights to file a complaint/ grievance and communicate to workers the means to file a complaint/grievance.</p> <p><b>Finding:</b> There was no evidence to show that all smallholders have attended training as per requirement.</p> <p><b>Objective evidence:</b> Record of training for all smallholders on workers' rights to file a complaint/grievance was not available during audit.</p>	<p><b>Root cause:</b> The estate management misunderstand on the new standard of RSPO ISH 2019 that required to conduct training to smallholder members too (although not involve directly in the estate management) and not only to the worker level as per previous practice.</p> <p><b>Corrective Action:</b> Correction: LKM Management immediately conduct the training on workers' rights to file a complaint/grievance with smallholder members. (Attachment 1)</p>	<p>Verified the meeting minute of online briefing on RSPO (ISH 2019) and MSPO standard requirement to all independent smallholders in May 2021:</p> <ol style="list-style-type: none"> <li>1) Chua Soon Dee</li> <li>2) Chua Soon Nyee</li> <li>3) Chua Soon Yee</li> <li>4) Chua Soon Lee</li> </ol> <p><b>Status: Closed.</b></p>

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			<p>Corrective Action Plan: Yearly checking by LKM management with record on the new requirement of RSPO ISH 2019.</p>	
<p>Indicator 3.5 MS A DA 01 2021</p>	Major	<p><b>Requirement: Indicator 3.5 MS A</b> Smallholders, workers, and family members complete training and aware of health and safety risks associated with farm work, (including that of pesticide use) and how to mitigate them.</p> <p><b>Finding:</b> There was no evidence to show that all members have attended training as per requirement.</p> <p><b>Objective evidence:</b> There was no evidence for all smallholders have completed training on health and safety risks associated with farm work, (including that of pesticide use) and how to mitigate them.</p>	<p><b>Root cause:</b> The estate management misunderstand on the new standard of RSPO ISH 2019 that required to conduct training to smallholder members too (although not involve directly in the estate management) and not only to the worker level as per previous practice.</p> <p><b>Corrective Action:</b> Correction: LKM Management immediately conduct the training on health and safety risks associated with farm work (including that of pesticide use) with smallholder members. (Attachment1)</p> <p>Corrective Action Plan: Yearly checking by LKM management with record on the new requirement of RSPO ISH 2019.</p>	<p>Verified the meeting minute of online briefing on RSPO (ISH 2019) and MSPO standard requirement tp all independent smallholders in May 2021:</p> <ol style="list-style-type: none"> <li>1) Chua Soon Dee</li> <li>2) Chua Soon Nyee</li> <li>3) Chua Soon Yee</li> <li>4) Chua Soon Lee</li> </ol> <p><b>Status: Closed.</b></p>
<p>Indicator 3.6 MS A MRS 06 2021</p>	Major	<p><b>Requirement: Indicator 3.6 MS A</b> Smallholders complete training on workplace discrimination, harassment and abuse and are aware of the need for a safe workspace.</p> <p><b>Finding:</b> There was no evidence to show that all smallholders have attended training as per requirement.</p> <p><b>Objective evidence:</b> Record of training for all smallholders on workplace discrimination, harassment and abuse and the need for a safe workspace are not available during audit.</p>	<p><b>Root cause:</b> The estate management misunderstand on the new standard of RSPO ISH 2019 that required to conduct training to smallholder members too (although not involve directly in the estate management) and not only to the worker level as per previous practice.</p> <p><b>Corrective Action:</b> Correction: LKM Management immediately conduct the workplace discrimination, harassment and abuse and the need for a safe workspace with smallholder members. (Attachment 1)</p>	<p>Verified the meeting minute of online briefing on RSPO (ISH 2019) and MSPO standard requirement to all independent smallholders in May 2021:</p> <ol style="list-style-type: none"> <li>1) Chua Soon Dee</li> <li>2) Chua Soon Nyee</li> <li>3) Chua Soon Yee</li> <li>4) Chua Soon Lee</li> </ol> <p><b>Status: Closed.</b></p>

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			<p>Corrective Action Plan: Yearly checking by LKM management with record on the new requirement of RSPO ISH 2019.</p>	
<p>Indicator 4.1 MS A MRS 07 2021</p>	Major	<p><b>Requirement: Indicator 4.1 MS A</b> Smallholders complete training on and are aware of:</p> <ul style="list-style-type: none"> <li>• the importance of maintaining and conserving HCVs and HCS forests</li> <li>• human-wildlife conflict and mitigation efforts</li> <li>• RTE species and important ecosystems</li> </ul> <p><b>Finding:</b> There was no evidence to show that all smallholders have attended training as per requirement.</p> <p><b>Objective evidence:</b> Record of training for all smallholders HCVs and HCS forests, human-wildlife conflict and RTE species are not available during audit. Only training record for mandore and workers were made available and kept at estate office.</p>	<p><b>Root cause:</b> The estate management misunderstand on the new standard of RSPO ISH 2019 that required to conduct training to smallholder members too (although not involve directly in the estate management) and not only to the worker level as per previous practice.</p> <p><b>Corrective Action:</b> Correction: LKM Management immediately conduct the training on HCVs and HCS forests, human-wildlife conflict and RTE species with smallholder members. (Attachment 1)</p> <p>Corrective Action Plan: Yearly checking by LKM management with record on the new requirement of RSPO ISH 2019.</p>	<p>Verified the meeting minute of online briefing on RSPO (ISH 2019) and MSPO standard requirement to all independent smallholders in May 2021:</p> <ol style="list-style-type: none"> <li>1) Chua Soon Dee</li> <li>2) Chua Soon Nyee</li> <li>3) Chua Soon Yee</li> <li>4) Chua Soon Lee</li> </ol> <p><b>Status: Closed.</b></p>
<p>Indicator 4.7 MS A DA 02 2021</p>	Major	<p><b>Requirement: Indicator 4.7 MS A</b> Smallholders complete training on and are aware of riparian buffer zone management, and the group has an action plan to maintain and/or enhance riparian buffer zones.</p> <p><b>Finding:</b> There was no evidence to show that all smallholders have attended training as per requirement.</p> <p><b>Objective evidence:</b> There was no evidence that all smallholders have completed on riparian buffer zone management.</p>	<p><b>Root cause:</b> The estate management misunderstand on the new standard of RSPO ISH 2019 that required to conduct training to smallholder members too (although not involve directly in the estate management) and not only to the worker level as per previous practice.</p> <p><b>Corrective Action:</b> Correction: LKM Management immediately conduct the training on riparian buffer zone management with smallholder members. (Attachment 1)</p> <p>Corrective Action Plan: Yearly checking by LKM management with record on the new requirement of RSPO ISH 2019.</p>	<p>Verified the meeting minute of online briefing on RSPO (ISH 2019) and MSPO standard requirement to all independent smallholders in May 2021:</p> <ol style="list-style-type: none"> <li>1) Chua Soon Dee</li> <li>2) Chua Soon Nyee</li> <li>3) Chua Soon Yee</li> <li>4) Chua Soon Lee</li> </ol> <p><b>Status: Closed.</b></p>

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<p>Indicator 4.9 MS A  RMN 01 2021</p>	<p>Major</p>	<p><b>Requirement : Indicator 4.9 MS A -</b> Smallholders complete training on and are aware of BMPs, including, but not limited to safe chemical use, IPM, weed and invasive species management.</p> <p><b>Finding :</b> No training to smallholders had been conducted as required by the above requirement.</p> <p><b>Objective evidence :</b> There is no evidence that all smallholders had completed training on BMPs, IPM, weed and invasive species management available during the audit.</p>	<p><b>Root cause:</b> The estate management misunderstand on the new standard of RSPO ISH 2019 that required to conduct training to smallholder members too (although not involve directly in the estate management) and not only to the worker level as per previous practice.</p> <p><b>Corrective Action:</b> Correction: LKM Management immediately conduct the training on BMP, IPM, weed and invasive species management with smallholder members. (Attachment 1)</p> <p>Corrective Action Plan: Yearly checking by LKM management with record on the new requirement of RSPO ISH 2019.</p>	<p>Verified the meeting minute of online briefing on RSPO (ISH 2019) and MSPO standard requirement to all independent smallholders in May 2021:</p> <ol style="list-style-type: none"> <li>1) Chua Soon Dee</li> <li>2) Chua Soon Nyee</li> <li>3) Chua Soon Yee</li> <li>4) Chua Soon Lee</li> </ol> <p><b>Status: Closed.</b></p>
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**Attachment 5**

**Details of Previous Non-conformities and Verification**

<b>ISH Indicator</b>	<b>Specification Major only</b>	<b>Detail Non-conformances</b>	<b>Verification Statement by Auditors</b>
Indicator 2.1.1	Major	<p><b>#NCR No : MAR 01 2019</b></p> <p><b>Finding:</b> There was evidence that non-compliance of Sabah Labour Ordinance [Section 108 (1)].</p> <p><b>Objective evidence:</b> Based on interview with workers and Group Manager, there was non-compliance of Section 108, Sabah Labor Ordinance, payment of wages for the month of August 2019, which the worker still did not get the payment of salary for the last month.</p>	<p>All workers had been paid according to minimum legal requirements Sabah Labour Ordinance [Section 108 (1)] and Minimum Wage Order 2018. There was no late payment of wages for the year 2020.</p> <p><b>Status: Closed.</b></p>
Indicator 6.1.2	Major	<p><b>#NCR No : MAR 02 2019</b></p> <p><b>Finding:</b> The Social Impact Assessment done without participation from affected parties.</p> <p><b>Objective evidence:</b> Based on the Social Impact Assessment report done on January 2019, there was no participation from local communities such as Kampung Litang.</p>	<p>Verified the meeting minute between the Group Manager and head of village Kg. Litang on 13 December 2020 titled 'Mesyuarat Ahli Jawatan Kuasa Bersama 2020 (JCC)'.</p> <p>The latest revised SIA report dated 12 September 2019 and 1<sup>st</sup> review dated 21 December 2020.</p> <p><b>Status: Closed</b></p>

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**Attachment 6**

The smallholder listing:

ISH ID No.	Group member (Name of registered ISH as per land title)	Site location address	GPS Location	Total certified area (ha)	Date joined	FFB production (MT/yr)	Year of planting
1	CHUA SOON LEE @ LIEW SOON LEE and CHUA SOON NYEE	KAMPUNG LITANG	Latitude: 5° 18'31.891"N Longitude: 118°29'53.514"E	30.77	2019	550	2004
2	CHUA SOON DEE @ LIEW SOON DEE and CHUA SOON YEE @ LIEW SOON YEE	KAMPUNG LITANG	Latitude: 5° 18'31.891"N Longitude: 118°29'53.514"E	30.00	2019	550	2004
Total				60.77		1,100	