



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

File Ref. : EK91200001

RSPO PUBLIC SUMMARY REPORT

CLIENT : Syarikat Kretam Plantations Sdn. Bhd. – Silimpopon Certification Unit

PARENT COMPANY : Kretam Holdings Berhad

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

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

| Certification Unit | Mill and Supply Base | GPS Location | | Location |
|--------------------|----------------------|---------------------------|-----------------------------|---|
| | | Latitude | Longitude | |
| SILIMPOPON CU | SILIMPOPON MILL | N 4 ⁰ 19'31.90 | E 117 ⁰ 28'38.20 | KM 128, Tawau Kalabakan Highway Mukim Sg. Silimpopon 91000 Tawau Sabah |
| | SILIMPOPON 1 ESTATE | N 4 ⁰ 19'44.76 | E 117 ⁰ 27'32.88 | |
| | SILIMPOPON 2 ESTATE | | | |

MAP : See Attachment 1

AUDIT DATE : 7-10 June 2022 (onsite audit)

DURATION : 14 auditor days

TYPE OF AUDIT :

☒ Annual Surveillance Audit No.2

☐ Recertification Audit

STANDARD: MYNI 2019 FOR RSPO PRINCIPLE & CRITERIA 2018

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

VALIDITY OF RSPO CERTIFICATE : 20/1/2020-19/1/2025

The following attachments form part of this report:

Non-conformity Report(s) ☒

List of additional site(s) ☐

Report by Audit Team Leader

Acknowledgement by Client's Representative

Name : ROZAIMEE BIN AB RAHMAN

Name : SPENCER JOSEPH

Signature :

Signature :

Date : 14/09/2022

Date : 20/9/2022

SUMMARY OF AUDITS

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

| Annual Surveillance Audit 1 | | | | |
|---|---|---|--|---------------------------------|
| On-site audit date | : | 12-15 April 2021 (10.0 a.d) | No. of auditor days: | 14 auditor days |
| Remote audit date | : | 3-4 Dec 2020 (4.0 a.d) | | |
| Audit team | : | Onsite-Mohd Ab Raouf bin Asis (LA), Rozaimiee bin Ab Rahman, Rahayu binti Zulkifli Remote-Mohd Zulfakar bin Kamaruzaman (LA), Rozaimiee bin Ab Rahman | | |
| No. of major NCR | : | 3 | Indicator: 3.4.3, 6.2.2, 5.1.9 | Closing date: 5/07/2021 |
| No. of minor NCR | : | 4 | Indicator: 3.3.2, 6.5.3, 7.3.2, 7.11.3 | |
| Indicate by ticking the stakeholders interviewed during the on-site audit | : | Employees / Workers organizations | Settlers | Villagers / Local communities |
| | : | ✓ | NA | ✓ |
| | : | Contract workers | Local & National NGOs | Govt. agency / Statutory bodies |
| | : | ✓ | ✓ | |
| | : | Indigenous people | Contractor | Others (Please specify) |
| | : | NA | | |
| Supply base sampled | : | Silimpocon 1 and Silimpocon 2 Estate | | |
| Changes since the last audit | : | During initial audit, Silimpocon 2 Estate was not included as supply base. The Silimpocon 2 Estate is audited for certification during this Surveillance 1 audit. | | |
| Justification of audit planning | : | Total allocation of auditor days for Silimpocon CU (onsite) were: Mill = 3 days (2 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 3.5 days for each estates for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title. | | |
| Name of peer reviewer | : | NA | | |
| Report approved by | : | Kamini Sooriamoorthy | Approval date : 8/07/2021 | |

| Annual Surveillance Audit 2 | | | | |
|---|---|--|-------------------------------|------------------------------------|
| On-site audit date | : | 22-23 Dec 2021 (4.0 a.d) – Remote audit | No. of auditor days: | 14 auditor days |
| Remote audit date | : | 7-10 June 2022 (10 a.d) – Onsite audit | | |
| Audit team | : | Remote – Rozaimée bin Ab Rahman & Dzulfihar Azmi Onsite – Rozaimée Bin Ab Rahman, Mohd Ab Raof Asis, Khairul Najwan | | |
| No. of major NCR | : | 3 | Indicator:3.8.16,6.7.3, 7.8.2 | Closing date: 9/09/2022 |
| No. of minor NCR | : | 2 | Indicator: 2.2.2, 6.3.3 | |
| Indicate by ticking the stakeholders interviewed during the on-site audit | : | Employees / Workers organizations | Settlers | Villagers / Local communities |
| | | X | | x |
| | | Contract workers | Local & National NGOs | Govt. agency / Statutory bodies |
| | | | | Independent growers / Smallholders |
| | | | | x |
| | | Indigenous people | Contractor | Others (Please specify) |
| | | | X | |
| Supply base sampled | : | Silimpocon 1 and Silimpocon 2 Estate & Silimpocon POM | | |
| Changes since the last audit | : | No changes | | |
| Justification of audit planning | : | - | | |
| Name of peer reviewer | : | NA | | |
| Report approved by | : | Kamini Sooriamoorthy | Approval date : 14/09/2022 | |

SUMMARY OF INFORMATION

TABLE 1

| | STAGE 2 | ASA 1 | ASA 2 | ASA 3 | ASA 4 |
|--|---|------------------------|-----------------------|-------|-------|
| Projection Period | Sept 2019 to August 2020 | April 2021 to May 2022 | June 2022 to May 2023 | | |
| Certified FFB Processed (MT) | 63,000.00 | 107,630.00 | 90,500.00 | | |
| Production of Certified CPO (MT) | 13,909.00 | 23,141.35 | 19,451.390 | | |
| Production of Certified PK (MT) | 2,878.00 | 5,287.99 | 4,339.100 | | |
| | | | | | |
| Certified Areas (Ha) | 3,934.82 | *8,090.00 | *8,090.00 | | |
| Planted Areas (Ha) | 2,884.90 | *5,477.86 | *5,477.86 | | |
| Production Areas (Ha) | 2,884.90 | *5,477.86 | *5,477.86 | | |
| HCV Areas / Conservation Areas (Ha) | 642.18 | 1,479.54 | **2,121.72 | | |
| REMARKS | *New supply base included into the CU – Silimpopon 2 **Revised overall HCV area to reflect current HCV area for Silimpopon 1 & Silimpopon 2. | | | | |

TABLE 2

| | PO | PK |
|--|-----------|-----------|
| Last years certified volume (MT) | 23,141.35 | 5,287.99 |
| Last years actual certified sold (MT) | 8,444.58 | 3,276.77 |
| Last years actual sold under other schemes (MT) | 5,034.80 | 0 |
| Last years sold conventional (MT) | 0 | 0 |
| New year certified volume (MT) | 19,451.39 | 4,339.100 |

| Table of contents | Page |
|---|-------------|
| 1.0 AUDIT PROCESS | 6 |
| 1.1 Certification body | 6 |
| 1.2 Qualification of audit team | 6 |
| 1.3 Audit methodology | 6 |
| 1.4 Stakeholder consultation | 6 |
| 1.5 Audit plan | 7 |
| 1.6 Date of next audit | 7 |
| 2.0 SCOPE OF CERTIFICATION AUDIT | 8 |
| 2.1 Description of the certification unit | 8 |
| 2.2 Description of the Supply Base (including planting profile) | 8 |
| 2.3 Organization Information / Contact Person(s) | 10 |
| 3.0 AUDIT FINDINGS | 10 |
| 3.1 Changes to certified products in accordance to the production of the previous year | 10 |
| 3.2 Progress and changes in time bound plan | 10 |
| 3.3. Other changes (e.g. organizational structure, new contact person, addresses, etc.) | 11 |
| 3.4 Status of previous non-conformities * (refer to Attachment 5) | 11 |
| 3.5 Complaint received from stakeholder (if any) | 11 |
| 4.0 DETAILS OF NON-CONFORMITY REPORT | 11 |
| 4.1 For P&C (refer to Attachment 3) | 11 |
| 4.2 For SC (refer to Attachment 3 – Supply Chain Requirements for Mills) | 11 |
| 5.0 AUDIT CONCLUSION | 11 |
| 6.0 RECOMMENDATION | 12 |
| List of Attachment | |
| Attachment 1 : Map of CU | 13 |
| Attachment 2 : RSPO Audit Plan | 15 |
| Attachment 3 : RSPO P&C Audit Checklist And Findings | 21 |
| Attachment 4 : Details of Non-conformities and Corrective Actions Taken | 74 |
| Attachment 5 : Status of Non-conformities Previously Identified | 77 |
| Attachment 6 : Time-bound Plan | 81 |

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 & ISO 45001. 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 2014).

1.2 Qualification of audit team

| Member of the Audit Team | Role/area of RSPO requirements | Qualifications |
|--------------------------------------|--|---|
| Rozaimée Ab Rahman (remote & onsite) | Auditor / SCCS, Safety and Environment | Holds a B. Sc. of Agriculture from UPM. He had 7 years of working experience in the oil palm operation and 5 years in auditing related to oil palms operation. He is a qualified Lead Auditor for RSPO P&C, SCCS and MSPO. |
| Dzulfiqar Azmi (remote) | Auditor / Social, Legal | Holds a B. Sc. in Agriculture from University Teknologi Malaysia (UiTM). He had more than 5 years of working experience in the oil palm operation. He was a qualified Lead Auditor for RSPO P&C, and MSPO. |
| Mohd. Ab Raouf Asis (onsite) | Auditor / Internal Social | Holds a B.Sc. in Manufacturing (Production and Operation). He had more than 7 years of working experience in the oil palm operation. He has experience in auditing since 2016. He was successfully attended Quality Management System (ISO 9001:2015) and OHS 18001:2007 lead assessor course in 2016. Currently he qualified for RSPO P&C Lead Auditor and MSPO Lead Auditor. |
| Khairul Najwan Ahmad Jahari (onsite) | Auditor / External Social & HCV | Possessed B.Sc. of Forestry from Universiti Putra Malaysia with total more than 20 years of working experience in the Forest Management, forest inventories, forest harvesting, remote sensing & GIS. He had 10 years of auditing experience in the oil palm operation including auditing in HCVF and social issues. He is a qualified Lead Auditor for RSPO P&C, MSPO, Forest Management (FMC), MyTLAS, STLVs and ISO. |

1.3 Audit methodology

The sampling of the supply bases will be carried out for CU with higher than 4 supply base. For this CU, Silimpopon palm oil mill is with two supply base only; Silimpopon 1 and Silimpopon 2 Estate. The audit has included visit to the estate, mill and settlers' houses to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

1.4 Stakeholder Consultation

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 justify through evidence to prove otherwise:</p> <ul style="list-style-type: none"> Workers work 6 days a week with one rest day (Friday). They work 8 hours with a minimum of 30 minutes' break in between. All workers confirmed that they receive a minimum of RM1100 per month. They receive their salaries before 7th of every month. As of the date of this audit, all workers sampled aware on the new Minimum Wages (Amendment 2020). Any overtime work is mutually agreed between workers and management, and that there is no element of forcing. Gender Committee – At Silimpopon 2 Estate and Mill, membership of the Gender Committees is open to male and female employees, where they have separate committees to address issues such as domestic violence, sexual harassment, and reproductive rights. Joint Consultative Committees – each estate and mill have its own JCC to discuss issues related to health, safety and welfare of workers. The JCC comprise of worker and employer representatives. The worker representative was chosen from those elected by the workers. They confirmed that they can make decisions independently. |
| 2) Settlers | NA |
| 3) Villagers / Local communities (including women representatives, displaced communities) | Ketua Kampung Kg. Rancangan Kalabakan (Mr Stensin), Ketua Kampung Kg. Ulu Kalabakan (Mr. Kabun) |
| 4) Suppliers | NA |
| 5) Contract workers | NA |
| 6) Local & national NGOs | CLC teacher <ul style="list-style-type: none"> Muhajir – teacher representative from consulate Salman Narsiani |
| 7) Government agencies / Statutory bodies | NA |
| 8) Independent growers / Smallholders | Amariah Aming, Chou Dack Kwong, Ab Hamid Ali, Johan Sanrang, Asia Baludin, Bahar Bacho Amalan Progresif Sdn Bhd, Kalabakan Plantations Sdn Bhd |
| 9) Indigenous people | NA |
| 10) Contractor | Pengangkutan Nasip Jaya, Pengangkutan Kekal, Aneka Kerjaya Sdn Bhd, Syarikat Pengangkutan Indah Permai |
| 11) Previous land owner (if any) | NA |
| 12) Others (please specify) | NA |

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

2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

The Silimpopon Certification Unit is one of the certification unit under the Kretam Holdings Berhad. The CU consists of Silimpopon Mill and Silimpopon 1 Estate under Tawau Region. During this ASA1, Silimpopon 2 has been listed as one of the supply bases hence, undergone the audit for certification accordingly. The registration of RSPO Supply Chain in the RSPO PalmTrace for traceability of sustainable crude palm oil is under the name of Syarikat Kretam Plantations Sdn. Bhd. The Silimpopon POM has a processing capacity of 45 metric tonnes of fresh fruit bunches (FFB) per hour. The mill received and processed crops from its own estate at about 52% and the balance were from the outside.

Silimpopon 1 and Silimpopon 2 Estate are surrounded by smallholders and another oil palm plantations such as Felda Plantation, Amalan Progresif, Teck Guan Wise, Sawit Kinabalu and Good Crop. Silimpopon CU is about 128km from Tawau and took about 2-3 hours travelling from Tawau Town. Silimpopon 2 Estate has undergone new planting in 2010. Out of this, 39.12 ha was felled for oil palm, 5.18 ha was for the access road, while 13.41 ha has been felled but left unplanted. The RSPO's RaCP therefore applied to 39.12 ha and a Land Use Change Analysis was carried out. Under the RaCP, the following were carried out:

- LUCA was approved by RSPO on 27 February 2019;
- Concept Note accepted by RSPO on 14 May 2020;
- Remediation and Compensation Plan was endorsed by the Compensation Panel on 8 October 2020.

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

The FFB is sourced from company owned estates and small holders and small growers surrounding the Silimpopon CU. Details of the FFB actual and projected contribution from each source to the mill are shown in the following tables.

Table 1 actual FFB production by the supply base for the last reporting period April 2021 to May 2022

| Estates | FFB Production | | |
|-----------------------------|-------------------|----------------|--|
| | Tonnes | Percentage (%) | |
| Silimpopon 1 Estate | 48,010.31 | 24.45 | Certified |
| Silimpopon 2 Estate | 29,245.12 | 11.85 | Certified (From August 2021 onwards) |
| Certified volume | 77,255.12 | 23.56 | |
| | | | |
| Silimpopon 2 Estate | 10,188.77 | 4.12 | Noncertified (Received from Apr to July 2021) |
| Small holders | 159,441.14 | 64.58 | Noncertified |
| Non-certified volume | 169,629.91 | 69.7 | |
| Grand total | 246,885.03 | 100.0 | |

**Table 2: Projected FFB production by the supply base for the next reporting period
June 2022 to May 2023**

| CU own estates | FFB Contribution | |
|----------------------|------------------|----------------|
| | Tonnes | Percentage (%) |
| Silimpocon 1 Estate | 47800 | 23.78 |
| Silimpocon 2 Estate | 42700 | 21.24 |
| Certified FFB | 90,500 | 43.43 |

**Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period
April 2021 – May 2022**

| RSPO Supply Chain Model : MB | Total (MT) |
|--|------------|
| FFB Received | 246,885.03 |
| FFB Processed | 246,885.03 |
| Certified FFB Processed | 77,255.12 |
| Non-certified FFB Processed | 169,629.91 |
| Crude Palm Oil (CPO) | |
| Overall CPO Production | 48,780.761 |
| Certified CPO Production | 15,052.201 |
| Certified CPO delivered as RSPO | 8,444.589 |
| Certified CPO delivered as non-RSPO | 0 |
| Certified CPO delivered under other sustainable schemes (ISCC) | 5,034.808 |
| Credits traded through Book and Claim | 0 |
| Palm Kernel (PK) | |
| Overall PK Production | 11,032.704 |
| Certified PK Production | 3,382.143 |
| Certified PK delivered as RSPO | 3,276.77 |
| Certified PK delivered as non-RSPO | 0 |
| Certified PK delivered under other sustainable schemes | 0 |
| Credits traded through Book and Claim | 0 |

**Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period
June 2022 to May 2023**

| RSPO Supply Chain Model : Mass Balance | Total (MT) |
|--|------------|
| Certified FFB Processed | 90,500 |
| Certified CPO Production | 19,451.39 |
| Certified PK Production | 4,339.10 |

Table 5: Planted and certified area of the CU

| Estate | Planted (ha) | Certified (ha) |
|---------------------|-------------------|-------------------|
| Silimpocon 1 Estate | 2881.51 Ha | 3934.82 Ha |
| Silimpocon 2 Estate | 2596.35 Ha | 4155.18 Ha |
| Total | 5477.86 Ha | 8090.00 Ha |

Table 6: Planting profile for Silimpopon CU

| <u>Estate</u> | <u>Year of planting</u> | <u>Planting Cycle</u> | <u>Mature ≥3 years (Ha)</u> | <u>Immature ≤ 3 years(Ha)</u> | <u>Planted area</u> | <u>% of planted area mature</u> | <u>% of planted area immature</u> |
|---------------------|-------------------------|-----------------------|---------------------------------|-----------------------------------|---------------------|-------------------------------------|---------------------------------------|
| Silimpopon 1 | 2001 | 1 st | 1027.29 | - | 1027.29 | 18.75 | - |
| | 2002 | 1 st | 821.82 | - | 821.82 | 15.00 | - |
| | 2003 | 1 st | 1012.88 | - | 1012.88 | 18.49 | - |
| | 2005 | 1 st | 19.52 | - | 19.52 | 0.36 | - |
| Silimpopon 2 | 1999 | 1 st | 660.27 | - | 660.27 | 12.05 | - |
| | 2000 | 1 st | 667.63 | - | 667.83 | 12.19 | - |
| | 2002 | 1 st | 458.25 | - | 458.25 | 8.37 | - |
| | 2003 | 1 st | 480.20 | - | 480.20 | 8.77 | - |
| | 2004 | 1 st | 329.80 | - | 329.80 | 6.02 | - |
| Total | | | 5477.86 | - | 5477.86 | 100.00 | - |

2.3 Organizational Information/Contact Person(s)

The details of the contact person are as shown below:

| | | |
|-----------|---|----------------------------------|
| Name | : | Sinoh Kulipang |
| Position | : | Assistant Manager Sustainability |
| Address | : | Green Edible Oil |
| Phone no. | : | 019-815 1925 |
| Email | : | sinohkulipang@yahoo.com |

3.0 AUDIT FINDINGS

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

No changes

3.2 Progress and changes in time bound plan (Refer to Attachment 6 for the time bound plan)

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

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

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

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

| | | | |
|------------|--|--|--|
| iii. | Are there associated smallholders (including scheme smallholders) in the CU | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| | If yes, have ALL the associated smallholders (including scheme smallholders) where their fruit supply is included, by the mill, in its certification? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| | If no, please state reasons _____ | | |
| iv. | Any new acquisition which has replaced primary forests or HCV areas | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| 3.3 | Other changes (e.g. organizational structure, new contact person, addresses, etc.) <u>Yes, changes on person in charge (Mr Sinoh Kulipang).</u> | | |
| 3.4 | Status of previous non-conformities * | <input checked="" type="checkbox"/> Closed | <input type="checkbox"/> Not closed* |
| 3.5. | Complaint received from stakeholder (if any) <u>No complaint received from the stakeholders.</u> | | |
| 4.0 | DETAILS OF NON-CONFORMITY REPORT | | |
| 4.1 | For P&C (Details checklist refer to Attachment 3) : Total no. of minor NCR(s) (details refer to Attachment 4) List : 2 (MAR 01 2022 -2.2.2, MAR 03 2022 – 6.3.3) Total no. of major NCR(s) (details refer to Attachment 4) List:3 (RAR 01 2022 -3.8.16, RAR 02 2022 – 6.7.3, MAR 02 2022-7.8.2) | | |
| 4.2 | For SC (Details checklist refer to Attachment 3) : Total no. of minor NCR(s) (details refer to Attachment 4) List : Nil Total no. of major NCR(s) (details refer to Attachment 4) List : Nil | | |
| 5.0 | AUDIT CONCLUSION The audit team concludes that the organization has / has not * established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements. | | |

6.0 RECOMMENDATION

☐

No NCR recorded. Recommended to continue certification.

☒

Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.

Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs .

☒

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)..... have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

Note: Major NCRs which are not addressed within a further 60 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.

Audit Team Leader : ROZIMEE BIN AB RAHMAN

(Name)

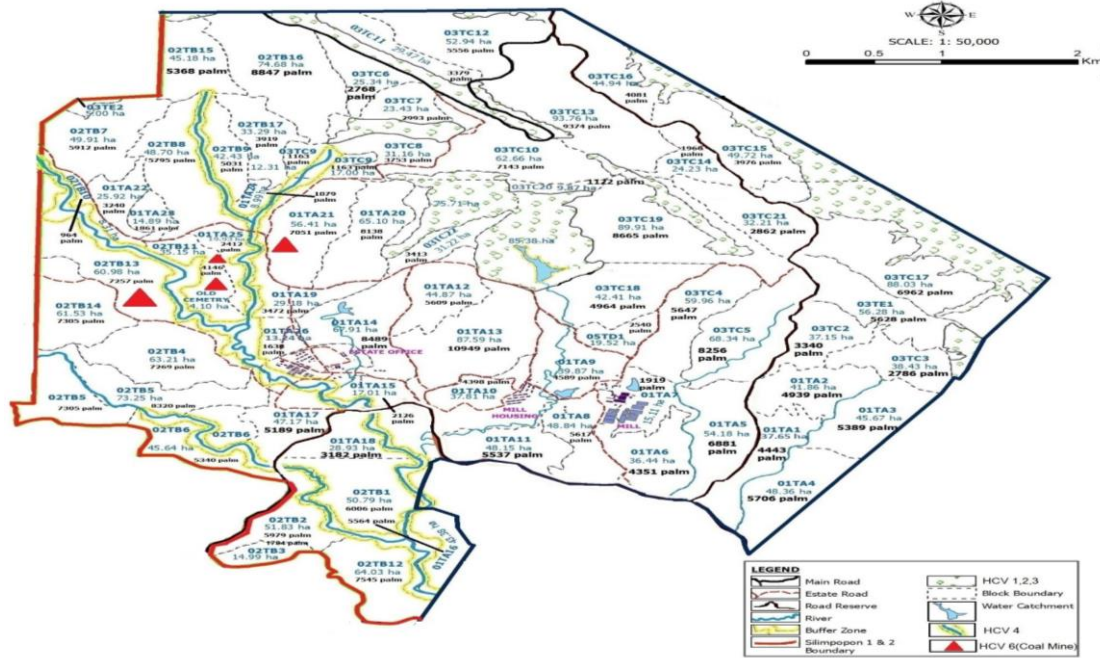


(Signature)

9/09/2022

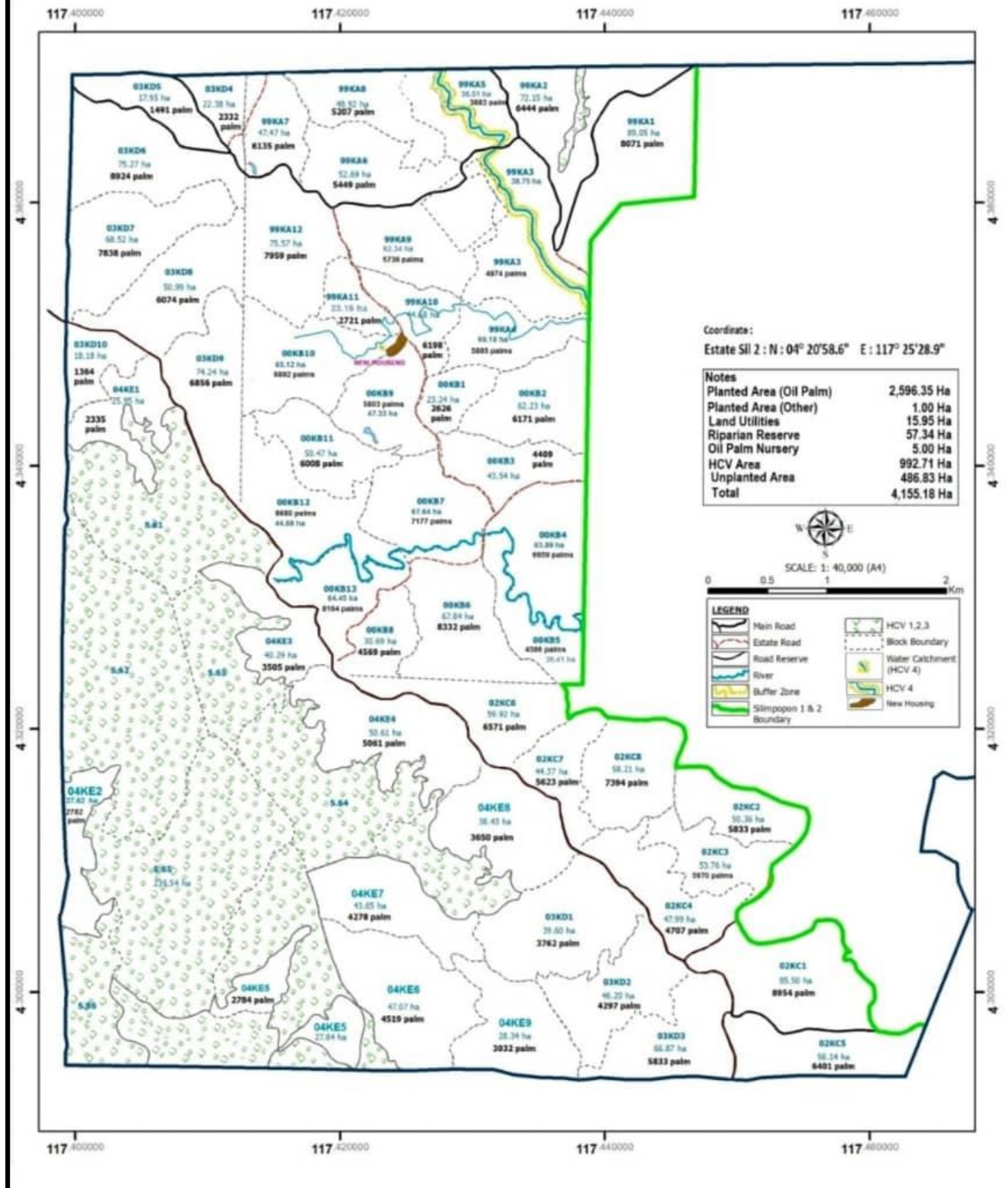
(Date)

Silimpopon 1 Estate





ESTATE MAP IN HECTARE - 2021 (SILIMPOPON 2 ESTATE)



ANNUAL SURVEILLANCE 2 AUDIT PLAN**Objectives**

The objectives of the audit are as follows:

To determine Certification Unit conformance against the RSPO Principles & Criteria Malaysian National Interpretation (MYNI)

To verify the effective implementation of corrective actions arising from the findings of last audit

To make appropriate recommendations based on the audit findings

2. Date of assessment : 7-10 JUNE 2022
3. Site of assessment : SILIMPOPON CERTIFICATION UNIT
 - i) SILIMPOPON POM
 - ii) SILIMPOPON 1 ESTATE
 - III) SILIMPOPON 2 ESTATE
4. Scope of certification:

Production of Sustainable Crude Palm Oil and Palm Kernel Mass Balance Supply Chain Model.
5. Reference Standard:

MYNI 2019 of RSPO P&C 2018
 RSPO Certification System Documents, Nov 2020
 Company's audit criteria including Company's Manual/Procedures
6. Assessment Team

Audit Team Leader : Rozaimiee Ab Rahman (RAR) – GAP, safety, env, metric template, GHG, SCCS,
 Auditor : i) Mohd Ab Raof Asis (MAR) – social Internal, TBP
 ii) khairul Najwan (KN) – Social (external) & HCV

Witnessed (ASI) : nil

Technical expert : nil

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 RSPO 2018 Principles and Criteria (P&C) Metrics Template

The RSPO 2018 Principles and Criteria (P&C) Metrics Template outlines a set of strategic outcome-based metrics relating directly to the RSPO P&C and is aligned with the RSPO Theory of Change. This Metrics Template comes into effect on 1 June 2021 and all audits against the 2018 P&C or the relevant National Interpretation conducted from 1 June 2021 onwards shall prepare and submit this Metrics Template for the audit team to review during audit.

Please submit the Metrics Template to Lead Auditor according to this period:

Reporting time frames for economic data are:

Calendar year (January to December): January 2021 to December 2021, and

12 month period counting up to two months before audit month: Apr 21 to March 2022

Reporting time frames for demographic data:

For mill and estate workers: as of 31 December 2021

For smallholders and outgrowers: January 2021 to December 2021

Reporting time frame for all other social and environmental data:

January 2021 to December 2021

The updated Metrics Template (as attached, the version 2.0) will be enforced from 1 August 2021. For audits conducted during the transition period from 1 June to 31 July 2021, members are encouraged to use the updated version but are also allowed to use the previous version (version 1.0). All audits conducted from 1 August 2021 onwards must use the updated Metrics Template (version 2.0).

9. Audit Findings

Audit findings shall be classified as major and/or minor. Major non conformities shall be addressed within 90 days or else the certificate shall be suspended. If the major non conformities are still not addressed within another 90 days, the certificate shall be terminated.

If there are five or more major non-compliances within one Principle found during the audit, immediate suspension of RSPO certification shall be recommended. Repeated major non-compliance in consecutive audits will also result in recommendation for suspension.

For minor non conformities raised in the surveillance audit, corrective action shall be verified in the next audit. These shall be upgraded to major non conformities if the corrective actions are not satisfactorily implemented in the next audit.

10. 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.

11. Working Language : English and Bahasa Malaysia

12. Reporting

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

12. Facilities Required

Room for discussion
Relevant document and record
Personnel protective equipment if required
Photocopy facilities
A guide for each group

13. Assessment Programme Details : As below

RSPO PUBLIC SUMMARY REPORT

Day 1: 7/6/2022 (Tuesday)

| Time | Activities / areas to be visited | Auditee |
|---------------|--|---------------------------|
| 9.00am | Opening Meeting – Audit team introduction and briefing on assessment objectives, scope, methodology, criteria and programmes by SIRIM QAS Audit Team Leader. : venue : (Decided by Management) | Management Representative |
| 9.30am | 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. Logistics discussion to the sites to be visited. | |
| 10.00am | To assign each audit team members – site and the P&C requirements | |
| | RAR (POM) | |
| | Site visit and assessment on Supply Chain Implementation incl. the Model used <ul style="list-style-type: none"> • General Chain of Custody • System Requirements for the supply chain • Documented procedures • Purchasing and goods in • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training • Claims • Interview with PIC SCCS, contractors, etc. | Guide(s) for each auditor |
| 1.00pm | LUNCH BREAK / ZUHUR PRAYER | All |
| 2.00pm | Continue assessment at POM | |
| 4.30 - 5.00pm | Audit team discussion / Debrief meeting with client on issues (if any) / End of Day 1 audit | All |
| 9.00 – 9.30pm | Discussion on potential NCRs | Audit team only |

RSPO PUBLIC SUMMARY REPORT

Day 2: 8/7/2022 (Wednesday)

| Time | Activities / areas to be visited | | | Auditee |
|----------------|---|---|---|---------------------------|
| 9.00am | Overview of current activities at Supply base sites. To assign each audit team members – site and the P&C requirements | | | Respective Manager |
| 9.30am | To assign each audit team members – site and the P&C requirements | | | Guide(s) for each auditor |
| | KN(POM) | RAR (POM) | MAR (POM) | |
| | <ul style="list-style-type: none"> Social aspects - SIA, management plan & implementation, workers' quarters. Stakeholder consultation with affected communities surrounding the CU representative, contractors, supplier, etc Complaints and grievances Consultation with relevant government agencies Continuous improvement Inspection of protected sites with HCV attributes Forested area, plantation boundary, adjacent and n neighbouring land use, HCV Assessment management plan & implementation <ul style="list-style-type: none"> Linesite inspection | <ul style="list-style-type: none"> Legal compliance Ghg verification Metric template verification training and safe use of agro-chemicals. Occupational safety & health practice-witness activities at site TBP | <ul style="list-style-type: none"> Occupational safety & health practice witness activities at site Interview with workers, safety committee and contractors Interview with workers, safety committee and contractors Social aspects - SIA, management plan & implementation, workers' quarters. Interview with gender committee, worker representative, contractors, supplier, etc Linesite inspection Complaints and grievances Interview with gender committee, worker | |
| 1.00pm | LUNCH BREAK / ZUHUR PRAYER | | | All |
| 2.00pm | Continue assessment at POM/Estate | | | |
| 4.30 - 5.00pm | Audit team discussion / Debrief meeting with client on issues (if any) / End of Day 2 audit | | | All |
| 9.00 – 10.00pm | Discussion on finalization of draft NCRs | | | Audit team only |

RSPO PUBLIC SUMMARY REPORT

Day 3: 9/06/2022 (Thursday)

| Time | Activities / areas to be visited | | | Auditee |
|----------------|--|---|--|---------------------------|
| 9.00am | Overview of current activities at Supply base sites. To assign each audit team members – site and the P&C requirements | | | Respective Manager |
| 9.30am | To assign each audit team members – site and the P&C requirements | | | Guide(s) for each auditor |
| | KN (S1 Estate) | RAR (S1 Estate) | MAR (S1 Estate) | |
| | <ul style="list-style-type: none"> Social aspects - SIA, management plan & implementation, workers' quarters. Stakeholder consultation with affected communities surrounding the CU Interview with gender committee, worker representative, contractors, supplier, etc Complaints and grievances Consultation with relevant government agencies Continuous improvement Inspection of protected sites with HCV attributes <ul style="list-style-type: none"> Forested area, plantation boundary, adjacent and n neighbouring land use, HCV Assessment management plan & implementation <ul style="list-style-type: none"> Linesite inspection | <ul style="list-style-type: none"> Legal compliance Ghg verification Metric template verification training and safe use of agro-chemicals. Occupational safety & health practice-witness activities at site TBP Plantation on hilly/ swampy/ peat area IPM implementation, training and safe use of agro-chemicals. Occupational safety & health practice-witness activities at site Interview with workers, safety committee and contractors Good agriculture practices monitoring. New planting | <ul style="list-style-type: none"> Occupational safety & health practice witness activities at site Interview with workers, safety committee and contractors Plantation on hilly/ swampy/ peat area Interview with workers, safety committee and contractors Social aspects - SIA, management plan & implementation, workers' quarters. Interview with gender committee, worker representative, contractors, supplier, etc Linesite inspection Complaints and grievances | |
| 1.00pm | LUNCH BREAK / ZUHUR PRAYER | | | All |
| 2.00pm | Continue assessment at POM/Estate | | | |
| 4.30 - 5.00pm | Audit team discussion / Debrief meeting with client on issues (if any) / End of Day 3 audit | | | All |
| 9.00 – 10.00pm | Discussion on finalization of draft NCRs | | | Audit team only |

RSPO PUBLIC SUMMARY REPORT

Day 4: 10/6/2022 (Friday)

| Time | Activities / areas to be visited | | | Auditee |
|---------------|--|---|--|---------------------------|
| 9.00am | Overview of current activities at Supply base sites. To assign each audit team members – site and the P&C requirements | | | Respective Manager |
| 9.30am | To assign each audit team members – site and the P&C requirements | | | Guide(s) for each auditor |
| | KN (S2 Estate) | RAR (S2 Estate) | MAR (S2 Estate) | |
| | <ul style="list-style-type: none"> Social aspects - SIA, management plan & implementation, workers' quarters. Stakeholder consultation with affected communities surrounding the CU Interview with gender committee, worker representative, contractors, supplier, etc Complaints and grievances Consultation with relevant government agencies Continuous improvement Inspection of protected sites with HCV attributes Forested area, plantation boundary, adjacent and n neighbouring land use, HCV Assessment management plan & implementation <ul style="list-style-type: none"> Linesite inspection | <ul style="list-style-type: none"> Legal compliance Ghg verification Metric template verification training and safe use of agro-chemicals. Occupational safety & health practice-witness activities at site TBP Plantation on hilly/ swampy/ peat area IPM implementation, training and safe use of agro-chemicals. Occupational safety & health practice-witness activities at site Interview with workers, safety committee and contractors Good agriculture practices monitoring. New planting | <ul style="list-style-type: none"> Occupational safety & health practice witness activities at site Interview with workers, safety committee and contractors Plantation on hilly/ swampy/ peat area Interview with workers, safety committee and contractors Social aspects - SIA, management plan & implementation, workers' quarters. Interview with gender committee, worker representative, contractors, supplier, etc Linesite inspection Complaints and grievances | |
| 1.00pm | LUNCH BREAK / ZUHUR PRAYER | | | All |
| 2.00pm | Continue assessment at Estate | | | |
| 4.30 - 4.30pm | Audit team discussion / Debrief meeting with client on issues (if any) | | | All |
| 5.00pm | Closing meeting – venue at (decide by management) , Presentation of audit findings, positive comment, Question & answer | | | Audit team only |

RSPO PUBLIC SUMMARY REPORT

Attachment 3

RSPO P&C AUDIT CHECKLIST AND FINDINGS (MYNI 2019 FOR RSPO P&C 2018)

Principle 1: Behave ethically and transparently

Drive ethical business behaviour, build trust and transparency with stakeholders to ensure strong and healthy relationships.

| Clause | Indicators | Comply Yes/No | Findings |
|--|---|---------------|---|
| 1.1 The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making. | 1.1.1 (C) Documents that are specified in the RSPO P&C are made available to the public. | YES | The Silimpopon Certification Unit (Silimpopon CU) continued to use internet for disseminating public information to relevant stakeholders on environmental, social and legal requirements relevant to RSPO Criteria. This includes information relating to land titles, safety and health plans, pollution prevention plans and the procedure for complaints and grievances. These information's are available through Kretam Holdings Berhad (KHB) website at http://www.kretam.com/ . |
| | 1.1.2 Information is provided in appropriate languages and accessible to relevant stakeholders. | YES | All the information which are accessible by relevant stakeholders, are available in either English or Bahasa Malaysia. The information is also provided during annual stakeholder meetings as confirmed in minutes of stakeholder meeting at the Silimpopon Mill dated February 2022 attended by relevant stakeholders. The meeting was chaired by the Mill Manager and he briefed the stakeholders in Bahasa Malaysia. Among the briefings given included company policies, introduction to RSPO principles and Q & A with stakeholders to respond to questions/issues regarding speed of tankers when driving on estate roads, decision on FFB pricing, types of training smallholders can attend to get high quality fruit, and the difference between MSPO and RSPO certifications. |
| | 1.1.3 (C) Records of requests for information and responses are maintained. | YES | The procedure for requesting of information and the subsequent responses are provided under Transparency Procedure Doc No. KHB-HR-P07 which came effective on 15 June 2015. The procedure contains a flowchart on how to respond to requests for information or document, and the timeframe allowed. All requests will be recorded in "stakeholder logbook". However, review of "stakeholder logbook" found there have been no requests made since the system came into place. |
| | 1.1.4 (C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative. | YES | The procedure has detailed the process of handling complaints from stakeholders and the time frame for external communication to be dealt with. The time frame to provide feedback is within two weeks of the date of receipt for communication and within one week of the completion of the investigation. The procedure was made available on the notice boards in the Estate and Mill offices and Muster Grounds. The procedure has detailed the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--|--|---------------|---|
| | 1.1.5 There is a current list of contact and details of stakeholders and their nominated representatives. | YES | Stakeholder lists for all estates and Mill were updated in Jan 2022, respectively. The CU continued to maintain and updated the stakeholder's information which comprised the authorities (government), villagers, internal stakeholder, transporter, surveyor, Schools, NGOs, Consultants, FFB Suppliers, suppliers, consultants and others. |
| 1.2 The unit of certification commits to ethical conduct in all business operations and transactions. | 1.2.1 A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts. | YES | Policy for ethical conduct is available via Code of Conduct & Human Rights Policy signed by Chief Executive Officer (CEO). Based on documentation review, observations during audit and interviews conducted with sampled workers and contractors, Silimpopon CU has successfully demonstrated that its Code of Conduct & Human Rights Policy is being implemented. |
| | 1.2.2 A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice. | YES | A system to monitor compliance of the Code of Conduct is in place and available under in Kretam Holdings Berhad's Purchase & Payment Procedure. All purchases are centralized at the Company's HQ in Sandakan, where quotation, order, and suppliers are determined. The Mill and Estates have no direct contact with suppliers and buyers |

Principle 2: Operate legally and respect rights

Implement legal requirements as the basic principles of operation in any jurisdiction.

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---------------|---|
| 2.1 There is compliance with all applicable local, national and ratified international laws and regulations. | 2.1.1 (C) The unit of certification complies with applicable legal requirements. | YES | It was evident that Silimpopon CU continue to comply with most of the applicable laws and regulations. |
| | 2.1.2 A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations. | YES | List of Laws, Regulation and Guidelines Description has been prepared by sustainability team. Updated in May 2022. Guided by the established procedure, the annual evaluation of compliance was carried out concurrently with the review of legal register by sustainability and HR team. |
| | 2.1.3 Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries. | YES | During verification (pictorial, & video record) Boundary stones/markers along the legal boundaries were observed and visibly maintained by the CU, delineating boundaries of Silimpopon CU with IGN Plantation, Good Crop Plantation, FELDA plantation, Amalan Progressive Plantation and Teck Guan Wise Mission 1 Plantation. |
| 2.2 All contractors providing operational services and supplying labour and | 2.2.1 A list of contracted parties is maintained. | YES | Remote The list of contracted parties is maintained by each unit in its respective stakeholder list. The lists contain name of contractors, designated contact persons, address, telephone/fax/email and type of contracted works done. The list of contracted parties maintained in stakeholders list which has been updated in Dec 2021. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--|--|---------------|---|
| Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements. | 2.2.2 All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/accredited) for migrant workers, service providers and labour contractors, is available. | NO | Review of the sampled contracts agreement between Silimpopon POM and its suppliers showed conformance. However, Sundry shop does not follow the contracts requirement on meeting applicable legal requirement. Based on site visit and documentation review, sundry shop in Silimpopon 2 does not have Lesen Runcit Barang Kawalan Berjadual, Seksyen 5, Akta Kawalan Bekalan 1961 for Gas Petroleum Cecair (LPG). This was breach the contracts requirements within the sundry shop and the estate. Therefore, minor NCR has been raised as MAR 01 2022. |
| | 2.2.3 All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection. | YES | Each contract issued to suppliers and contractors contain a clause requiring compliance with legal requirements. |
| 2.3 All FFB supplies from outside the unit of certification are from legal sources. | 2.3.1 (C) For all directly sourced FFB, the mill requires: <ul style="list-style-type: none"> Information on geo-location of FFB origins. Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder One or more supporting documents for claims Valid MPOB license | YES | The information on geo-location of FFB origins (stated in "List of FFB Supplier with Coordinate [GPS]). Ownership status or the right/claim to the land, or valid use of land by the grower/smallholder. |
| | 2.3.2 For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1. | YES | Audit found three (3) indirectly sourced FFB in Silimpopon CU. However, evidence on Information on geo-location of FFB origins and evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder were in progress as of now. |

RSPO PUBLIC SUMMARY REPORT

Principle 3: Optimise productivity, efficiency, positive impacts and resilience

Implement plans, procedures and systems for continuous improvement.

| Clause | Indicators | Comply Yes/No | Findings |
|---|--|---------------|--|
| 3.1 There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability. | 3.1.1 (C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders. | YES | Silimpopon CU continued to achieve long term economic and financial viability through documented management plan projected to year 2025. A business plan including OER and KER projection plan, crop forecast, capital expenditure, operational expenditure, general charges, and profit and loss covering the period of 2019 to 2026 had been prepared for both estates and mill and made available to the audit team. The annual budgets and projections were prepared on an annual basis. |
| | 3.1.2 An annual replanting programme projected for a minimum of five years with yearly review, is available. | YES | The replanting programme until year 2025 for Silimpopon 1 Estate due on year 2025. |
| | 3.1.3 The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken. | YES | Management review was held latest in Apr 2022 at Meeting Room, Office Silimpopon Estate and mill. The agenda was discussing on Internal Audit findings and report. The agenda of the meeting was to discuss related to RSPO/MSPO internal audit results especially and corrective action plan taken based on the assessment findings. For reviewing process performance management has carried out internally meeting & during muster call to discuss related crop quality. |
| 3.2 The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations. | 3.2.1 (C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification. | YES | Environmental management plan (EMP) 2022 was review and updated in May 2022. The objective of EMP to identify the impacts and draw action for continuous improvement. Among of the objectives as per below: <ul style="list-style-type: none"> • Identified aspects and impacts • Identified and categorized every waste present at CU • Identified and categorized activity in CU that may cause pollution • Comply with relevant laws and regulation • Reduce GHG emission Among the commitment to continuous improvement on the main social issues are: <ol style="list-style-type: none"> 1) To provide/sharing knowledge on RSPO/MSPO to the local stakeholder. 2) Provide good access especially road condition to the local communities. |
| | 3.2.2 As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template. | YES | RSPO metric has been submitted to auditor and was accurate as per implementation made by CU. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--|---|---------------|---|
| 3.3 Operating procedures are appropriately documented, consistently implemented and monitored. | 3.3.1 (C) Standard Operating Procedures (SOPs) for the unit of certification are in place. | YES | Silimpopon CU, the SOPs for each of the process had continued to be implemented. Brief version of the SOPs was displayed at the appropriate locations. Copies of the documented SOPs were presented to the audit team. Generally, it was observed that activities being implemented involved safety and health, environmental, quality, employees, etc. |
| | 3.3.2 A mechanism to check consistent implementation of procedures is in place. | YES | All Estates and Mill at Silimpopon CU had in place the mechanism to check consistent implementation of procedures. Both had lists of SOPs and monitored good agricultural practices as per SOPs by on-site visits, inspections and discussions with relevant personnel and by conducting assessments and audits like Internal Audits, Agronomist visits and by RSPO Audits. Implementation is also monitored by Estate/Mill Manager and direct report to general Manager. |
| | 3.3.3 Records of monitoring and any actions taken are maintained and available. | YES | Records of monitoring and the actions taken by estates in Silimpopon CU continued to be maintained. This was to ensure that the established procedures were consistently implemented. There was a system of having routine General Manager visits, Planting Advisor/Agronomist visit respectively to the estate and other audits by KHB Sustainability Department, to ensure compliance against Company policies and procedures in relation to operations, finance, safety, health and welfare requirements. The Regional Head also performed unscheduled visits to the CUs. Performances are tabled and discussed in the monthly meetings. |
| 3.4 A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations. | 3.4.1 (C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/outgrower scheme, is documented. | YES | Silimpopon CU has established its environmental aspects/impacts assessment associated with their activities. For Silimpopon POM & Estates, latest environment aspect impact assessment was updated in Mar 2022 covering all activities. The environmental aspect and impact (EAI) covers the upstream activities such as FFB reception until the downstream processes. At the mill, the identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the significant environmental receptors are the air emission from the boiler stack, the generation of the palm oil mill effluent (POME) and land contamination which related to the management of scheduled wastes and domestic waste. For the estate operation, all activities from harvesting, pest and disease, upkeep programmed until delivery to mill has been identified. The main purposed of this assessment was to evaluate and analysis the operations impact on soil, water, and air associated with the organization activities. Among environment aspects assessed were agrochemical applications, land and water contamination from hazardous material and farm vehicles, and disposal of spent oil/lubricants from genset and workshop operations. There are no new plantings or new operations within Silimpopon CU. Nevertheless, the Mill and Estates have their own Social Impact Assessments done which have been prepared internally. Details of the Social Impact Assessment are contained in Indicator 3.4.2 below. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|---|--|---------------|---|
| | 3.4.2 For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders. | YES | Environment Management plan & continual improvement program for KHB 2021 was updated on Mar & June 2021 to cover all activities in Silimpopon CU and Tawau Region. The main purpose of for this assessment was to evaluate and analyze impact on soil, water, and lair associated with the organization activities. Among environment aspects assessed were agrochemical applications, land and water contamination from hazardous material and farm vehicles, human settlement disturbance and abandonment. The environmental aspect and impact (EAI) also cover the upstream activities such as FFB reception until the downstream processes. At the mill, the identification and evaluation of environmental impact was done for all activities and processes related to the mill operation. Among the significant environmental aspects are air emission from boiler stack, generation of the palm oil mill effluent (POME) and land contamination which related to the management of scheduled wastes and domestic waste. Silimpopon POM and the supplying estates (Silimpopon 1 Estate and Silimpopon 2 Estate) have carried out latest Social Impact Assessment (SIA) dated in Sep to Oct 2021 for mill and April 2021 for both estates. The assessment was done by Sustainability Team. The methodology of the assessment was through field interview with workers, government authorities and local communities, site observation and documentation review. Feedbacks from the stakeholders were recorded in the assessment report. Social profile such as social background of employees, background of local community, education, safety & health, living condition, stakeholder engagement and infrastructure and amenities. The participation of internal and external stakeholders, namely workers, contractors, suppliers, local community, local government and private entities. Records of feedback with the relevant stakeholders were properly documented and verified. |
| | 3.4.3 (C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way. | YES | There are no changes were made to the environmental aspects and impacts or current practices which require changes in the environmental action plans. An Environmental Impact Assessment (EIA) Plan has been established with latest update in May 2022 by the Sustainability Executive, estate management, and mill Engineer. The Plan therein consists of the Person(s) In Charge and mitigating actions/management plans. A timetable for the monitoring has been established and being addressed accordingly. |
| 3.5 A system for managing human resources is in place. | 3.5.1 Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable. | YES | Employment procedures for recruitment, selection, hiring, are documented. For locals, the procedures are in SOP on Recruitment and Selection Procedure. The procedure details out the process of hiring (application form, screening, interview, requisition approval from HR Manager/Estate Manager, medical check-up and issuance of letter of offer). This procedure was confirmed by a Mill Manager at the Silimpopon CU verified through the worker's personal file. For foreign workers, the employment procedures are contained in Recruitment of Foreign Worker Procedure. Employment procedures for retirement and termination are available in the local workers' employment contracts as well as an SOP. |
| | 3.5.2 Employment procedures are implemented, and records are maintained. | YES | Silimpopon CU was able to demonstrate that the employment procedures are implemented, and records maintained. Based on the sampling of the workers' |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--|--|---------------|---|
| | | | employment contracts and personal files, there is evidence that the employment procedures on recruitment, selection, hiring, promotion are implemented, and records maintained. No termination has been carried out, and so this could not be verified during the audit. Hiring process of submitting job application, interviews, medical check-ups, issuance of offer letters, and performance assessments were sighted for Malaysian workers. For foreign workers, job applications, their identity documents and employee competency records were also sighted. |
| 3.6 An occupational health and safety (H&S) plan is documented, effectively communicated and implemented. | 3.6.1 (C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented. | YES | All routine activities for mill and estate were adequately risked assessed. It covered including chemical usage, boiler operation, FFB sterilization, kernel extraction and oil extraction and clarification in the mill. Appropriate risk control measures had been determined and implemented for the respective activities and operation in the mill. As for mitigation, ost of the moving part and rotating machinery were installed with machine guarding and properly covered. Appropriate administrative control was sighted with safety signages were displayed at all workstations including mill office and workshop. On overall performance, OSH administrative controls implementation as well as appropriate risk control measures were identified, and a PIC was assigned to monitor the implementation of the control measures during field and site assessment. |
| | 3.6.2 (C) The effectiveness of the H&S plan to address health and safety risks to people is monitored. | YES | Occupational Safety and Health Policy signed by the Chief Executive was sighted. The policy had been communicated to all levels of the organization through briefings and also displayed prominently in Bahasa Malaysia and English on notice boards at mill and estate office and Muster Ground. Random interviewed with employees showed that they generally understood the basic requirements of the policy. An Occupational safety and health plan for 2022 for each site had been established and implemented. The plan covered the health and safety plan activities for year 2022 which included the workplace inspection, health and safety training programme, and health monitoring programme. The implementation of OSH plan by each operating unit is monitored by Safety and Health Officer. Occupational health and safety (OHS) management plan for POM and estates had been established. The OHS management plan sighted addressed issues related to hazards and risks, legal register and its requirements for compliance, OSH awareness and training program, accident and emergency procedures, use of PPE, OSH Committee meetings, etc. Generally, the OSH plans 2022 were acceptable. |
| 3.7 All staff, workers, Scheme Smallholders, outgrowers, and contract workers are | 3.7.1 (C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and outgrowers, taking into account gender-specific needs, and which covers applicable aspects of the RSPO | YES | Formal training programmes for 2021/2022 covered all aspects of the RSPO Principles and Criteria. Regular assessments of training needs were presented to auditors. Year 2021 Training Plan was established in Jan 2021 and January 2022 for year 2022. A training needs identification matrix has been established with target dates for the training to be conducted. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|------------------------|---|---------------|---|
| appropriately trained. | P&C, in a form they understand, and which includes assessments of training. | | |
| | 3.7.2 Records of training are maintained, where appropriate on an individual basis. | YES | Records of Training 2021 has established and available at each CU. |
| | 3.7.3 Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed. | YES | Training supply chain certification standard (SCCS) & traceability was conducted in Sept 2021 for personnel carrying out the tasks critical such as clerk, store keeper, admin office, admin executive, lab assistant, weighbridge operator, auxiliary police (AP), etc to ensure the effective implementation of the Supply Chain Certification Standard (SCCS) was in placed. Training was specific and relevant to the task(s) performed such as documentation, traceability of FFB recording, grading, inspection, etc. |

SUPPLY CHAIN REQUIREMENTS FOR MILLS

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|-------------------|--|---------------|---|
| 3.8.1 | Identity Preserved Module A mill is deemed to be IP is the FFB processed by the mill are sourced from plantations/ estates that are certified against the RSPO P&C, or against a Group Certification Scheme Certification for the CPO mills is necessary to verify the volumes and sourced of certified FFB entering the mill, the implementation of any processing control as and volume sales of RSPO certified products. If a mill processes certified and uncertified FFB without physically separating them, the inly MB Module is applicable. | NA | Not applicable since CU used Mass Balance Module |
| 3.8.2 | Mass balance Module A mill is deemed to be MB is the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be | YES | Silimponon POM decided to maintain the MB model for their supply chain system. Therefore, they are being audited against the general chain of custody requirement for the supply chain as well as Module E - CPO Mills: Mass Balance. |

RSPO PUBLIC SUMMARY REPORT

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|-------------------|--|---------------|--|
| | taking delivery of FFB from uncertified growers, in addition to those from its own and 3 rd party certified supply base. | | |
| 3.8.3 | The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report. | YES | As in table 3 & 4 in this report. |
| 3.8.4 | The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation (RSPO IT platform). | YES | Silimpopon POM has registered in IT platform RSPO membership: 1-0189-15-000-00 Register under name: Syarikat Kretam Plantations Sdn Bhd (Silimpopon Palm Oil Mill Country: Malaysia Member Category: Oil Mil Products: CPO & Palm Kernel Program: MB license ID : CB122204 Issued By : SIRIM QAS International Sdn. Bhd. License Status: Active |

RSPO PUBLIC SUMMARY REPORT

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|-------------------------|---|------------------|---|
| 3.8.5 | <p>The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:</p> <ul style="list-style-type: none"> • Complete and up to date procedures covering the implementation of all the elements of the SC model requirements. • Complete and up to date records and reports that demonstrate compliance with the SC model requirements (including training records). • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the org.'s procedures for the implementation of this standard. • The site shall have documented procedures for receiving and processing certified and non-certified FFBs. | YES | <p>Silimpoan POM Organizational, management systems and the operational systems, documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.</p> <p>Sighted POM has updated and change the name of documented procedure named RSPO Supply Chain Certification Manual. Among the documented requirements related to Mill Supply Chain definition, purchasing FFB, arrival of FFB, receipt of FFB processing of FFB, overproduction, product sales, dispatch product, record keeping</p> |

RSPO PUBLIC SUMMARY REPORT

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|-------------------|---|---------------|---|
| 3.8.6 | <p>The site shall have a written procedure to conduct annual internal audit to determine whether the organisation;</p> <ul style="list-style-type: none"> Conforms to the req. in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. Effectively implements and maintains the standard requirements within its organisation. Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non- conformities shall be subject to management review at least annually. The organisation shall be able to maintain the internal audit records and reports. | YES | <p>Procedure to conduct annual internal audit has established Under title “internal Audit Procedure”. The purpose of this procedure is to provide guidelines to conduct internal audit for RSPO SCCS & RSPO SCCS & another similar standard. Audit checklist also been established using RSPO Supply Chain Certification Standard to cover all the elements and indicator, sighted latest SCCS Internal Audit report has been carried out at Silimpopon Mill (in Nov 2021) by internal auditors. Coverage of audit sufficient & comprehensive to cater for the new standard. No nonconformity has been raised during the internal audit.</p> <p>Management review has been conducted on 30/11/2021 and has covered input that could affect the management system and also include the output review on improvement in the effectiveness of the SCCS system and its process, customer feedback, process performance and product conformity, status preventive and corrective action, follow up action, changes on management system, recommendation, improvement on management system, and other resources needed.</p> |

RSPO PUBLIC SUMMARY REPORT

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|-------------------|---|---------------|--|
| 3.8.7 | <p>The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received.</p> <p>The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.</p> <p>The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.</p> | YES | <p>Certified Sustainable FFB from Silimpopom 1& 2 estate (RSPO -PC 00129) correctly indicating the certified material.</p> |

RSPO PUBLIC SUMMARY REPORT

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|-------------------|--|---------------|--|
| 3.8.8 | <p>Sales and Goods Out</p> <p>The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single-documents or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documentation and specification doc.):</p> <ul style="list-style-type: none"> a) The name and address of buyer; b) The name and address of the seller c) The leading or shipment/delivery date; d) The date on which the documents were issued; e) RSPO certificate number; f) A description of the product, including the applicable supply chain model (IP or MB or the approved abbreviations); g) The quantity of the products delivered; h) Any related transport documentation i) A unique identification number | YES | <p>The procedure in handling of sale and delivery was sighted and found adequate. Sales activities usually handled by Sales and Marketing Department Department (HQ) on behalf of Silimpopon POM. Silimpopon CU has established the procedure "handling certified FFB /CPO/PK and non-certified FFB/CPO/PK" Management Units for FFB supplied to the mills unique identification has established to segregate certified FFB from his own estates with outsider crops. During interview with weighbridge clerks they were understand how to segregate the certified FFB and uncertified FFB. Documented procedures related to sales and goods out were sighted and found adequate. Based on verification during the audit, SPOM has deliver certified materials to end buyer. Therefore, following below are sample of certified CPO & PK sales which comply with the standard requirement except for the notation of Supply Chain model applied & Supply Chain certificate number.</p> |

RSPO PUBLIC SUMMARY REPORT

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|-------------------|---|---------------|---|
| 3.8.9 | <p>Outsourcing Activities</p> <p>(i) The mill shall not outsource its milling activities. In cases where the mill outsourced activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO SC Certification.</p> <p>(ii) The mill shall ensure the following:</p> <p>a) The mill has legal ownership of all input material to be included in outsourced processes</p> <p>b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that CB has access to the outsourcing contractor or operation if an audit is deemed necessary.</p> <p>c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor.</p> <p>d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to the respective operations, systems, and all info, when this is announced in advance.</p> | YES | <p>There is contract document between Silimpopon POM and the transporters. Sighted in clause no 7(7.1). Transporter may inspect by third parties appointed by CU if deem necessary.</p> |

RSPO PUBLIC SUMMARY REPORT

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|-------------------|---|---------------|---|
| 3.8.10 | The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products. | YES | Available. |
| 3.8.11 | The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products. | YES | No new contractors used and will be used in the future for the processing or production of RSPO certified materials. |
| 3.8.12 | The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements. | YES | Sighted CPO and PK delivery note, weighbridge ticket, production data, internal audit and management review records were found up-to-date. |
| | Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock. | YES | All records related to RSPO SC were maintain minimum for 2 years. Sample CPO dispatch note since Jan 2015 until to date was available and well maintained. |
| | iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. | YES | Not applicable since CU were used Mass Balance module |
| | iv) For Mass Balance Module, the mill: a. shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a | YES | Sales activities usually handled by Sales and Marketing Department Department (HQ) on behalf of Silimpopon POM. Personnel updated the RSPO IT platform system upon confirmed contract. Mill receive copy of transaction input to the system on monthly basis based on contract summary (buyer weight being put in). RSPO Records for Oil Mills had been updated on real time basis by relevant personnel and had included the receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK. Their LAK weighing system also being referred for real-time transaction details as well as daily/ monthly summary of their material |

RSPO PUBLIC SUMMARY REPORT

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|-------------------|---|---------------|---|
| | <p>real-time basis and / or three-monthly basis.</p> <p>b. All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO.</p> <p>c. The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.)</p> | | movements (FFB, CPO, PK, others). |
| 3.8.13 | <p>Extraction rate</p> <p>The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.</p> | YES | Based on nature of their processing activities, Silimpopon POM's conversion factor shall be based on their oil extraction rate (OER) and kernel extraction rate (KER). These rates being monitored on daily basis as part of their process performance evaluation and consolidated at month end. The trending is as followed; |
| 3.8.14 | <p>Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.</p> | YES | |
| 3.8.15 | <p>Processing</p> <p>For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil</p> | YES | Not applicable since CU were used Mass Balance module |

RSPO PUBLIC SUMMARY REPORT

| Ref. in RSPO SCCS | Indicators | Comply Yes/No | Findings |
|-------------------|--|---------------|--|
| | palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation. | | |
| 3.8.16 | <p>Registration of Transactions</p> <p>i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date.</p> <p>ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform</p> | NO | <p>Silimpon POM through usually handled by The procedure in handling of sale and delivery was sighted and found adequate. Sales activities usually handled by Sales and Marketing Department Department (HQ) on behalf of Silimpon POM. Personnel updated the RSPO IT platform system upon confirmed contract. SPOM dispatch ticket no: PK21000351W, dated Dec 2021, CSPK - transaction announcement (shipping announcement was conducted in the RSPO IT platform after three month of dispatch (transaction date: 31/05/2022). Thus, #Major NCR RAR 01 2022 has been raised.</p> |
| 3.8.17 | <p>Claims</p> <p>The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.</p> | YES | <p>Relevant information on product claim (including applicable Supply Chain model and certificate number) being correctly indicated in the relevant outgoing paperwork. Silimpon POM has not use RSPO corporate logo as well as trademark logo</p> |

RSPO PUBLIC SUMMARY REPORT

Principle 4: Respect community and human rights and deliver benefits

Respect community rights, provide equal opportunities, maximise benefits from engagement and ensure remediation where needed.

| Clause | Indicators | Comply Yes/No | Findings |
|--|--|---------------|---|
| 4.1 The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders. | 4.1.1 (C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders, is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces. | YES | A Policy to respect human rights, including prohibition against retaliation against Human Rights Defenders was available, and is known as Kretam Holdings Berhad Group Code of Conduct and Human Rights Policy. This Policy, among other things, respect and protect fundamental human rights as stated in the Declaration of Human Rights of the United Nations, as well as dignity of all individuals working in all levels of operations including contracted third parties. The Policy also maintains confidentiality of whistleblowers, prohibit retaliation against Human Rights Defenders, prohibit intimidation and harassment including contracted security forces. |
| | 4.1.2 The unit of certification does not instigate violence or use any form of harassment in their operations. | YES | Based on documentation reviewed, interviews conducted, and observations made, there was no evidence of any instigation of violence or use of any form of harassment within the certification unit |
| 4.2 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties. | 4.2.1 (C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD. | YES | A documented system in dealing with complaints were communicated to and agreed by stakeholders during stakeholder meetings. This procedure is to provide guidance to stakeholders and management to address complaints and grievances, including complaints and grievances of employees related to their work. The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, Human Rights Defenders (HRDs), community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the Code of Conduct & Human Rights Policy on respect for HRDs. The Whistleblower Policy provides protection to whistleblowers where their identities will be kept confidential and ensuring no retaliation against whistleblowers. It also ensures anonymity of community spokespersons. The Company's Code of Conduct & Human Right Policy", ensures anonymity to Human Rights Defenders. |
| | 4.2.2 Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties. | YES | Procedures are in place to ensure affected parties understand the Dispute and Resolution Procedures. Verbal explanation is given in an easy-to-understand language accompanied by pictorial explanations, and where relevant, flowcharts. If necessary, senior foreign workers who could speak and understand the Bahasa Malaysia act as translators to their other colleagues, especially the newly-arrived ones. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---------------|---|
| | 4.2.3 The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders. | YES | Silimpopon CU keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders. It was verified that from records, the grievances and complaints are from internal stakeholders and related to housing defects and repair jobs required. Complainants are aware of the status. An examination of the books showed that all the complaints were house repairs. There were no complaints from external stakeholders. |
| | 4.2.4 The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator. | YES | The system used by the Silimpopon CU in resolving disputes exists in the procedure called Kretam Holdings Berhad Group's Complaints and Grievance Procedure. This SOP is open to all stakeholders, internal workers, NGO's, and third parties. |
| 4.3 The unit of certification contributes to local sustainable development as agreed by local communities. | 4.3.1 Contributions to community development that are based on the results of consultation with local communities are demonstrated. | YES | Contributions to community development was based on the results of consultation with local communities and surrounding stakeholders has been demonstrated by Silimpopon CU. |
| 4.4 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent. | 4.4.1 (C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents related to the history of land tenure and/or the actual legal or customary use of the land are available. | YES | Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents related to the history of land tenure and/or the actual legal or customary use of the land are available. Kretam Holdings Berhad - Silimpopon CU is to belong to Sabah State Government. Land title no: Country Lease 105523911, with total area of 8,090ha (Silimpopon 1 & Silimpopon POM [3,934.82 ha] & Silimpopon 2 [4,155.18 ha]), lease from state from 01/01/1998 until 31/12/2096. Land status: for the purpose of cultivation of agricultural crop of economic value. Sighted the evidence for changes of status of land development to Oil Palm cultivation from Jabatan Pertanian Dan Industri Makanan, Sabah on 05/06/2018. |
| | 4.4.2 Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include: | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. The audit team has also interviewed relevant stakeholders such as the Head of Village/ Representative Kg Rancangan Kalabakan, Kg Silimpopon and Kg Ulu Kalabakan. From the interviews, it can be concluded that there was no evidence of any land dispute at |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--------|--|---------------|---|
| | 4.4.2a Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making. | YES | Silimpon, hence the evidence required under this clause was not available. |
| | 4.4.2b Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. | YES | |
| | 4.4.2c Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land. | YES | |
| | 4.4.3 (C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities). | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--|--|---------------|---|
| | 4.4.4 All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |
| | 4.4.5 (C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |
| | 4.4.6 There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |
| 4.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions. | 4.5.1 (C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |
| | 4.5.2 (C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--------|--|---------------|---|
| | 4.5.3 Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |
| | 4.5.4 To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |
| | 4.5.5 Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |
| | 4.5.6 Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|---|--|---------------|--|
| | issuance of a new concession or land title to the operator. | | |
| | 4.5.7 New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |
| 4.6 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with thru a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. | 4.6.1 (C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place. | YES | Silimpopon CU have a standard procedure for identifying social related issues called "Land Dispute Compensation and Calculation Procedure" and "Procedure for Calculating & Distribution Fair Compensation". The procedures defined details process of how compensation for any issues/disputes related to land, ownership and access to land, and ensures negotiations concerning compensation are dealt with. The procedure ensures that any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. |
| | 4.6.2 (C) A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. | YES | "Land Dispute Compensation and Calculation Procedure" and "Procedure for Calculating & Distribution Fair Compensation" detailed out the procedures for calculating and distributing compensation in a participatory and fair manner. These procedures specify that it would take into account ethnic group, gender differences, etc. A flowchart to the same effect was also sighted. Interviews with the relevant stakeholders i.e., representatives from Kg Rancangan Kalabakan, Kg Silimpopon and Kg Ulu Kalabakan confirmed that the mechanism for them to express their views are available, and the issues (if any) will be dealt in accordance with this standard requirement. However, the stakeholders have confirmed that there was no existing/known dispute that causing the need for any negotiation resulting in compensation process etc. either in the mill or the estate. |
| | 4.6.3 Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings. | YES | The requirement of this indicator was not applicable as there is no scheme smallholding at Silimpopon CU. |
| | 4.6.4 The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them. | YES | As mentioned in 4.6.2 above, there were no existing/known issues related to this indicator, hence it was not applied to Silimpopon CU. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|---|--|---------------|--|
| 4.7 For new planting, where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements. | 4.7.1 (C) A mutually agreed procedure for identifying people entitled to compensation is in place. | YES | Silimpopon CU have a standard procedure for identifying social related issues called "Land Dispute Compensation and Calculation Procedure" and "Procedure for Calculating & Distribution Fair Compensation". The procedures defined details process of how compensation for any issues/disputes related to land, ownership and access to land, and ensures negotiations concerning compensation are dealt with. The procedure ensures that any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. |
| | 4.7.2 (C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties. | YES | There was no issue regarding compensation (monetary or otherwise) with villagers, local community and neighbouring estate. The audit team has also interviewed relevant stakeholders such as the representatives from Kg Rancangan Kalabakan, Kg Silimpopon and Kg Ulu Kalabakan, from the interviews, it can be concluded that there was no evidence of any land dispute at Silimpopon CU. |
| | 4.7.3 Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development. | YES | This requirement in this indicator was not applicable for Silimpopon CU. |
| 4.8 The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights. | 4.8.1 Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC. | YES | As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. |
| | 4.8.2 (C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented | YES | The audit team has also interviewed relevant stakeholders such as the Head of Village/ Representative Kg Rancangan Kalabakan, Kg Silimpopon and Kg Ulu Kalabakan. From the interviews, it can be concluded that there was no evidence of any land dispute at Silimpopon, hence the evidence required under this clause was not available. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--------|---|---------------|--|
| | and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms. | | |
| | 4.8.3 Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4). | YES | This requirement in this indicator was not applicable for Silimpopon CU. |
| | 4.8.4 For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable). | YES | This requirement in this indicator was not applicable for Silimpopon CU. |

Principle 5: Support smallholder inclusion

Include smallholders in RSPO supply chains and improve their livelihoods through fair and transparent partnerships.

| Clause | Indicators | Comply Yes/No | Findings |
|--|--|---------------|--|
| 5.1 The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other | 5.1.1 Current and previous period prices paid for FFB are publicly available and accessible by smallholders. | YES | During the audit, it was verified that the current and past prices for FFB is being displayed at the notice board near the Silimpopon Palm Oil Mill weighbridge. |
| | 5.1.2 (C) Evidence is available that the unit of certification regularly explains the FFB pricing to smallholders. | YES | Silimpopon POM regularly explains the FFB Pricing to Smallholders in April 2021. The stakeholder information briefing concerned to FFB qualities, FFB grading, calculation payment by MPOB, oil extraction rate (OER). The calculation method of pricing was made known and given to the Smallholders. Field days were organised monthly by the mill to all the small holders from the supplying list. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|-------------------|---|---------------|--|
| local businesses. | 5.1.3 (C) Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented. | YES | The price for FFB has been adopted from MPOB Pricing. Thus, all prices are calculated by the MPOB. Interview with the smallholders/growers, Pro Aktif Unik Sdn Bhd, Mayang Pinang Sdn Bhd and IGN Plantation Sdn Bhd who are sending FFB to Silimpopon POM revealed that they are satisfied with the current price, and they are of the opinion that Silimpopon POM Mill quantum is quite fair compared to other outsider Mills as verified in “Kaedah Perolehan Buah Tandan Segar (BTS)” as stated in Clause 2.0 Formula Penentuan Harga BTS of the Agreement. |
| | 5.1.4 (C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable. | YES | There is no contract/bound for FFB outside supplier sending crop to the Silimpopon POM. The Suppliers are free to choose their mill. |
| | 5.1.5 Contracts are fair, legal and transparent and have an agreed timeframe. | YES | Kretam Mill POM has outsource the transportation of certified CPO and certified PK to 4 outsource company 1 CPO and 3 PK transporter. Contract with suppliers were drafted in the English language, which is understood by the suppliers. |
| | 5.1.6 (C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given. | YES | All contractor confirmed that payments were received within a reasonable timeframe which is 7-10 days after submission of invoice. And receipts contain specifying price, weight, deductions and amount paid are given. |
| | 5.1.7 Weighing equipment is verified by an independent third party on a regular basis (this can be government). | YES | Weighing Equipment in Silimpopon POM has been calibrated on a yearly basis using Metrology Corporation Malaysia Sdn Bhd in July 2021. |
| | 5.1.8 The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. | YES | The unit of certification supports the Independent Smallholders through the training conducted on awareness on RSPO. KHB supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. Sighted that latest Stakeholder meeting was carried in June 2020 to promote on RSPO certification. However, the Growers and villagers were not in favour in the implementation due to high cost. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--|---|---------------|---|
| | 5.1.9 (C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner. | YES | Grievances mechanism for smallholders or growers which are supplied FFB to the mill was established and sighted training and letter to FFB supplier has been given by CU to provide details related to payment and complaint channeled. During last audit, it was found during interview with one smallholder found did not know on some of the grievances related to the current pricing and the method of the payment on two-time payment in monthly basis. Therefore, Major NCR MAR 01/2021 was raised. |
| 5.2 The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains. | 5.2.1 The unit of certification consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification. | YES | KHB supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. Sighted that latest Stakeholder meeting in June 2020 to consults with interested smallholders including women or other partners in their supply base to assess their needs for support to improve their livelihoods and to promote on RSPO certification. However, the Growers and villagers were not in favor in the implementation due to high cost. |
| | 5.2.2 The unit of certification develops and implements smallholder support program to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Standard for Independent Smallholder). | YES | KHB supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. Sighted that latest Stakeholder meeting in June 2020 to consults with interested smallholders including women or other partners in their supply base to assess their needs for support to improve their livelihoods and to promote on RSPO certification. However, the Growers and villagers were not in favor in the implementation due to high cost. |
| | 5.2.3 Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. | YES | KHB supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. Sighted that latest Stakeholder meeting in June 2020 to consults with interested smallholders including women or other partners in their supply base to assess their needs for support to improve their livelihoods and to promote on RSPO certification. However, the Growers and villagers were not in favor in the implementation due to high cost. |
| | 5.2.4 (C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. | YES | There was no Scheme Smallholder available at Silimpopon CU. Thus, this indicator was not applicable. |
| | 5.2.5 The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme. | YES | Currently KHB has created a system to trace their stakeholder around their estates. KHB have their own report on the progress of the smallholder support program. |

RSPO PUBLIC SUMMARY REPORT

Principle 6: Respect workers' rights and conditions

Protect workers' rights and ensure safe and decent working conditions.

| Clause | Indicators | Comply Yes/No | Findings |
|--|--|---------------|--|
| 6.1 Any form of discrimination is prohibited. | 6.1.1 (C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age. | YES | A policy of equal opportunities policy including identification of relevant/affected groups is promoted through the Kretam Holdings Berhad Group's "Code of Conduct & Human Right Policy" dated 1/3/2020 is available in two languages (Malay and English). The policy states that all employees shall be treated fairly in terms of recruitment, progression, terms and conditions of work regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age. The Code of Conduct & Human Right Policy was exhibited on notice boards in both Bahasa Malaysia and English. |
| | 6.1.2 (C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for migrant workers. | YES | Based on documentation reviewed such as employment contracts and letters of offer, pay slips, allocation of housing at the linesite and audit interviews, there is no evidence that local and foreign workers, women and local communities have been discriminated against. Interviews conducted with workers (male, female, local and migrant) as well as local communities also confirmed that this is so. There is also no evidence of payment of recruitment fees by migrant workers. Workers' pay slips were also sampled which showed that workers receive the same amount of daily rate per day for the same work irrespective of gender, age or nationalities. Sampled were the employment contracts and pay slips of the following workers same as per indicator 6.2.1 and 6.2.2. |
| | 6.1.3 The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available. | YES | Based on review of employment contracts and payslips, job applications and relevant certificates, as well as training and assessment records, Silimpopon CU was able to demonstrate that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available. |
| | 6.1.4 Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women. | YES | There is no evidence of discriminatory pregnancy tests being carried out within Silimpopon CU. Interviews were conducted with the Clinic Dresser, female workers and Gender Committee members also confirmed that pregnancy tests are carried out in accordance with a fixed schedule. Sighted during the audit at Silimpopon 2 estate, a medical check-up schedule for manurers (18 female workers) and sprayers (30 female workers) as of Nov 2021. |
| | 6.1.5 (C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women. | YES | Gender Committees are available at all the units within Silimpopon CU. Silimpopon 2 Estate and the Mill have gender committees for both women and men. Based on minutes of Gender Committee meetings sighted and interviews conducted with the committee chairpersons, awareness were given on sexual harassment, how to lodge a complaint, reproductive rights, domestic violence and health issues. In addition, the estate dresser also provides training to the workers on topics related to family planning. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--|---|---------------|---|
| | 6.1.6 There is evidence of equal pay for the same work scope. | YES | Based on a review of the workers' employment contracts and payslips of the Mill and Estate workers, evidence is available that workers receive equal pay for equal work. Payslip and employment contract comparisons were made between the following which showed that both received same rate per day. |
| 6.2 Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW). | 6.2.1 (C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand. | YES | Applicable labour laws, and documentation of pay and conditions are contained in workers' employment contracts. The contracts contain conditions of pay and terms of employment related to contract duration, regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. The employment contracts are signed in Bahasa Malaysia, which is a language familiar to all workers. Workers interviewed also confirmed that they understand their payslips, and would also ask the clerk if they need further clarifications. |
| | 6.2.2 (C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members. | YES | Contracts and conditions of employment are contained in employment contracts signed between the Mill and respective estates on one hand, and their workers on the other. The employment contracts sampled were prepared in either Bahasa Indonesia or in dual-language, namely English and the language commonly used in the worker's country of origin. The employment contracts signed between the Estates and Mill management contain employment and payment terms and provisions covering duration of employment, place of work, salary, working hours, medical, accommodation, SOCSO, transportation, public holidays, sick leave, annual leave, mutual termination of service, etc. These are all in compliance with the provisions of the Sabah Labour Ordinance. The pay slip is the document that give accurate information on compensation for all work performed. It contains the following information: employee name, month of pay, pay description, deductions for SOCSO, EIS, KSWP, total income for the month, total deductions, net pay. |
| | 6.2.3 (C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements. | YES | It has been verified during the audit that all the above conditions were being complied with Sabah Labour Ordinance. A sample of the workers' daily input form attendance reports for the months, worker's authorization of overtime of Jan to May 2022. Apart from statutory salary deductions for EPF, EIS and SOCSO, deductions are also made for sundry shop debt, buffalo services, passport. There is evidence that workers' request for salary deductions and approval from the Labour Office have been duly obtained. |
| | 6.2.4 (C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. | YES | Evidence is available that Silimpopon CU provides adequate housing and facilities in accordance with the requirements of the Workers' Minimum Standard of Housing and Amenities Act 1990. All workers are provided with free accommodation as stated in their employment contracts, and free electricity and water supplies. With the exception mentioned below, the houses are generally in good state of repair. Each house has between 2 to 3 rooms, and each room occupied by 1 or 2 persons. Each worker and staff housing area come with amenities such as CLC (Community Learning Centre) for foreign workers' children, creche, badminton/takraw/volleyball court, places of |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--------|--|---------------|---|
| | 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure. | | worship, sundry shops, and playing field. Clinic facilities are also available and medical treatment is provided free of charge to all employees and their dependents. Site visit has been made to CLC and creche. Observed the cleanliness of both facilities in satisfactory condition with inspections has been made fortnightly by Health Assistants and Assistant Incharged. |
| | 6.2.5 The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food. | YES | Silimpopon CU is able to demonstrate that efforts were made to improve workers' access to adequate, sufficient and affordable food by having several grocery shops within the CU premises, namely Kedai Runcit Pemborong Kartinah and Kedai Runcit Samajaya. |
| | <p>6.2.6 A "DLW" is paid to all workers, including those on piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.</p> <p>PROCEDURAL NOTE: A written policy with specific implementation plan, committing to payment of a "decent living wage" is in place. The implementation plan with specific targets, and a phased implementation process will be in place, including the following:</p> <ul style="list-style-type: none"> • An assessment is conducted to determine prevailing wages and in-kind benefits already being provided to workers. • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent basket of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment. • The unit of certification may choose to implement the "living wage" payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before an eventual scale-up of the living wage implementation • Until such time where the Malaysian version of "decent living wage" has been endorsed | YES | Based on the suggested method(s) by RSPO guideline, an assessment of the Prevailing Wage was conducted in an RSPO Certified Unit in Silimpopon CU. Based on the review of the calculation formula, it was verified that the calculation of prevailing wages are fair and reasonable. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--|---|---------------|---|
| | by RSPO and implemented by the unit of certification, the Malaysian minimum wage has to be paid. | | |
| | 6.2.7 Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal. | YES | Based on documents sighted and interviews conducted, employment of workers by Silimpopon CU only involve full-time employees. There was no casual, temporary and day labour engaged. |
| 6.3 The unit of certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel. | 6.3.1 (C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented. | YES | Silimpopon CU subscribes to the documented policy on Freedom of Association and Right to Collective Bargaining. This Policy is available in dual language, i.e. Bahasa Malaysia and English and it recognizes and respects of employees to join trade union of their choice and to bargain collectively subject to the provisions of relevant national legislations. Employment contracts sighted do not contain any prohibitive clause from joining any trade unions. The language used in both Policies are English and Bahasa Malaysia. |
| | 6.3.2 Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request. | YES | There is no trade union at Silimpopon CU, but there is a Joint Consultative Committee (JCC) comprising workers and management representatives. Minutes of meeting between the workers' representatives and management are being documented and were sighted during the audit. |
| | 6.3.3 Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers. | NO | There is no formation of registered unions / labor organisations, which freely elected representatives for the staff of Silimpopon POM. Based on site visit, interview and documentation review, there is no formation of registered unions / labor organisations, which freely elected representatives for the staff of Silimpopon POM. Therefore, minor NCR has been raised as MAR 03 2022. |
| 6.4 Children are not employed or exploited. | 6.4.1 A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements. | YES | Silimpopon CU subscribes to Kretam Holdings Berhad Group, Social Policy signed by Datuk Freddy Lim Nyuk Sang, Chief Executive Director. The Policy states that KHB Group will ensure that NO child (a person under the age of 15 years) or young person (who has attained the age of 15 years but has not attained the age of 18 years) shall be, or be required or permitted to be, engaged in any employment other than those allowed by the laws. The Policy also stated that schools should encourage and motivate children to attend school, parents to be advised and warned verbally on the spot not to allow children to assist them, and the child sent home or to an appropriate child care facility. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---------------|---|
| | 6.4.2 (C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure. | YES | Based on documentation review (master checkroll, personal files containing copies of passport, KTP or Malaysian IC), interviews conducted and observations in the field, all employees were above the age of 18 when they commenced work at Silimpopon CU. There also have a documented age screening verification procedure in the Recruitment and Selection procedure. Evidence is available that minimum age requirements are met. Documented age screening procedure is available from copies of passport and Malaysian NRIC, and copies of Indonesian workers' identity card known as KTP. |
| | 6.4.3 (C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work. | YES | Based on interviews, documentation review and observations in the field, evidence is available that minimum age requirements are met throughout Silimpopon CU. This was based on workers' personal files which contained copies of the workers' NRIC or passports with their respective pictures for identification. |
| | 6.4.4 The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live. | YES | Silimpopon CU was able to demonstrate communication about the Social Policy which contained no child labour component to its workers during muster. |
| 6.5 There is no harassment or abuse in the workplace, and reproductive rights are protected. | 6.5.1 (C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce. | YES | The policy to prevent sexual and other forms of violence is contained in the Kretam Holdings Berhad Group's Social Policy. A specific policy on sexual harassment titled "Sexual Harassment Policy". This policy is implemented and communicated to all levels of workforce during muster. Interviews with workers also confirmed their understanding on the briefing contents, and they also confirmed the implementation of the Policy. |
| | 6.5.2 (C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce. | YES | To protect the reproductive rights of all, especially of women, Silimpopon CU has established a policy titled "Social Policy". The Gender Committee meetings are used as an avenue to disseminate information to its members regarding reproductive rights. This was further confirmed during interviews held with female workers as well as male workers which showed their understanding of their reproductive rights. |
| | 6.5.3 Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified. | YES | Silimpopon 1 and 2 Estates has demonstrated that the needs of new mothers have been assessed and identified in a consultative way. There has been consultative assessment to identify the needs of the following female employees as new mothers have been carried out and therefore there was action to address those needs was taken. |
| | 6.5.4 A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and | YES | The system used by the Silimpopon CU in resolving disputes exists in the procedure called Kretam Holdings Berhad Group's Complaints and Grievance Procedure. This SOP is open to all stakeholders, internal workers, NGO's, and third parties. The Policy states, among things, that it shall resolve disputes in an effective, timely and appropriate manner, |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--|--|---------------|---|
| | communicated to all levels of the workforce. | | ensuring anonymity of complainants. |
| 6.6 No forms of forced or trafficked labour are used. | <p>6.6.1 (C) All workers have entered into employment voluntarily , and the following are prohibited:</p> <ul style="list-style-type: none"> • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty to the workers for termination of employment • Debt bondage • Withholding of wages | YES | <p>Evidence is available that all workers have entered into their respective employment voluntarily. This is also in tandem with the Company's Foreign Worker Policy signed by Chief Executive Director, Datuk Freddy Lim Nyuk Sang which states among other things, that foreign workers should enter into employment voluntarily and freely, without the threat of a penalty, debt bondage, withholding of wages, no charging the workers for recruitment fees, and no discrimination. Interviews conducted with the workers confirmed that the above SOP is being implemented within the Silimpopon CU. The following were observed during the audit:</p> <ul style="list-style-type: none"> - Workers keep their own passport. However, some workers felt it unsafe to keep their passports, and has requested that the Mill/estates keep their passports on their behalf, with their consent. - There is no evidence of recruitment fees. - There is no contract substitution. Workers interviewed knew what work they were to do upon arrival at Silimpopon CU, and their employment contracts reflects this too. - There is no involuntary overtime, and all overtime is carried out by the workers out of their own free will upon request by their supervisors. - Workers are free to resign and leave their employment. - There is no penalty for termination of employment. - There is no evidence of debt bondage. - There is no evidence of withholding of wages. All wages are paid by or before the 7th of every month, subject to statutory deductions and legal deductions as per the Labour Office permit. |
| | 6.6.2 (C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented. | YES | <p>There is a Foreign Worker Policy signed by Chief Executive Director, Datuk Freddy Lim Nyuk Sang and the policy stated that the company committed to:</p> <ul style="list-style-type: none"> • Foreign workers should enter into employment voluntarily and freely, without the threat of a penalty • No Debt bondage • No Withholding of wages • No charging the workers for recruitment fees • No discrimination • Etc <p>Additionally, there is a procedure established known as "Recruitment of Foreign Workers". This document spells out the recruitment process as follows:</p> <ul style="list-style-type: none"> • Manpower planning – applying for quota, appointment of recruitment agent, sourcing of workers, workers interviews, satisfaction of employability criteria, shortlisting. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---------------|---|
| | | | <ul style="list-style-type: none"> Recruitment process – registration onto the approved Employee Master list and uploaded onto the Quarto system. Orientation – briefing on language, safety procedures, labour laws, culture practices, surrounding community, housing, medical, amenities, issuance of PPE. Commencement of work – no discrimination, no contract substitution practices, post-arrival orientation programme and provision of decent living conditions. <p>Based on interviews conducted with foreign workers, documentation review and observations made, there is evidence that the above SOP is being implemented within the Silimpopon CU.</p> |
| 6.7 The unit of certification ensures that the working environment under its control is safe and without undue risk to health. | 6.7.1 (C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded. | YES | <p>The letter of appointment for the Managers signed by the GM was sighted. The Managers subsequently assigned duties of ESH coordinator to the Assistants for the down line implementation of ESH practices in the estates. Similar appointment was made for all the estates and the mill. All identified Executives were officially given a letter for such an appointment. All estates and the mill management conduct regular two-way communication with their employees through the quarterly ESH meeting. Samples Minutes of meetings held by the mill and estates were verified. The meetings workers participated in the discussion mainly on housing and safety. All units adopted the agenda as released OSH/ sustainability team. This agenda list was sighted and adequate to discuss salient issues relating safety, environmental and health. The agenda as discussed during the meeting among others includes the following;</p> <ul style="list-style-type: none"> Laporan hal – hal berbangkit Laporan safety coordinator Hal hal lain Accident case Workplace inspection |
| | 6.7.2 Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed. | YES | <p>Silimpopon CU had in place accident and emergency procedures as stated in the Occupational Safety and Health Policy of Kertam Holdings Berhad Group which was established and signed by the <i>Chief Executive, Datuk Freddy Lim Nyuk Sang</i>. Both Estates had established Emergency Response Teams. On both Estate the committee was responsible for both Safety and Health and Emergency Response. The combined committee was headed by the Senior Assistant in Charge with a clerk as secretary, a staff as coordinator and 2 management and 8 workers representatives. Procedures guidelines were issued by Agronomy Dept (Sustainability Unit) and amended to tailor to the situation differences in the estates and mills.</p> |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--------|--|---------------|---|
| | 6.7.3 (C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing. | NO | <p>All Training and Briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. During site visit at all estates and mill all PPE has been provided free of charge and was sighted all workers wearing appropriate PPE such as:</p> <ul style="list-style-type: none"> • harvester: gloves, google, wellington boots & safety helmet • sprayer: nitrile gloves, google, wellington boots, safety helmet, and apron • Mill operator – Safety boots, ear muff, safety vest, helmet, cotton glove • Water treatment Plant Operator - Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask. <p>During site visit at Silimpopom 1 Estate:</p> <ul style="list-style-type: none"> • interview with a group of general workers (L.f pickers / circle racking) was highlight that they not given PPE (safety shoes) and need to buy by themselves. • no PPE issuance record since 2018 for general workers gang <p>thus, #major NCR RAR 02 2022 has been raised.</p> |
| | 6.7.4 All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law. | YES | Local Workers and foreign workers – covered by SOCSO. Verified through ' <i>Jadual Caruman Bulanan</i> ' Borang 8A – and monthly payment has been verified. In addition, the estates and mill provide medical care to all workers using own Medical Assistant services. Cases requiring additional/serious treatment are referred to Klinik Kesihatan Kalabakan 17Km and Hospital Tawau 109 KM away. |
| | 6.7.5 Occupational injuries are recorded using Lost Time Accident (LTA) metrics. | YES | <p>Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA (Lost Man day MC). This is summarized officially in the JKKP 8. Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKKP 8 a mandatory requirement for submission to DOSH by Jan of the subsequent year. Cases if any are reviewed during safety meetings. Accident statistics was reviewed during Health and Safety committee meeting & through OSH committee investigation accident. It was evident in the minutes of the meeting.</p> <p>Where required submissions of JKKP 6, & 8 to DOSH were complied with under the legislative requirement. Investigations and revision of HIRARC where appropriate were made accordingly. Mainly all estates recorded incidences are related to harvesting activities.</p> |

RSPO PUBLIC SUMMARY REPORT

Principle 7: Protect, conserve and enhance ecosystems and the environment

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

| Clause | Indicators | Comply Yes/No | Findings |
|--|--|---------------|--|
| 7.1 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques. | 7.1.1 (C) IPM plans are implemented and monitored to ensure effective pest control. | YES | The implementation of IPM programme for year 2022 was updated in Mar 2022 and has been carried by planting beneficial plant such as tunera subulata, cassia cabenensis and antigonan along the main road. Sighted a record of new planting has been implement on along of the main road of Estate. Generally, the estate had well established <i>Nephrolepis biserrata</i> fern and soft vegetation in the inter rows of mature palm. Palms were well pruned and cut fronds stacked as per SOP. Both estates also endeavored to plant <i>Nephrolepis biserrata</i> . Nurseries for nectariferous beneficial plants was also sighted with <i>Cassia cobanensis</i> , <i>Antigonan leptopus</i> and <i>Turnera sublata</i> . |
| | 7.1.2 Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented. | YES | Species referenced in the Global Invasive Species Database and CABI.org. were not used in managed areas of the 2 estates. |
| | 7.1.3 There is no use of fire for pest control unless in exceptional circumstances, i.e. where no other effective methods exist, and with prior approval of government authorities. | YES | The Ketam CU had 2 policies on Zero Buring a main policy and sub policy. As advocated, both estates had practised Zero burning and there was no evidence on use of fire for any purpose inclusive of for pest control. |
| 7.2 Pesticides are used in ways that do not endanger health of workers, families, communities or the environment. | 7.2.1 (C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritized. | YES | Justification of the use of pesticides had been documented. The use of selective products that are specific to the targeted pest, weed or disease had been defined in Planting Manual and SOP. The Manual and SOP had included a chemical register list which indicated the purpose of usage (intended target), hazards signage, trade and generic names. All the Estates had maintained chemical registers and were updated periodically. The registers were updated at both estates in January 2022. |
| | 7.2.2 (C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided. | YES | Silimpopon CU continued to record areas where pesticides were used. a) Pesticides were used only when justified and as programmed. Records of pesticides used by area, quantity used, hectares applied, LD 50 and Ai/Ha were made available to auditors. b) Records were maintained in store issue chits, bin cards, program sheets, field cost books and progress reports. |
| | 7.2.3 (C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans. | YES | All the estates on Silimpopon CU continued to apply pesticides by proven methods that minimise risk and impacts. Application of pesticides was based on and guided by the following documents: a) CHRA |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--------|--|---------------|--|
| | | | b) MSDS/SDS supplied by the manufacturer c) Planting Manual d) Safe work procedure Manual As part of the IPM plans, the quantity of pesticides required for various field conditions are documented and justified in Kertam Holding Berhad's Planting Manual in the chapters Weed Control & Selective Weeding and Calibration. The implementation in the field was consistent with the Planting Manual Sections and IPM Plan. In the implementation of the IPM plans the following practices were adopted by CU. Established growth of beneficial plants (<i>Cassia cobanensis</i> , <i>Antigonon leptopus</i> and <i>Tunera subulata</i>) to attract natural predators and reduce use of insecticides. During the site visit the auditor observed notable quantity of beneficial plants been planted. The estates in order to reduce the use of pesticides to control rats carried out baiting only in areas where attack was above threshold level. |
| | 7.2.4 There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines. | YES | Silimpopon CU is committed to minimize the usage of agrochemicals by implementing IPM with the increased in the planting of beneficial plants such as <i>Tunera subulata</i> , <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i> . a) Blanket spraying is also not practiced by the CU and soft grasses were maintained in the field. b) It had also been the practice that insecticides and rat baits are used only after a threshold level has been exceeded as per the S.O.P. and Planting Manual c) The chemicals used for the nurseries are as provided in the Planting Manual and where necessary by the SEM/Agronomist during the visits. |
| | 7.2.5 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to: | YES | During the audit, it was noted that both estates had not use chemicals categorized as World Health Organization (WHO) type 1A or 1B or listed by the Stockholm or Rotterdam Conventions. Except for Amine and Cypermethin which were Class II chemicals, all others were of Class III & IV. Paraquat has not be used since 2008 and was replaced by a systemic herbicide and glufosinate ammonium. |
| | 7.2.5a Judgment of the threat and verify why this is a major threat. | YES | |
| | 7.2.5b Why there is no other alternative which can be used. | YES | |
| | 7.2.5c Which process was applied to verify why there is no other less hazardous | YES | |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--------|--|---------------|--|
| | alternative. | | |
| | 7.2.5d What is the process to limit the negative impacts of the application. | YES | |
| | 7.2.5e Estimation of the timescale of the application and steps taken to limit application to the specific outbreak. | YES | |
| | 7.2.6 (C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out. | YES | Records showed that pesticides were handled by trained persons and used as per the MSDS/CSDS of the pesticide. As mentioned under Indicator 3.3.1, the estate had the SOPs for safe handling of pesticides. Appropriate safety and application equipment had been provided and used as per the CHRA. The staff and workers such as the storekeepers, sprayers and those workers apply the fertilizer were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the MSDS/CSDS training. It was also noted that MSDS/CSDS are available at all sites during the audit. All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issuance and replacement records were verified by the auditors. It was observed (picture & video record) that all of the sprayers were using all required PPE. |
| | 7.2.7 (C) Storage of all pesticides is in accordance with recognised best practices. | YES | The storage of pesticides at Silimpopon CU was found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. The chemical and fertiliser stores (with cemented floors and roofing) are locked & handled only by authorized personnel i.e. storekeeper. The stores in estate and mill were ventilated (equipped with exhaust fans). All the chemicals were arranged/segregated according to the type. During site visit at estates i.e. chemical and fertilizer store, sighted relevant SDS were seen displayed. Adequate safety signage has been placed at both internal and external of the building. A proper premixing area with eye wash facilities and bathing area is available near to the chemical stores. The wastewater from the washing of empty chemical containers and PPE, and chemical mixing was pumped to a storage tank for reuse in chemical mixing. This is to avoid any contamination of chemicals to the ground. Triple rinsing activities continued to be implemented for empty pesticide containers. The detailed procedure for this purpose is available in SOP for Scheduled Wastes Management and SOP for Triple Rinsing. |
| | 7.2.8 All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes. | YES | Empty pesticide containers were punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. Inventory and consignment documents verified for confirmation of proper management and disposal. The scheduled wastes generated at Silimpopon CU not more than 180 days @ 20mt. |
| | 7.2.9 (C) Aerial spraying of pesticides is | YES | There was no evidence that aerial spraying was practiced in Silimpopon 1 and Silimpopon |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--|--|---------------|--|
| | prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying. | | 2 Estate. Estate only conducts circle and selective spraying using pump CKS. |
| | 7.2.10 (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated. | YES | Carried out accordingly. |
| | 7.2.11 (C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work. | YES | The SKOM CU had a Social Policy and SOP which stated that no work with pesticides shall be undertaken by pregnant or breast-feeding women. On all 2 estates sampled, identification of pregnancy was done by the HA based on interview with their women workers on the last menstrual period dates. This interview was done during the 6-month interval medical check-up. Pregnancy test was carried on doubtful cases. Monthly medical check-up for women sprayer was also being carried out by VMO. There was no evidence that the work with pesticides was undertaken by pregnant or breast-feeding women. This has also been confirmed through interviewed with workers. |
| 7.3 Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner. | 7.3.1 A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented. | YES | Standard Operating Procedure Scheduled Waste Disposal, has been established. The documentation and identification of all waste product such as scheduled wastes, domestic wastes, clinical wastes, recyclable wastes such as metal, tins, plastics, bottles, mill wastes and polluting material e.g. EFB and POME. Scheduled wastes identified included hydraulic oil (SW305), spent lubricant oil (SW306), used chemical containers/drums (SW409), used filter (SW410), laboratory (SW430), used batteries (SW102), contaminated sand (SW408) and clinical wastes (SW 404). Disposal of empty pesticide containers were carried out as per established procedures. Triple rinsing procedures was continually implemented for empty pesticide containers. The rinsed containers were then pierced and stored prior disposal. |
| | 7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated. | YES | During site visits at Silimpopon 2 Estate (Kg Teratai), at S1 estate (Kg Rajawali) it was sighted that the domestic waste has been manage according to the plan and has been disposed at dedicated area block 01TA13 (S1 Estate) and at Block 00KB4 (S2 Estate). |
| | 7.3.3 The unit of certification does not use open fire for waste disposal. | YES | The Ketam CU had 2 policies on Zero Buring a main and sub policy. All estates had practised Zero burning and there was no evidence on use of fire for any purpose inclusive of waste disposal. During site visit at all Estates, there was no evidence of open burning had been used for waste disposal. Records showed that Domestic Waste was disposed |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|---|--|---------------|---|
| | | | into Landfills. |
| 7.4 Practices maintain soil fertility at, or where improve soil fertility to, a level that ensures optimal and sustained yield. | 7.4.1 Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts. | YES | Estate practiced the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields) and some EFB and compost application. |
| | 7.4.2 Periodic tissue and soil sampling is carried out to monitor and manage changes in soil fertility and plant health. | YES | Fertilizer application, which was of paramount importance for maintenance of soil fertility, were carried out based on the recommendation made by the agronomist from Boris Agri-Services Sdn Bhd. Annual fertilizer recommendations were made based on annual foliar sampling done in Aug 2021 and submitted to Makmal Central, Sawit Kinabalu. While soil sampling was carried out on an 8-year cycle basis last done in August 2013 (next sampling will conduct on end of this year) by Boris Agri-Services Sdn Bhd. The recommendation by the Agronomist were also available during the inspection and the application of fertilizers had been carried out as recommended and scheduled. Noted from the records that the actual number of fertilizers applied in 2021 were completed. |
| | 7.4.3 A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers. | YES | Estate practiced the maintenance of long-term soil fertility by annual application of fertilisers based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields) and some EFB and compost application. |
| | 7.4.4 Records of fertiliser inputs are maintained. | YES | Both Estates continued to maintain the records of the fertilizers input. The information was also available in the Manuring Schedule for FY 2022 and Manuring Schedule 2022. The fertilizers recommended for 2022 on both estates were HK. RP, MOP and Kieserbor. The rate per palm per year ranged between 6.50kg – 9.50kg. |
| 7.5 Practices minimise and control erosion and degradation of soils. | 7.5.1 (C) Maps identifying marginal and fragile soils, including steep terrain, are available. | YES | Among soil series in both Silimpocon 1 and Silimpocon 2 Estate are: <ul style="list-style-type: none"> • Stom • Tanjong lipat • Malau • Kumansi • Talisai • Kuah • Selangor • Local alluvial complex • Steepland • Disturbed land |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|---|---|---------------|---|
| | 7.5.2 No replanting on steep slopes (above 25 degrees) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25°) larger than 25 Ha within the Unit of Certification. | YES | The replanting programme until year 2025 for Silimpopon 1 Estate due on year 2025. |
| | 7.5.3 There is no new planting of oil palm on steep terrain. | YES | Based on planting profile and map provided, there was no new planting on steep terrain. |
| 7.6 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations. | 7.6.1 (C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations. | N/A | Based on age profile, soil map and site visit, there was no new planting and no planning of new planting both in Silimpopon 1 and Silimpopon 2. Hence, the indicator was not applicable. |
| | 7.6.2 Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices. | N/A | Based on age profile, soil map and site visit, there was no new planting and no planning of new planting both in Silimpopon 1 and Silimpopon 2. Hence, the indicator was not applicable. |
| | 7.6.3 Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure. | N/A | Soils survey and topographic information has been obtained from report" Soils of Silimpopon Estate (incorporating a detailed soil map) Tawau District Tawau residency Sabah, date August 2013 by Boris n Agri Services Sdn Bhd. |
| 7.7 No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly. | 7.7.1 (C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas. | N/A | Based on age profile, soil map and site visit, there was no peat, no new planting and no planning of new planting both in Silimpopon 1 and Silimpopon 2. Hence, the indicator was not applicable. |
| | 7.7.2 Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peat land Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below). | N/A | Based on age profile, soil map and site visit, there was no peat, no new planting and no planning of new planting both in Silimpopon 1 and Silimpopon 2. Hence, the indicator was not applicable. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--------|--|---------------|--|
| | 7.7.3 (C) Subsidence of peat is monitored, documented and minimised. | N/A | Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate. conducted hence this indicator was not applicable. |
| | 7.7.4 (C) A documented water and ground cover management programme is in place. | N/A | Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate. hence this indicator was not applicable. |
| | 7.7.5 (C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation. This is subject to transitional (5 years: 2019 to 2025) arrangement stated in the Drainability Assessment Procedure. Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition. | N/A | Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate. based on planting profile and site visit conducted hence this indicator was not applicable. |
| | 7.7.6 (C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2018) and associated audit guidance. | N/A | Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate. based on planting profile and site visit conducted hence this indicator was not applicable |
| | 7.7.7 (C) All areas of unplanted and set-aside peatlands in the managed area | N/A | Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate. based on planting profile and site visit conducted hence this indicator was not applicable |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|---|--|---------------|--|
| | (regardless of depth) are protected as “peatland conservation areas”; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the ‘RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat’, version 2 (2018) and associated audit guidance. | | |
| 7.8 Practices maintain the quality and availability of surface and groundwater. | 7.8.1 A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following: | YES | <p>Both the Mill and the estates had its <i>Water Management Plan for 2021/ 2022</i> which was developed in order to maintain the quality and availability of natural water resources by practicing efficient water consumption through various methods; among others</p> <ul style="list-style-type: none"> a) implementation of rain water harvest, b) establishment of <i>mucuna bracteata</i> to prevent erosion, side drain at field road to control water, frond stacking, enhancement of ground vegetation at bare ground area. <p>The CU has also identified actions to be taken in the event of water supply shortage,</p> <ul style="list-style-type: none"> a) Workers quarters were provided with separate tanks for rain water harvesting used for washing. b) Water for consumption is supplied in separate tanks and amount used being monitored. c) Water from triple rinsing of pesticide containers was reused for spraying. d) Records of rainfall data to assist in the water management plans were sighted from 2010 (10 years spectrum). <p>The mill practices recycling processing water,</p> <ul style="list-style-type: none"> a) Recycled condensate water, to use back water treated from POME to cleaning purpose at mill and hydro cyclone operation during water shortage, b) collection of rain Waters, c) Line site Water usage Monitoring, d) Contingency Plan during dry spell/shortage has been established. e) Contingency plan during water shortage |
| | 7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities. | YES | Based on stakeholder consultation with local communities and field visit, there was evidence that the CU does not restrict access to clean water or contribute to pollution of water used by communities. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--|---|---------------|--|
| | 7.8.1b Workers have adequate access to clean water. | YES | At POM clean water has been provided by water treatment plan. Sighted analysis of water quality has been carried out by appointed third party, latest in Jan 2022. At Estate treated water has been provided thru water treatment plan. Sighted analysis water quality has been carried out by third party laboratory, latest in Feb 2022. |
| | 7.8.2 (C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the mgmt and rehabilitation of riparian reserves' (April 2017). | NO | Water courses i.e stream or river are not protected. Based on site visit at field 00KB5 Silimpopon 2, sighted sign of spraying along the stream and at least 1 or 2 palms nearby the stream was being sprayed. Therefore, major NCR has been raised as MAR 02 2022 |
| | 7.8.3 Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored. | YES | Treated effluent discharge method for land irrigation in the estate and seven parameters were monitored such as pH, Total Nitrogen (TN), Suspended Solid (SS) and Oil & Gris (OG), temperature, BOD and their result were within the stipulated limit stated in " <i>Jadual Pematuhan</i> ". Effluent analysis tests for final discharge were carried out on a monthly basis through internal accredited lab from Dynakey Laboratories Sdn Bhd. The results were within the limit. |
| | 7.8.4 Mill water use per tonne of FFB is monitored and recorded. | YES | Mill water usage per tonne of fresh fruit bunches (FFB) continued to be monitored on monthly basis and 3 years monitoring has established. |
| 7.9 Efficiency of fossil fuel use and the use of renewable energy is optimised. | 7.9.1 A plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and documented. | YES | Plan for improving efficiency of the use of fossil fuels and to optimise renewable energy has been established. The plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and documented. Record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Among the plan for improving fossil fuel are: <ul style="list-style-type: none"> ▪ Proper vehicle maintenance schedule must be followed (preventive maintenance) ▪ Avoid carrying excessive weight ▪ Practise safe driving, defensive driving and training on proper use of gears ▪ Generators operators must follow strictly on the running hours scheduled ▪ All florescent tube light to be exchanged with LED light |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|-----------------------|--|-------------|-----------------------------|-----------------|---|-----|------|-----|-------|----|------|-----|------|----------|----|-------------------------|---------|--------------------|---|-------------------------|---------|-----------------------------|-------|---------------|---------|-------------|-----|--|--|--------------------|-----------------------|-------------------------|-----------------|----------|------|------|--|---------|------|---|--|---------|------|------|------------------|--------|------|------|----------------|---|---|---|--------------------|----------|-------|-------|
| 7.10 Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions. | 7.10.1 (C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported. | YES | <div><div><div><div>Summary of net GHG emissions from PalmGHG calculator</div><div>Summary of Emissions</div><table><thead><tr><th>Description</th><th>tCO₂e/tProduct</th><th>Extraction Rate</th><th>%</th></tr></thead><tbody><tr><td>CPO</td><td>1.58</td><td>OER</td><td>20.00</td></tr><tr><td>PK</td><td>1.58</td><td>KER</td><td>4.55</td></tr></tbody></table></div><div><table><thead><tr><th>Land Use</th><th>Ha</th></tr></thead><tbody><tr><td>OP Planted Area mineral</td><td>5477.86</td></tr><tr><td>OP Planted on Peat</td><td>0</td></tr><tr><td>Conservation (forested)</td><td>2078.50</td></tr><tr><td>Conservation (non-forested)</td><td>43.22</td></tr><tr><td>Total planted</td><td>5477.86</td></tr></tbody></table></div><div><div>Summary of Plantation/field emissions and sink</div><table><thead><tr><th rowspan="2">Description</th><th colspan="3">Own</th></tr><tr><th>tCO₂e</th><th>tCO₂e/ha</th><th>tCO₂e/tFFB</th></tr></thead><tbody><tr><td>Land conversion</td><td>51781.30</td><td>9.45</td><td>0.79</td></tr><tr><td>CO₂ emission from fertiliser</td><td>5601.93</td><td>1.02</td><td>0</td></tr><tr><td>N₂O emission frm fertiliser</td><td>2884.13</td><td>0.53</td><td>0.04</td></tr><tr><td>Fuel consumption</td><td>789.68</td><td>0.14</td><td>0.01</td></tr><tr><td>Peat Oxidation</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Crop sequestration</td><td>-4908.79</td><td>-8.96</td><td>-0.75</td></tr></tbody></table></div></div></div> | Description | tCO ₂ e/tProduct | Extraction Rate | % | CPO | 1.58 | OER | 20.00 | PK | 1.58 | KER | 4.55 | Land Use | Ha | OP Planted Area mineral | 5477.86 | OP Planted on Peat | 0 | Conservation (forested) | 2078.50 | Conservation (non-forested) | 43.22 | Total planted | 5477.86 | Description | Own | | | tCO ₂ e | tCO ₂ e/ha | tCO ₂ e/tFFB | Land conversion | 51781.30 | 9.45 | 0.79 | CO ₂ emission from fertiliser | 5601.93 | 1.02 | 0 | N ₂ O emission frm fertiliser | 2884.13 | 0.53 | 0.04 | Fuel consumption | 789.68 | 0.14 | 0.01 | Peat Oxidation | 0 | 0 | 0 | Crop sequestration | -4908.79 | -8.96 | -0.75 |
| Description | tCO ₂ e/tProduct | Extraction Rate | % | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CPO | 1.58 | OER | 20.00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PK | 1.58 | KER | 4.55 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Land Use | Ha | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| OP Planted Area mineral | 5477.86 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| OP Planted on Peat | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Conservation (forested) | 2078.50 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Conservation (non-forested) | 43.22 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total planted | 5477.86 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Description | Own | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | tCO ₂ e | tCO ₂ e/ha | tCO ₂ e/tFFB | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Land conversion | 51781.30 | 9.45 | 0.79 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CO ₂ emission from fertiliser | 5601.93 | 1.02 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| N ₂ O emission frm fertiliser | 2884.13 | 0.53 | 0.04 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fuel consumption | 789.68 | 0.14 | 0.01 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Peat Oxidation | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Crop sequestration | -4908.79 | -8.96 | -0.75 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---|------------|---|--|----------------------------|------------|---------------------------------------|------------------------------------|--|---------------------------------|------|----------|----------|------------------|--------|---|------------------------------|---|---|--|---|---|-------------|---|---|-------------|---|---|-------|----------|------|
| | | | <table><tr><td>Sequestration in conservation area</td><td>0</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>11975.15</td><td>2.19</td><td>0.18</td></tr></table> | | | | Sequestration in conservation area | 0 | 0 | 0 | Total | 11975.15 | 2.19 | 0.18 | | | | | | | | | | | | | | | | |
| | | | Sequestration in conservation area | 0 | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Total | 11975.15 | 2.19 | 0.18 | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Summary of Mill emission and credits | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | <table><tr><th>Description</th><th>tCO2</th><th>tCO2e/tFFB</th></tr><tr><td>POME</td><td>37439.94</td><td>0.20</td></tr><tr><td>Fuel Consumption</td><td>585.49</td><td>0</td></tr><tr><td>Grid Electricity Utilisation</td><td>0</td><td>0</td></tr><tr><td>Export of Excess Electricity to Housing & Grid</td><td>0</td><td>0</td></tr><tr><td>Sale of PKS</td><td>0</td><td>0</td></tr><tr><td>Sale of EFB</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>38025.44</td><td>0.20</td></tr></table> | | | | Description | tCO2 | tCO2e/tFFB | POME | 37439.94 | 0.20 | Fuel Consumption | 585.49 | 0 | Grid Electricity Utilisation | 0 | 0 | Export of Excess Electricity to Housing & Grid | 0 | 0 | Sale of PKS | 0 | 0 | Sale of EFB | 0 | 0 | Total | 38025.44 | 0.20 |
| | | | Description | tCO2 | tCO2e/tFFB | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | POME | 37439.94 | 0.20 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Fuel Consumption | 585.49 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Grid Electricity Utilisation | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Export of Excess Electricity to Housing & Grid | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Sale of PKS | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Sale of EFB | 0 | 0 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Total | 38025.44 | 0.20 | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | Palm Oil Mill Effluent (POME) Treatment | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | <table><tr><td>Diverted to compost</td><td>0%</td></tr><tr><td>Diverted to anaerobic digestion</td><td>100%</td></tr></table> | | | | Diverted to compost | 0% | Diverted to anaerobic digestion | 100% | | | | | | | | | | | | | | | | | | | | |
| Diverted to compost | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Diverted to anaerobic digestion | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| POME Diverted to Anaerobic Digestion | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| <table><tr><td>Diverted to anaerobic pond</td><td>100%</td></tr><tr><td>Diverted to methane capture (flaring)</td><td>0%</td></tr><tr><td>Diverted to methane capture (electricity generation)</td><td>0%</td></tr></table> | | | | Diverted to anaerobic pond | 100% | Diverted to methane capture (flaring) | 0% | Diverted to methane capture (electricity generation) | 0% | | | | | | | | | | | | | | | | | | | | | |
| Diverted to anaerobic pond | 100% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Diverted to methane capture (flaring) | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Diverted to methane capture (electricity generation) | 0% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7.10.2 (C) Starting 2014, the carbon stock of the proposed development area and | YES | Auditors has verified through checking the www.globalforestwatch.com , Google Maps, Estate Maps and also through site visit to the sampled estates areas. Based on the | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings | | | | | | | | | | | | | | | |
|--|--|--|--|--|--------|---------------------|---|---|--|---|---|--|---|----------------------------------|--|---|---|--|
| | major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (guided by the RSPO GHG Assessment Procedure for New Development). | | observation during the audit, it is confirmed that there were no new planting or new development of areas at CU. Hence, RSPO GHG Assessment Procedure for New Development was not applicable. | | | | | | | | | | | | | | | |
| | 7.10.3 (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored. | YES | <div>All the estates had established the <i>Pollution Prevention Plan 2021 /2022</i> among others addressing the following environmental issues;</div> <table><tr><th></th><th>Issues</th><th>Mitigation measures</th></tr><tr><td>1</td><td>Leakage of pesticide during chemical mixing</td><td>to recollect water used at chemical mixing area to be recycled during mixing, to construct containment sum at chemical mixing area to contain leakages</td></tr><tr><td>2</td><td>Contaminated ground / soil at workshop area</td><td>to replace tray whenever tractors / machines under repairing progress to avoid oil spillage on the ground, periodic checking on oil sump to ensure it is well maintained and to avoid any leakages</td></tr><tr><td>3</td><td>Prohibited spraying at line site</td><td>education to workers not to spray at the line site and explain reason for such a directive, periodic checking at the line site</td></tr><tr><td>4</td><td>Prohibited spraying & fertilizer or chemical near the river (buffer zone)</td><td>provide training and create awareness to workers, identifying and marking the buffer zones</td></tr></table> | | Issues | Mitigation measures | 1 | Leakage of pesticide during chemical mixing | to recollect water used at chemical mixing area to be recycled during mixing, to construct containment sum at chemical mixing area to contain leakages | 2 | Contaminated ground / soil at workshop area | to replace tray whenever tractors / machines under repairing progress to avoid oil spillage on the ground, periodic checking on oil sump to ensure it is well maintained and to avoid any leakages | 3 | Prohibited spraying at line site | education to workers not to spray at the line site and explain reason for such a directive, periodic checking at the line site | 4 | Prohibited spraying & fertilizer or chemical near the river (buffer zone) | provide training and create awareness to workers, identifying and marking the buffer zones |
| | Issues | Mitigation measures | | | | | | | | | | | | | | | | |
| 1 | Leakage of pesticide during chemical mixing | to recollect water used at chemical mixing area to be recycled during mixing, to construct containment sum at chemical mixing area to contain leakages | | | | | | | | | | | | | | | | |
| 2 | Contaminated ground / soil at workshop area | to replace tray whenever tractors / machines under repairing progress to avoid oil spillage on the ground, periodic checking on oil sump to ensure it is well maintained and to avoid any leakages | | | | | | | | | | | | | | | | |
| 3 | Prohibited spraying at line site | education to workers not to spray at the line site and explain reason for such a directive, periodic checking at the line site | | | | | | | | | | | | | | | | |
| 4 | Prohibited spraying & fertilizer or chemical near the river (buffer zone) | provide training and create awareness to workers, identifying and marking the buffer zones | | | | | | | | | | | | | | | | |
| 7.11 Fire is not used for preparing land and is prevented in the managed area. | 7.11.1 (C) Land for new planting or replanting is not prepared by burning. | YES | During site visits there was no new planting and replanting at both estates. | | | | | | | | | | | | | | | |
| | 7.11.2 The unit of certification establishes fire prevention and control measures for the areas under its direct management. | YES | The unit of certification has established an Emergency Response Team (ERT) for year 2021 lead by Estate Manager to handle all the emergency case included fire control in the estates and mill. Sighted training has been conducted for ERT team by BOMBA Tawau on 18/07/2021 d internally training for ERT team on 22/10/2021. | | | | | | | | | | | | | | | |
| | 7.11.3 The unit of certification engages with adjacent stakeholders on fire prevention and control measures. | YES | The unit of certification has established an Emergency Response Team (ERT) for year 2021/22 lead by Estate Manager to handle all the emergency case included fire control in the estates and mill. engagement with stakeholder has been carried out during stakeholder meeting and memo. | | | | | | | | | | | | | | | |
| 7.12 Land clearing does not cause deforestation or damage any area required to protect or | 7.12.1 (C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. | YES | Auditors has verified through checking through www.globalforestwatch.com , Google Maps, Estate Maps and also through site visit to all estates. Based on the audit findings, it was confirmed that no land clearing at Silimpopon CU since Nov 2005. | | | | | | | | | | | | | | | |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|---|--|---------------|---|
| enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced. | A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document. | | |
| | 7.12.2 (C) HCVs, HCS forests and other conservation areas are identified as follows: | YES | The report of “High Conservation Value (HCV) Assessment Report, Kretam Holdings Berhad, Silimpopon Estate, September 2018 [upgrade of the HCV assessment of 2007 report on the Flora and Fauna of Silimpopon Plantation Kretam]”, prepared by consultant team was made available to the audit team. The report had covered all the High Conservation Value (HCV) within and surrounding the CU. The HCV assessment had identified HCV’s attributes areas in the Silimpopon CU. The CU was observed to maintain its identified HCVs, i.e., HCV1, HCV2, HCV3 (Forests area, Biodiversity area), HCV4 (Steep Slopes area, Riparian Buffers and Water Catchments) and HCV6 (Cultural Value areas). Total hectare for HCV areas at Silimpopon CU (for Silimpopon 1 & 2 Estate) is 2,121.72ha. Observation during the audit found no evidence of any new land clearing (in existing plantations or new plantings) carried out after 15 November 2018. |
| | 7.12.2a For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid. | YES | |
| | 7.12.2b: Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations. | YES | |
| | 7.12.4 (C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider | YES | There was Rare, Threatened or Endangered (RTE) species were presence within HCV1, HCV2 and HCV3 in the CU. In managing the HCVs, the CU had a regular programme to educate its employees pertaining to the protection of the RTE as well as the protection of buffer zone and all protected areas. The CU has conducted a regular patrol of HCV areas, access, and boundary of estates in its monitoring programme. Signage such as “HCV attributes”, “No Hunting”, “No Fishing”, “Buffer Zone” was erected on sites. The Monitoring Checklist of Biodiversity Area was carried out monthly and were verified by auditor during the audit. This includes monitoring for signs of open burning, illegal hunting activities felling of trees, general conditions of water reservoir, fauna sightings, signboard and planted trees inspections. |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--------|--|---------------|--|
| | landscape level considerations (where these are identified). | | |
| | 7.12.5 Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peatland and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas. | YES | No local community rights have been identified in the HCV areas. |
| | 7.12.6 All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species. | YES | All RTE species are protected, whether or not they are identified in an HCV assessment. A training programme for year 2021 and 2022 to regularly educate the workforce about the status of RTE species was in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species were verified in training document. Workers were informed about RTE species, and the penalty involved if anyone working for the Company is found to capture, harm, collect, trade, possess or kill the HCV species. |
| | 7.12.7 The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan. | YES | The Monitoring Checklist of Biodiversity Area was carried out monthly basis and verified by auditor during the audit. This includes monitoring for signs of open burning, illegal hunting activities felling of trees, general conditions of water reservoir, fauna sightings, signboard and planted trees inspections. It was verified that these monitoring were then fed back into the HCV management plan. |
| | 7.12.8 (C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies. | YES | An area of 57.72 ha at Silimpopon 2 Estate (part of Block 10KF1) was cleared for new planting in 2010. Out of this, 39.12 ha was felled for oil palm, 5.18 ha was for access road, and 13.41 ha was felled but left unplanted. The RSPO's RaCP therefore applied to 39.12 ha and a Land Use Change Analysis was carried out. Under the RaCP, the following were carried: |

RSPO PUBLIC SUMMARY REPORT

| Clause | Indicators | Comply Yes/No | Findings |
|--------|------------|---------------|---|
| | | | <ul style="list-style-type: none"> • LUCA was approved by RSPO on 27 February 2019 • Concept Note accepted by RSPO on 14 May 2020; • Remediation and Compensation Plan was endorsed by the Compensation Panel on 8 October 2020. |

RSPO Certifications Systems for P&C and RISS, Nov 2020

| Clause | Indicators | | Comply Yes/No | Findings |
|--|------------|--|---------------|--|
| 5.5.2 Time-bound plan A time-bound plan for certifying all its management units and/or entities, including the units where the organization has mgmt. control and/or minor shareholding, is submitted to the CB during the initial certification audit. The time-bound plan shall contain a current list of all estates and mills. | (a) | As a minimum, all estates and mills shall be certified within 5 years after obtaining RSPO membership. Any new acquisitions shall be certified within a 3-year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat. | YES | <p>Based on the time bound plan 2021, Silimpopon 2 Estate currently has been certified and insert in to the Silimpopon CU. The Silimpopon 2 Estate not yet certified due to the area of 57.72 ha at Silimpopon 2 Estate (part of Block 10KF1) was cleared for new planting in 2010. Out of this, 39.12 ha was felled for oil palm, 5.18 ha was for access road, and 13.41 ha was felled but left unplanted.</p> <p>The RSPO's RaCP therefore applied to 39.12 ha and a Land Use Change Analysis was carried out. Under the RaCP, the following were carried:</p> <ol style="list-style-type: none"> LUCA was approved by RSPO on 27 February 2019 Concept Note accepted by RSPO on 14 May 2020; Remediation and Compensation Plan was endorsed by the Compensation Panel on 8 October 2020. |
| | (b) | Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the time-bound plan, the later CB shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness; | YES | KHB has been certified all of their CU, including one in the Silimpopon 2 Estate, which done during Surveillance 1 Audit 2021. |

RSPO PUBLIC SUMMARY REPORT

| | | | | |
|---|-----|---|-----|--|
| | (c) | Any revision to the time-bound plan or to the circumstances of the company shall cause the time-bound plan to be reviewed by the CB. Changes to the time-bound plan are permitted only where the organization can demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or eg); | YES | KHB has been certified all of their CU, including one in the Silimpopon 2 Estate, which done during Surveillance 1 Audit 2021. |
| | (d) | Where there are isolated lapses in implementation of a time-bound plan, a minor non-compliance shall be raised. Where there is evidence of fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised. | YES | Not applicable |
| 5.5.3 Requirements for uncertified management units: | (a) | No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since 1 st January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB; | YES | |
| | (b) | Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 2.2, 6.4, 7.5 and 7.6; | YES | |

RSPO PUBLIC SUMMARY REPORT

| | | | | |
|--|-----|--|-----|---|
| | (c) | Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3; | YES | Currently, there was no uncertified unit within KHB. Previously, Silimpopon 2 Estate was not in the certification unit, however for the current Surveillance 1 Audit in year 2021, the estate has been certified and included in Silimpopon CU. |
| | (d) | Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1; | YES | |
| | (e) | The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 4.5.4 (a) – (d) above by the audit team based on self-declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach: | YES | |
| | | <ul style="list-style-type: none"> A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by organization. This would require evidence of the self-assessment against each requirement; | YES | |
| | | <ul style="list-style-type: none"> Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team. | YES | |
| | | <ul style="list-style-type: none"> Desktop study e.g. web check on relevant complaints | YES | |
| | | <ul style="list-style-type: none"> If necessary, the audit team may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the req. | YES | |

RSPO PUBLIC SUMMARY REPORT

| | | | | |
|--|-----|--|-----|---|
| | (f) | For requirements 5.5.3 (a)-(d) above, the classification of critical and non-critical is as stated in the RSPO P&C. If a non-compliance against a critical indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless it is actively addressed. Evidence of active engagement with RSPO in resolving the non-compliance shall be available. | YES | Not applicable |
| | (g) | Failure to address any outstanding non-compliances within uncertified unit(s) as defined in 5.5.3 (f) above may lead to suspension of certificate of the certified unit(s), in accordance with the provisions of these Certification Systems. | YES | Not applicable |
| <p>4.6.4</p> <p>The CB shall review whether oil palm operations have been established in areas which were previously owned by users and/or are subject to customary rights of local communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements.</p> | | No additional indicators | YES | <p>Previously, the estate area (Silimpopon 1, Silimpopon 2 and Silimpopon Mill) belongs to Sabah State Government. It was now under lease from the state, from 01/01/1998 until 31/12/2096. Land status is for the purpose of cultivation of agricultural crop of economic value. It was evident that the land status was changed from development to Oil Palm cultivation from Jabatan Pertanian Dan Industri Makanan, Sabah on 05/06/2018.</p> <p>It has been confirmed that there was no issue related to the previous owner or whether the land is subject to customary rights of local communities and indigenous peoples.</p> |
| <p>Note:</p> <p>1. For requirements 4.5.4 (a)-(d) above, the definition of major and minor NC is stated in the RSPO P&C.</p> <p>For example, if an NC against a major indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless that is actively addressed;</p> <p>2. Failure to address any outstanding NC within uncertified unit(s) regarding 4.5.4 (a)-(d) may lead to certificate suspension(s) to the certified unit(s), in accordance with the provisions of these Certification Systems.</p> | | | | |

RSPO PUBLIC SUMMARY REPORT

Attachment 4

Details of Non-conformities and Corrective Actions Taken

| P & C Indicator | Specification Major/Minor | Detail Non-conformances | Root Cause & Corrective Action Taken by the CU | Verification Statement by Auditors |
|-----------------------|---------------------------|---|---|--|
| 2.2.2 MAR 01 2022 | Minor | <p>Requirement: 2.2.2 - All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/accredited) for migrant workers, service providers and labour contractors, is available.</p> <p>Finding: Evidence of legal due diligence to contracted third parties, Sundry shop does not follow the contracts requirement on meeting applicable legal requirement was not complied.</p> <p>Objective evidence: Based on site visit and documentation review, sundry shop in Silimpon 2 does not have Lesen Runcit Barang Kawalan Berjadual, Seksyen 5, Akta Kawalan Bekalan 1961 for Gas Petroleum Cecair (LPG). This was breach the contracts requirements within the sundry shop and the estate.</p> | <p>The sundry shop did not update and submitted the latest Lesen Runcit Barangan Kawalan Berjadual for liquid petroleum gas to the estate management.</p> <p>Management has issued to the sundry shop owner to stop carry and sell LPG materials untilss the shop owner provided the valid document of license</p> <p>Management also established a checklist for monitoring compliance on sundry shop for ensure compliance on legal and price,</p> | <p>Corrective action plan accepted; the effectiveness of implementation will be verified during next audit.</p> <p>Status: open</p> |
| 3.8.16 RAR 01 2022 | Major | <p>Requirement: 3.8.16- i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date.</p> <p>Finding: Shipping Announcement in the RSPO IT platform was not carried out by the mills when CSPK certified products are sold as certified to refineries more than three months after dispatch.</p> <p>Objective evidence: SPOM dispatch ticket no: PK21000351W,</p> | <p>Due to workload on PIC monitored on palm trace transaction was miss reported. The management of Silimpon POM, submltted the transaction announcement (shippinE announcement:TR-929da067.-1bgb)on 311A512A22 and get confirmed by the buyer on 7106/2022.</p> <p>For future action, additional two persons is appointed to update all certified product on the RSPO IT Platform. Any update for the shipping announcement on Palm Trace from any other person in charge will announced to top management to be monitor properly and prevent any</p> | <p>Sighted application or communication has been made to buyers and immediately shipping announcement was appear on the palm trace system.</p> <p>Sogted also appointment latter for two person incharge for monitoring palm trace shipping announcement system on date 01/07/2022 for assistant engineer and clerk.</p> <p>Status: closed</p> |

RSPO PUBLIC SUMMARY REPORT

| | | | | |
|----------------------|-------|--|---|---|
| | | dated 30/12/2021 for 30.05mt of CSPK- RSPO MB, contract no. KPOK/04761-P/RSPO-PK-MB-GMS, Dispatch note no. 04693, being delivered by vehicle no. SMD 1265 to KLK Premier Oil Sdn Bhd (total contract delivered 500mt) – however, transaction announcement (shipping announcement :TR-929da067-1b9b) was conducted in the RSPO IT platform after three month of dispatch (transaction date: 31/05/2022). | miscommunication. | |
| 6.3.3 MAR 03 2022 | Minor | <p>Requirement: 6.3.3 - Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.</p> <p>Finding: There is no formation of registered unions / labor organisations, which freely elected representatives for the staff of Silimpopon POM.</p> <p>Objective evidence: Based on site visit, interview and documentation review, there is no formation of registered unions / labor organisations, which freely elected representatives for the staff of Silimpopon POM.</p> | <p>There was no representative from staff to raise up any complaint & grievances to the Silimpopon POM's management as per todater. Only issue related to safety and housing defects.</p> <p>At 161612022, Silimpopom POM's management held Staff meeting to gather all staff for the election's staff representative. Based on the election. as a result of the majority vote, 5 staff voted to represent the staff and employees.</p> | <p>Sighted minute meeting for election for staff representative on 16/06/2022.</p> <p>Corrective action plan accepted, the effectiveness of implementation will be verified during next audit.</p> <p>Status: open</p> |
| 6.7.3 RAR 02 2022 | Major | <p>Requirement: 6.7.3 (C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</p> <p>Finding: PPE was not provided free of charge to general workers gang (L.f pickers / circle racking) at the place of work to cover all potentially hazardous operations as per SOP & HIRARC</p> <p>Objective evidence:</p> | <p>Adequate PPE will be provided free of charge to the general workers gang. The issuance PPE will recorded by gang basis for easily monitoring.</p> <p>A training was conducted by management on 15/06/2022 on PPE awareness and awareness that all the PPE was provided by management free of charge has been conducted for ensure the general workers gang understand related to the SOP</p> | <p>Sighted an evidence PPE awareness and SOP has been conducted by Executive to the general workers gang on 15/06/2022. Sighted also established PPE issuance record for general gangs was established.</p> <p>Status: closed</p> |

RSPO PUBLIC SUMMARY REPORT

| | | | | |
|---------------------------------|-------|---|---|---|
| | | <p>During site visit at Silimpopom 1 Estate:</p> <ul style="list-style-type: none"> • interview with a group of general workers (L.f pickers / circle racking) was highlight that they not given PPE (safety shoes) and need to buy by themselves. • no PPE issuance record since 2018 for general workers gang | | |
| <p>7.8.2</p> <p>MAR 02 2022</p> | Major | <p>Requirement: 7.8.2 (C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).</p> <p>Finding: Water courses i.e stream or river are not protected.</p> <p>Objective evidence: Based on site visit at field 00KB5 Silimpopon 2, sighted sign of spraying along the stream and at least 1 or 2 palms nearby the stream was being sprayed.</p> | <p>Sighted immediate training awareness has been conducted to the sprayer gang. Management also will increase frequency of spraying training in the training programmed. Management also established a signage buffer zones at the areas and painted the palm to ensure no spraying activities near the buffer zones area ageint.</p> | <p>Sighted immediate training awareness has been conducted to the sprayer gang on 15/06/2022. Sighted also training programmed for sprayer gang related to buffer zones 4 times per year in the annual training programmed. also sighted signage buffer zones at the areas and painted the palm to ensure no spraying activities near the buffer zones for preventive action for spraying activities.</p> <p>Status: slosed</p> |

RSPO PUBLIC SUMMARY REPORT

Attachment 5

STATUS OF NON-CONFORMITIES PREVIOUSLY IDENTIFIED

| P & C Indicator | Specification Major/Minor | Detail Non-conformances | Verification by Assessor |
|-----------------------|---------------------------|--|--|
| 5.1.9 MAR 01 2021 | Major | <p>Finding: Grievance mechanism for smallholders and the grievances were not dealt with in a timely manner.</p> <p>Objective evidence: Based on interview with 1 smallholder, he mentioned that he did not know on some of the grievances related to the current pricing and the method of the payment on 2 time payment in monthly basis.</p> | <p>Minute of meeting “Mesyuarat Penjelasan Harga Buah” dated 23 April 2021 with the said FFB supplier was verified. The meeting was attended by two (2) FFB supplier and chaired by Mill Manager.</p> <p>The minute of meeting were reviewed during the audit found the said FFB supplier agreed to change the payment method from 2-time method in a month to 1 time payment in a month [as stated in Para 2.4]. It was noted that method of the payment was explained to the complainant on 23 April 2021. It was validated with the complainant during the audit. In addition, during auditor consultation with Ketua Kampung Kg. Rancangan Kalabakan (Mr Stensin), Ketua Kampung Kg. Ulu Kalabakan (Mr. Kabun) and other five (5) smallholders found they are aware of the one-time payment in monthly basis.</p> <p>Status: Closed</p> |
| 7.3.2 RAR 01 2021 | Minor | <p>Finding: Disposal of waste material was not according to procedure and plan.</p> <p>Objective evidence: During site visits at Silimpopon 2 Estate (Kg Teratai) sighted domestic waste was not manage according to the waste management plan procedure and has been disposed behind the housing area at Block 99KA3.</p> | <p>During site visits at Silimpopon 2 Estate (Kg Teratai), at S1 estate (Kg Rajawali) it was sighted that the domestic waste has been manage according to the plan and has been disposed at dedicated area block 01TA13 (S1 Estate) and at Block 00KB4 (S2 Estate)</p> <p>Status: Closed</p> |
| 7.11.3 RAR 02 2021 | Minor | <p>Finding: Engagement with adjacent stakeholders on fire prevention and control measures was not yet carried out</p> <p>Objective evidence: During site visit, interviewing with stakeholders, and document review, it was confirmed that engagement</p> | <p>The unit of certification has established an Emergency Response Team (ERT) for year 2021/22 lead by Estate Manager to handle all the emergency case included fire control in the estates and mill. engagement with stakeholder has been carried out during stakeholder meeting and memo. Sighted latest engagement has been made with adjacent stakeholder (Wise Wissin Sdn Bhd, Kalabakan Plantation, Branko Serudong, Twinhealth plantation, Rhylston Park, IGN Plantation, Usahawan Borneo Plantation, Amalan</p> |

RSPO PUBLIC SUMMARY REPORT

| | | | |
|---------------------|-------|--|---|
| | | with adjacent stakeholders on fire prevention and control measures not yet carried out by Silimpopon CU. | Progresis Sdn Bhd, etc) on 22/04/2021 by official letter to them. Status: Closed. |
| 3.4.3 RZ 01 2021 | Major | <p>Finding: The Social Impact Assessments and Monitoring Plans for Silimpopon Estates and Mill have not been implemented, reviewed and updated regularly in a participatory way.</p> <p>Objective evidence: Silimpopon CU could not demonstrate that the Social Impact Assessments for Silimpopon Mill and Estates 1 & 2 have been implemented, reviewed and updated regularly with participation of all levels of employees. As a result, the following social-related issues have not been identified and assessed:</p> <ol style="list-style-type: none"> 1. Psychological and emotional impacts on all levels of employees arising from the imposition of internal controls against the spread of Covid-19. 2. Security concerns faced by foreign workers who have undocumented dependents living with them and their concerns related to affordability of regularization. | <p>At Silimpopon POM and Silimpopon 1 Estate, the SIA Action or "Time Bound Social Plan" will be reviewed and updated once a year. For the review, meetings with their respective stakeholders will be conducted and the list of stakeholders included workers, the Gender Committee.</p> <p>The SIA management plan has identified on psychological and emotional impacts on all levels of employees arising from the imposition of internal controls against the spread of Covid-19 and also security concerns faced by foreign workers who have undocumented dependents living with them and their concerns related to affordability of regularization.</p> <p>Status: Closed</p> |
| 6.2.2 RZ 02 2021 | Major | <p>Finding: Silimpopon 2 Estate could not demonstrate the issuance of pay slip which records work done by family members.</p> <p>Objective evidence: The March 2021 pay slip of one outturn harvester (TP050113) has not given the record of loose fruit picking work done by his spouse during that period.</p> | <p>Contracts and conditions of employment are contained in employment contracts signed between the Mill and respective estates on one hand, and their workers on the other. The employment contracts sampled were prepared in either Bahasa Indonesia or in dual-language, namely English and the language commonly used in the worker's country of origin. The employment contracts signed between the Estates and Mill management contain employment and payment terms and provisions covering duration of employment, place of work, salary, working hours, medical, accommodation, SOCSO, transportation, public holidays, sick leave, annual leave, mutual termination of service, etc. These are all in compliance with the provisions of the Sabah Labour Ordinance. The pay slip is the document that give accurate information on compensation for all work performed. It contains the following information: employee name, month of pay, pay description, deductions for SOCSO, EIS, KSWP, total income for the month, total deductions, net pay.</p> <p>Among the sampled contracts sighted during the audit were as follows: Silimpopon POM: #TP090099, #TP090061, #TP090068, #TP090067, #TP090017, #TP090027, #TP090130, #TP090101, #P0023, #P0040, #P0042.</p> |

RSPO PUBLIC SUMMARY REPORT

| | | | |
|---------------------|-------|---|--|
| | | | <p>Silimpopon 2 Estate: #TP050359, #TP050382, #TP050325, #TP050336, #TP050315, #TP050187, #TP050155, #TP050317, #TP050361, #TP050335, #TP050348, #TP050048, #TP050300</p> <p>For the previous NCR, it has been verified that the related family members has not been worked anymore</p> <p>Status: Closed.</p> |
| 3.3.2 RZ 03 2021 | Minor | <p>Finding: Mechanism to check consistent implementation of the procedures for hiring foreign workers is not in place.</p> <p>Objective evidence: There is no mechanism to check consistent implementation of the following:</p> <ol style="list-style-type: none"> 1. Procedure on Recruitment of Foreign Workers Doc No. KHB-HR-P04 Rev 4 effective on 1 March 2020. 2. Memorandum dated 29 May 2019 from Head of Human Resources and Sustainability to all Senior Estate Managers/Estate Managers which states that recruitment of temporary workers was no longer allowed effective 1 June 2019. <p>This has resulted in the hiring of an undocumented person (Hasma Wati) who collected loose fruits at Division 3, Silimpopon 2 estate from 2 March 2021.</p> | <p>All Estates and Mill at Silimpopon CU had in place the mechanism to check consistent implementation of procedures. Both had lists of SOPs and monitored good agricultural practices as per SOPs by on-site visits, inspections and discussions with relevant personnel and by conducting assessments and audits like Internal Audits, Agronomist visits and by RSPO Audits. Implementation is also monitored by Estate/Mill Manager and direct report to general Manager.</p> <p>RSPO Internal audit at Silimpopon CU was conducted in November 2021 and May 2022 and report was made available to the management for their review. The mechanism of ensuring consistent implementation was by:</p> <ul style="list-style-type: none"> • periodic reporting from estates and pom • On site visits, inspections and discussions with relevant personnel • Assessments and audits like Internal Audits, SEM visits and by RSPO Audits • Consultation with RSPO team & management. • Environmental compliance audit by third parties (Bufflow Engineering Sdn Bhd) approved DOE auditor. <p>There is no undocumented workers, as previous year, the undocumented workers has resign from the job. And, current audit not found any undocumented workers from the workers sampled. Therefore, previous NCR, RZ 03 2021 was satisfactorily closed.</p> <p>There was a procedure regarding the recruitment of foreign works i.e:</p> <ul style="list-style-type: none"> - Procedure on Recruitment of Foreign Workers Doc No. KHB-HR-P04 Rev 4 effective on 1 March 2020; and - Memorandum dated 29 May 2019 from Head of Human Resources and Sustainability to all Senior Estate Managers/Estate Managers which states that recruitment of temporary workers was no longer allowed effective 1 June 2019. <p>Status: Closed.</p> |

RSPO PUBLIC SUMMARY REPORT

| | | | |
|---------------------|-------|--|--|
| 6.5.3 RZ 04 2021 | Minor | <p>Finding: Silimponpon 1 and 2 Estates could not demonstrate that the needs of new mothers have been assessed and identified in a consultative way.</p> <p>Objective evidence: No consultative assessment to identify the needs of the following female employees as new mothers have been carried out, and therefore no action to address those needs was taken.</p> | <p>Silimponpon 1 and 2 Estates has demonstrated that the needs of new mothers have been assessed and identified in a consultative way. There has been consultative assessment to identify the needs of the following female employees as new mothers have been carried out and therefore there was action to address those needs was taken.</p> <p>Status: Closed</p> |
|---------------------|-------|--|--|

RSPO PUBLIC SUMMARY REPORT

ATTACHMENT 6 – Timebound Plan

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