



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. – Silimpon Certification Unit

PARENT COMPANY : Kretam Holdings Berhad

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

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

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

MAP : See Attachment 1

AUDIT DATE : 15 – 18 NOVEMBER 2022

DURATION : 14 auditor days

TYPE OF AUDIT : ☒ Annual Surveillance Audit No.3

☐ 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 : **MOHD ZULFAKAR KAMARUZAMAN**

Name : **Spencer Joseph**

Signature :

Signature :

Date : **17/02/2023**

Date : **24/02/2023**

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	:	Silimpopon 1 Estate		
Justification of audit planning	:	Total allocation of auditor days for Silimpopon 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	:	Silimpopon 1 and Silimpopon 2 Estate		
Changes since the last audit	:	During initial audit, Silimpopon 2 Estate was not included as supply base. The Silimpopon 2 Estate is audited for certification during this Surveillance 1 audit.		
Justification of audit planning	:	Total allocation of auditor days for Silimpopon 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 – Rozaimiee bin Ab Rahman & Dzulfikar Azmi Onsite – Rozaimiee 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
		✓		✓
		Contract workers	Local & National NGOs	Govt. agency / Statutory bodies
				Independent growers / Smallholders
				✓
		Indigenous people	Contractor	Others (Please specify)
		NA	✓	
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

Annual Surveillance Audit 3				
On-site audit date	:	15 – 18 November 2022	No. of auditor days:	14 auditor days
Audit team	:	Mohd Zulfakar Kamaruzaman, Dzulfikar Azmi, Mohd Ab Raof Asis, Nor Ezani Ahmad		
No. of major NCR	:	2	Indicator: 2.2.2 (Recurrence minor), 5.1.6	Closing date: 15/02/2023
No. of minor NCR	:	1	Indicator: 3.3.2	
Indicate by ticking the stakeholders interviewed during the on-site audit		Employees / Workers organizations	Settlers	Villagers / Local communities
		✓		✓
		Contract workers	Local & National NGOs	Govt. agency / Statutory bodies
				Independent growers / Smallholders
				✓
		Indigenous people	Contractor	Others (Please specify)
		NA	✓	
Supply base sampled	:	Silimpocon 1 and Silimpocon 2 Estate & Silimpocon POM		
Changes since the last audit	:	No changes		
Justification of audit planning	:	Total allocation of auditor days for Silimpocon CU (onsite) were: Mill = 5 days (4 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 4.5 days for each estate 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 : 17/02/2023

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	***Nov 22 to Oct 2023	
Certified FFB Processed (MT)	63,000.00	107,630.00	90,500.00	91,320.00	
Production of Certified CPO (MT)	13,909.00	23,141.35	19,451.39	19,636.22	
Production of Certified PK (MT)	2,878.00	5,287.99	4,339.100	4,389.22	
Certified Areas (Ha)	3,934.82	*8,090.00	8,090.00	8,090.00	
Planted Areas (Ha)	2,884.90	*5,477.86	5,477.86	5,477.86	
Production Areas (Ha)	2,884.90	*5,477.86	5,477.86	5,477.86	
HCV Areas / Conservation Areas (Ha)	642.18	1,479.54	**2,121.72	2,121.72	
REMARKS	<p>ASA 01: *New supply base included into the CU – Silimpopon 2</p> <p>ASA 02: **Revised overall HCV area to reflect current HCV area for Silimpopon 1 & Silimpopon 2.</p> <p>ASA 03: ***The actual period cover for this report was between June 2022 to Oct 2022 only. Hence, the projection for 12-months forward stated as Nov 2022 to Oct 2023.</p>				

TABLE 2

	PO	PK
Last years certified volume (MT)	19,451.39	4,339.10
Last years actual certified sold (MT)	9,300.39	2,278.64
Last years actual sold under other schemes (MT)	0	0
Last years sold conventional (MT)	0	0
Last year actual sold CSPO credits (where applicable)	0	0
New year certified volume (MT)	19,636.22	4,389.22

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1.0 AUDIT PROCESS

1.1 Certification Body

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

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & 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
Mohd Zulfakar bin Kamaruzaman	Lead Auditor / (Social – External, TBP, Metrics Template)	Holds a B.Sc. Forestry from UPM. He had 5 years of working experience in the oil palm operation. He had a certificate of Lead Assessor in ISO 9001, OHS 45001, ISO 4001 and qualified social Auditor under RSPO Training. He also attend DLW training in 2022 and worker welfare training in 2021 which is conducted by RSPO. He is a qualified RSPO P&C, RSPO Supply Chain and MSPO Lead Auditor.
Dzulfiqar Azmi	Auditor / Environment, Legal, GHG	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	Auditor / Safety, Good Agricultural Practices (GAP), SCCS	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.
Nor Ezani Ahmad	Auditor / Internal Social & HCV	Possessed B.Sc. Conservation Biology and Master in Science (Advancement of Biodiversity) from Universiti Malaysia Sabah with total more than 4 years of working experience in the oil palm operation. She had 3 years of auditing experience in the oil palm operation including auditing in HCVF and social issues.

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)	The following were confirmed during the conduct of audit as there was justify through evidence to prove otherwise: <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 RM1500 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 2022).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, Ketua Kampung Kg. Ulu Kalabakan
4) Suppliers	NA
5) Contract workers	NA
6) Local & national NGOs	CLC teacher
7) Government agencies / Statutory bodies	NA
8) Independent growers / Smallholders	Amalan Progresif Sdn Bhd, Kalabakan Plantations Sdn Bhd, and several surrounding smallholders
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 June 2022 – October 2022

Estates	FFB Production		
	Tonnes	Percentage (%)	
Silimpopon 1 Estate	22,827.13	33.60	Certified
Silimpopon 2 Estate	19,360.71	28.50	Certified
Certified volume	42,187.84	62.10	
Small holders	25,749.71	37.90	Noncertified
Non-certified volume	25,749.71	37.90	
Grand total	67,937.55	100.00	

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

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Silimpopon 1 Estate	48,750	53.38
Silimpopon 2 Estate	42,570	46.62
Certified FFB	91,320	100

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

RSPO Supply Chain Model : MB	Total (MT)
FFB Received	67,937.55
FFB Processed	*67,920.07
Certified FFB Processed	*42,187.84
Non-certified FFB Processed	25,749.71
Crude Palm Oil (CPO)	
Certified CPO Production	9,501.54
Certified CPO delivered as RSPO	9,300.39
Certified CPO delivered as non-RSPO	0
Certified CPO delivered under other sustainable schemes (ISCC)	0
Credits traded through Book and Claim	0
Palm Kernel (PK)	
Certified PK Production	2,345.42
Certified PK delivered as RSPO	2,278.64
Certified PK delivered as non-RSPO	0
Certified PK delivered under other sustainable schemes	0
Credits traded through Book and Claim	0

*Lesser FFB processed as this reporting period covered from June – Oct 2022 only.

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

RSPO Supply Chain Model : Mass Balance	Total (MT)
Certified FFB Processed	91,320.00
Certified CPO Production	19,636.22
Certified PK Production	4,389.22

Table 5: Planted and certified area of the CU

Estate	Planted (ha)	Certified (ha)
Silimpopon 1 Estate	2881.51	3934.82
Silimpopon 2 Estate	2596.35	4155.18
Total	5477.86	8090.00

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	:	Spencer Joseph
Position	:	Sustainability Executive
Address	:	Head Office Sandakan
Phone no.	:	014-6744861
Email	:	spencer@kretam.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 ☐ Yes ☒ No

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

If no, please state reasons

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

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

Yes, changes on person in charge (Mr Sinoh Kulipang).

3.4 Status of previous non-conformities * ☒ Closed ☐ Not closed*

3.5. Complaint received from stakeholder (if any)

No complaint received from the stakeholders.

4.0 DETAILS OF NON-CONFORMITY REPORT	
4.1	<p>For P&C (Details checklist refer to Attachment 3) :</p> <p>Total no. of minor NCR(s) (details refer to Attachment 4) List : 1 (MAR/DA01 2022-3.3.2)</p> <p>Total no. of major NCR(s) (details refer to Attachment 4) List : 2 (NEA01 2022-2.2.2 (Recurrence Minor), MZK01 2022-5.1.6)</p>
4.2	<p>For SC (Details checklist refer to Attachment 3) :</p> <p>Total no. of minor NCR(s) (details refer to Attachment 4) List : Nil</p> <p>Total no. of major NCR(s) (details refer to Attachment 4) List : Nil</p>
5.0 AUDIT CONCLUSION	
<p>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.</p>	
6.0 RECOMMENDATION	
<input type="checkbox"/>	No NCR recorded. Recommended to continue certification.
<input checked="" type="checkbox"/>	<p>Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.</p> <p><i>Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs .</i></p>
<input checked="" type="checkbox"/>	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.
<input checked="" type="checkbox"/>	Recommended to continue certification.
<input type="checkbox"/>	<p>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.</p> <p><i>Note: Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.</i></p>

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 : MOHD ZULFAKAR KAMARUZAMAN



15/02/2023

(Name)

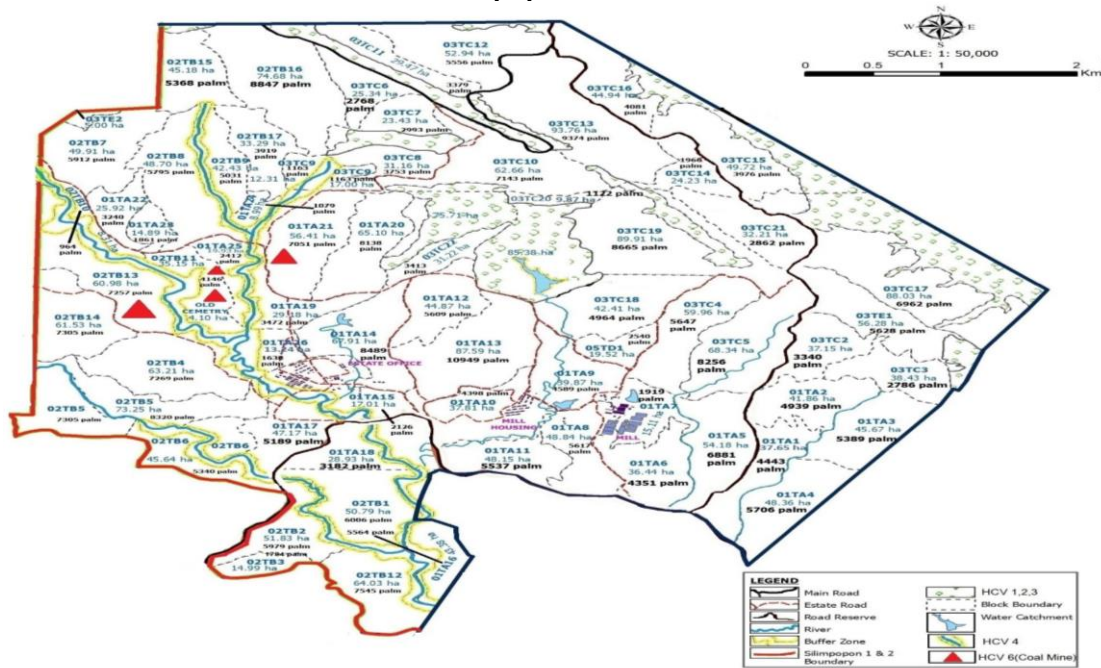
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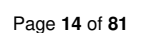
Silimpopon POM



Silimpopon 1 Estate



ESTATE MAP IN HECTARE - 2021 (SILIMPOPON 2 ESTATE)



ANNUAL SURVEILLANCE 3 AUDIT PLAN

1. Objectives

The objectives of the audit are as follows:

- (i) To determine Certification Unit conformance against the relevant certification standards.
- (ii) To verify the effective implementation of corrective actions arising from the findings of last audit.
- (iii) To make appropriate recommendations based on the audit findings.

2. Date of assessment : 15 – 18 November 2022

3. Site of assessment : Silimpocon Certification Unit:
 1) Silimpocon POM
 2) Silimpocon 1 Estate
 3) Silimpocon 2 Estate

4. Reference Standard:

- a. MYNI 2019 of RSPO P&C 2018 / ~~RSPO Independent Smallholder Standard, Nov 2019 / RSPO Management System Requirements and Guidance for Group Certification of FFB Production, March 2018~~
- b. RSPO Certification System Documents
- c. Company's audit criteria including Company's Manual/Procedures

5. Assessment Team

Lead Auditor : Mohd Zulfakar Kamaruzaman (Social – External, TBP, Metrics Template)
 Auditor : Mohd Ab Raouf Asis (Safety, GAP, SCCS)
 Nor Ezani Ahmad (Social – Internal, HCV)
 Dzulfikar Azmi (Safety & Environment GHG)
 Observer : -.

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 or field checks including observation of practices, interviews with internal and external stakeholders and interested parties (employees, nearby population, etc.), documentation review and evaluation of records.

8. Audit Findings

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

If there are five or more major non-compliances within one Principle found during the audit, immediate suspension of RSPO certification shall be recommended.

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

9. Confidentiality Requirements

SIRIM QAS International shall not disclose any information concerning the company regarding all matters arising or coming to its attention with the conduct of the programme, which is of confidential in nature other than information, which is in the public domain.

In the event that there be any legal requirements for disclosing any information concerning the organization, SIRIM QAS International shall inform the organization of the information to be disclosed.

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

11. Reporting

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

12. Facilities Required

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

13. 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:

- a) Reporting time frames for economic data are:
 - i. Calendar year (January to December): January 2021 to December 2021, and
 - ii. 12-month period counting up to two months before audit month: September 2021 to August 2022
- b) Reporting time frames for demographic data:
 - i. For mill and estate workers: as of 31 December 2021
 - ii. For smallholders and outgrowers: January 2021 to December 2021
- c) Reporting time frame for all other social and environmental data:
 - i. January 2021 to December 2021

The updated Metrics Template (as attached, the version 2.0) will be enforced from 1 August 2021. All audits conducted from 1 August 2021 onwards must use the updated Metrics Template (version 2.0).

Assessment Programme Details : As below

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Date / Time	Coverage of assessment / Activity / Site	MZK	DA	NEA	MAR
Day 1-15/11/22 8.30am – 9.00am	Opening Meeting – Venue: The Management Silimpopon will decide <ul style="list-style-type: none"> Audit team Leader - Briefing on assessment objectives, scope, methodology, confidentiality clarification, audit criteria and programmes Organization Representative - Briefing RSPO implementation, significant change on organization activity, structure, certified areas, machinery, FFB supply bases , Time bound plan, actions taken to address previous audit findings. 	/	/	/	/
9.00am – 12.30pm	Site observation to Silimpopon POM P1, P2, P3, P4, P5, P6, P7 <ul style="list-style-type: none"> Occupational safety & health aspects , chemical management Interview with workers, contractors etc. Environmental management, waste & chemical management Land titles user rights Social aspects - SIA, management plan & implementation, workers' quarters, Stakeholder consultation with affected communities surrounding the CU Interview with gender committee, safety committee, worker representative, contractors, supplier, etc. Good Milling Practice such as Mill Operation, Safety, Boiler, Strelizer New planting Occupational safety & health aspects, chemical management Interview with workers, contractors etc. <ul style="list-style-type: none"> Environmental management, waste & chemical management GHG Calculation TBP, Metrics Template 	/	/	/	/
12.30pm – 1.30pm	Lunch Break	/	/	/	/
1.30pm – 5.00pm	Continue assessment at respective sites	/	/	/	/

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Date / Time	Coverage of assessment / Activity / Site	MZK	DA	NEA	MAR
Day 2 – 16/11/22 8.30am – 12.30pm	Site observation to Silimpopon 2 Estate P1, P2, P3,P4,P5, P6, P7 <ul style="list-style-type: none"> • Verification of basic information estate/Metric templates • Confirmation of time bound plan & review of partial certification • Inspection of protected sites with HCV attributes, forested area, plantation boundary, adjacent and neighbouring land use, riparian zone • Occupational safety & health aspects , chemical management • Interview with workers, contractors etc. • Environmental management, waste & chemical management • Social aspects -SIA, management plan & implementation, workers' quarters, • Stakeholder consultation with affected communities surrounding the estate • Interview with gender committee, safety committee, worker representative/Union, contractors, supplier, etc. • Land titles user rights • Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, Peat Management, Buffer Zones, BMP for Buffer Zones. • New planting 	/	/	/	/
12.30pm – 1.30pm	Lunch Break	/	/	/	/
1.30pm – 5.00pm	Continue assessment at respective site	/	/	/	/

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Date / Time	Coverage of assessment / Activity / Site	MZK	DA	NEA	MAR
Day 3 – 17/11/22 8.30am – 12.30pm	Site observation to Silimpopon 1 Estate P1, P2, P3,P4,P5, P6, P7 <ul style="list-style-type: none"> • Verification of basic information estate/Metric templates • Confirmation of time bound plan & review of partial certification • Inspection of protected sites with HCV attributes, forested area, plantation boundary, adjacent and neighbouring land use, riparian zone • Occupational safety & health aspects , chemical management • Interview with workers, contractors etc. • Environmental management, waste & chemical management • Social aspects -SIA, management plan & implementation, workers' quarters, • Stakeholder consultation with affected communities surrounding the estate • Interview with gender committee, safety committee, worker representative/Union, contractors, supplier, etc. • Land titles user rights • Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, Peat Management, Buffer Zones, BMP for Buffer Zones. • GHG Calculation • TBP, Metrics Template • New planting 	/	/	/	/
12.30pm – 1.30 pm	Lunch Break	/	/	/	/
1.30pm – 5.00pm	Continue assessment at respective site	/	/	/	/

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Date / Time	Coverage of assessment / Activity / Site	MZK	DA	NEA	MAR
Day 4 – 18/11/22 8.30am – 11.00am	Continue assessment at Unfinished Site P1, P2, P3,P4,P5, P6, P7 <ul style="list-style-type: none"> • Verification of basic information estate/Metric templates • Confirmation of time bound plan & review of partial certification • Inspection of protected sites with HCV attributes, forested area, plantation boundary, adjacent and neighbouring land use, riparian zone • Occupational safety & health aspects , chemical management • Interview with workers, contractors etc. • Environmental management, waste & chemical management • Social aspects -SIA, management plan & implementation, workers' quarters, • Stakeholder consultation with affected communities surrounding the estate • Interview with gender committee, safety committee, worker representative/Union, contractors, supplier, etc. • Land titles user rights • Good Agricultural Practice such as harvesting, weeding, spraying, EFB mulching, POME application, IPM, Peat Management, Buffer Zones, BMP for Buffer Zones. • GHG Calculation • TBP, Metrics Template • New planting 	/	/	/	/
11.00am –11.30 am	Audit Team Discussion	/	/	/	/
11.30am –12.00pm	Closing meeting at chosen site by Management	/	/	/	/

Note: Please note that the Audit Plan merely serves as a guide and there may be changes as the audit progresses

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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. 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. 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. Management documents relating to environment, social and legal issues, were available to the public except for those prevented by commercial confidential or where disclosure of information would result in negative environmental or social outcomes.
	1.1.4 (C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.	YES	Consultation and Communication Procedures with detailed 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 procedures are documented and disclosed to respective stakeholders. These documents are also available on the Company's website at www.kretam.com/index.php/rspo and displayed on notice boards at the office and the muster ground. The procedure has

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Clause	Indicators	Comply Yes/No	Findings
			detailed the process of handling social issues raised by the stakeholders and resolve in an effective, timely and appropriate manner. Notices and posters / pamphlets displayed on notice boards at the office and the muster ground were also used as a means of internal communication. Regular morning briefings were used by the management to communicate policies, procedures, rules and regulations and other information to its employees.
	1.1.5 There is a current list of contact and details of stakeholders and their nominated representatives.	YES	The Silimpopon CU has maintained a site-specific list of contact and details of stakeholders, internal and external which was revised in Nov2022.
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. The policy is available on the website at www.kretam.com .
	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	Silimpopon CU had documented the List of Laws, Regulations and Guidelines Description covering all the necessary regulatory requirements. List of applicable legal and other requirements was made available during the assessment. Documented procedure has been established and implemented. The Silimpopon CU was tracking any changes to applicable law and had Head of Human Resources and Sustainability as the person responsible to monitor any changes to the law and to cascade those changes to all sites. Various sources were referred in obtaining information about the updates of legal requirements.
	2.1.3 Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these	YES	Visits found that legal boundaries were maintained by the CU, with signboard and red painted poles.

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Clause	Indicators	Comply Yes/No	Findings
	legal or authorised boundaries.		
2.2 All contractors providing operational services and supplying labour and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.	2.2.1 A list of contracted parties is maintained.	YES	Stakeholder Lists for all Estates and Mill were verified during the audit. The CU continued to maintain and updated the stakeholder's information (name of parties, address, contact number, nominated representatives).
	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	During this ASA 3 Audit it was found that, Based on documentation review and interview, it was noted that contractors L & Brothers Construction and Aneka Kerjaya were unable to provide employment contract, pay-slip and statutory contributions of their workers to the management when requested. Therefore, compliance to applicable legal requirements cannot be verified, Thus Major (Recurrence Minor) NCR NEA 01 2022 has been raised against this Indicator
	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. It was verified that the contracts contain clauses specifying no child, forced or trafficked labour [stated in clause 7.4 for POM agreement] and [stated in clause 2.4 and 3.2 for estates agreements]. Review of the worker's payslips, employment agreement and site visit found no young workers were being employed by the contractors.
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 were sighted during the audit.
	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, i.e., Usahawan Borneo Sdn Bhd, Mahawasawit Sdn Bhd and Pertubuhan Peladang Kalabakan. The information on geo-location of FFB origins (stated in "List of FFB Supplier with Coordinate [GPS]").

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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. The business management plan evidenced from document namely Long Term Plan & Financial Projection 2019-2026, Silimpopon Palm Oil Mill & Plantation Division Tawau Region.
	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 & 2 Estate due on year 2025 sighted.
	3.1.3 The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	YES	<u>Silimpopon POM</u> Management review was done in June 2022. It was discussing on findings from external audit and internal audit which was done in May 2022. The internal audit was recorded several NCR and satisfactorily closed before external audit held. <u>Silimpopon 1 & Silimpopon 2 Estate</u> Management review was done in Sept 2022. It was discussing on findings from external audit and internal audit which was done in Oct 2022. The internal audit was recorded several NCR and satisfactorily closed before external audit held.
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	Continuous Improvement Plans 2022/2023 were available at all the operating units and verified as below: Silimpopon POM (Environmental): 1) To reduced stack emission to DOE required limit – ESP system installations in progress 2) To reduced and minimise GHG's emission – developed specific plan and implemented 3) Effluent discharge – performance monitoring system and CEPPOMETS competency 4) EFB leachate prevention system – EFB leachate collection sump to trap the spillage and pump it to effluent pond 5) Reduce wastewater – reuse sterilizer condensate for screw press dilution 6) Desludging of POME ponds – increase capacity and hydraulic retention time of ponding system 7) Reduce usage of Shovel to feed the fibre into the boiler – boiler fuel fibre feeding system <u>Silimpopon 1 & Silimpopon 2 Estate</u> (Environmental): 1) To reduce chemical usage in pest management by practicing of biological control method. 2) To maintain riparian buffer zones. 3) To implement the tree planting project throughout the estate. 4) To maintain the quality of water supply by upgrading in the treatment efficiency.

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Clause	Indicators	Comply Yes/No	Findings
			To conduct continuous education to employees, contractor and smallholders on the need to reduce burning and to ensure domestic rubbish is segregated and correctly placed. Among the commitment to continuous improvement on the main social issues are: 1) To provide/sharing knowledge on RSPO/MSPO to the local stakeholder. 2) Provide good access especially road condition to the local communities. 3) Construction of Mosque at labour quarters 4) Increase CSR contributions to local communities based on consultation 5) Continuous monitoring of stray dogs and live poultry at residential area.
	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	The monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template before the audit started. The auditor already verified and checked the data and figure given was tally with their database system.
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.	NO	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. However, the mechanism to check consistent implementation of Environmental Management Plan on consistent basis was not being practices. During site inspection, sighted certain fields (Field 01TA10, 01TA17, 01TA21, 02TB9) were not implementing the Best Management Practices (BMPs) for minimising the effects of chemical application to controlling of erosion of vulnerable soils and slopes. Besides, the soft vegetation was not maintained along the slopes to prevent the soil erosion. Therefore, Minor NCR DA 01 2022 was raised.
	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 / Senior Estate 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. The continued to maintain records of monitoring and action taken. Various mechanisms of checking the implementation of procedures were conducted. Some of the records verified were: <ul style="list-style-type: none"> • Muster chits

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Clause	Indicators	Comply Yes/No	Findings
			<ul style="list-style-type: none"> • Harvesting rounds records • FFB yield monitoring records • Program sheets • Pesticide application records • Manuring records, Bin cards, Stock returns • Records/Reports of visits by Agronomist/PA (Mr Boris Soon – of Boris Agri-Services Sdn Bhd) • Sustainability Departmental visits and Audits • Environmental compliance audit
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	<p>Silimpopon CU has established its environmental aspects/impacts assessment associated with their activities. For Silimpopon POM, latest environment aspect impact assessment was updated in Mar 2022 covering all activities.</p> <p>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.</p> <p>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.</p>
	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	<p>Environmental aspect and impact assessment (EAIA) which covers form upstream activities such as FFB reception until downstream processes was sighted during assessment. The main purposed of this assessment was to evaluate and analyse the operations impact on soil, water, and air associated with the organization activities. Latest review was conducted in May 2022. Among activities discussed in the POM such as Polishing Plant Operation, Effluent, POME and Boiler. At the estates, field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal, landfill management, clinical wastes, road maintenance, wildlife and land conservation activities. The mitigation measures were continued to be implemented to minimise the negative impacts. The EAIA review process had included stakeholders' consultation with regards to environmental aspects, impacts, and pollution control, and ERT, HCV and land usage issues. The reviews done had involved respective Managers, Assistants and Sustainability Team with external and internal stakeholders such as worker's representative, Govt. agencies, neighboring estates,</p>

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Clause	Indicators	Comply Yes/No	Findings
			<p>local villagers, suppliers and contractors. So far, no issues related to environmental has been highlighted during stakeholders' communication.</p> <p>Silimpopon POM and the supplying estates (Silimpopon 1 Estate and Silimpopon 2 Estate) have latest reviewed Social Impact Assessment (SIA) in Oct 2022 for mill and May 2022 for both estates. The assessment was done by Sustainability Team and reviewed by CU personnel. The methodology of the assessment was through field interview with workers, government authorities and local communities, site observation and documentation review. Social profile such as social background of employees, background of local community, education, safety & health, living condition, stakeholder engagement and infrastructure and amenities were included. The participation of internal and external stakeholders, namely workers, contractors, suppliers, local community, local government and private entities were available and records of feedback with the relevant stakeholders were properly documented and verified.</p>
	3.4.3 (C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.	YES	<p>During mill visit, the environmental management plan (EMP) was used as guide and no discrepancy found. The person in charge and the control required were properly recorded in the management plan. At all estates, field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal, landfill management, road maintenance, wildlife and land conservation activities. Sighted the latest external stakeholders' minutes meeting for whole Silimpopon CU was conducted independently. stakeholder's consultation was carried out to external and internal stakeholders i.e., estates/mill representative workers, estate/mill management, government agencies, NGO, school, villagers and private sectors (contractors/suppliers and neighboring estates). Evidence of the above stakeholder consultation conducted are available and the stakeholder feedback were recorded in the EMP. So far, no negative impact issues related to environmental have been highlighted during stakeholders meeting.</p> <p>The social management action plans or "Time Bound Social Plan" are being reviewed and updated on an annual basis at Silimpopon CU. The plan has incorporated the action plan, status, person in charge and the completion date. This takes into account inputs from external stakeholder meetings, OSH Committee meetings, as well as Women & Children Committee meetings. Among the social issues for management and monitoring were access and use right, health & education facilities, economic livelihood & working condition, cultural & religious value, others community values, COVID 19 issues, documentation of foreign workers' dependents, etc. The SIA review process had included stakeholders' consultation with regards to social issues. The reviews done had involved respective Managers, Assistants and Sustainability Team with external stakeholders such as from Govt. agencies, neighbouring estates, local communities, suppliers and contractors. So far, no negative impacts were observed during the stakeholder's feedback or meeting.</p>

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Clause	Indicators	Comply Yes/No	Findings
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 (SKM/SDK-OHS-07). 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 Silimpocon 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. Clause 2 of the employment contract states that retirement age for local workers is 60. Foreign workers' contracts also contain provision for mutual termination. Retirement procedure, however, is not applicable to foreign workers.
	3.5.2 Employment procedures are implemented, and records are maintained.	YES	Silimpocon CU was able to demonstrate that the employment procedures are implemented, and records maintained. Based on the sampling of the workers' 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, 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. HIRARC for the POM and both estates are reviewed annually for the formalisation of the 2022 assessment. Changes are made in event of accidents, change of work method and introduction of new work /process as per current practiced. Latest HIRARC has been reviewed on October 2022 related to Covid-19 & Safety during mill and estate visit.
	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

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Clause	Indicators	Comply Yes/No	Findings
			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 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 appropriately trained.	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 P&C, in a form they understand, and which includes assessments of training.	YES	Formal training programmes for 2022 covered all aspects of the RSPO Principles and Criteria. Regular assessments of training needs were presented to auditors. Training Plan was established in January 2022 for year 2022. A training needs identification matrix has been established with target dates for the training to be conducted. Reviewed during audit.
	3.7.2 Records of training are maintained, where appropriate on an individual basis.	YES	Records of Training 2022 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 Oct 2022 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.

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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 taking delivery of FFB from uncertified growers, in addition to those from its own and 3 rd party certified supply base.	YES	Silimpopon 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.

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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	<p>The mill was observed to have met with registration and reporting requirements for supply chain through the RSPO Palm Trace. The registration information was:</p> <p>Silimpopon POM has established a procedure to handle RSPO It platform named "RSPO IT Platform, document no: SCCS-005".</p> <p>Silimpopon POM has registered in IT platform</p> <p>RSPO membership: 1-0189-15-000-00</p> <p>Register under name: Syarikat Kretam Plantations Sdn Bhd (Silimpopon Palm Oil Mill)</p> <p>Country: Malaysia</p> <p>Member ID: RSPO_PO1000007945</p> <p>Member Category: Oil Mil</p> <p>Products: CPO & Palm Kernel</p> <p>Program: MB</p>

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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>Silimpopon POM Organizational, management systems and the operational systems, documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard. Sighted POM has updated and change the name of documented procedure named RSPO Supply Chain Certification Manual Revision 2. 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. Relevant procedures available.</p> <p>Assistant Engineer has overall responsible and authority over the implementation of RSPO supply chain requirement in RSPO Silimpopon POM. Sighted latest training SCCS & traceability has been conducted on 3/10/2022. Interview with sustainability committee member, mill manager, assistant mill manager & weighbridge operator was confirmed they are understood the supply chain requirements.</p>
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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.</p> <p>No nonconformity has been raised during the internal audit.</p> <p>Management review has been conducted on 1/6/2022 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>
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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>Kretam Silimpopon had continued to receive certified FFB from own Estate Which is Silimpopon 1 and Silimpopon 2 and Uncertified FFB from Surrounding Smallgrower and Small holder which is 75 suppliers The validity of the certificate of the supplier has been checked accordingly. Among the information available on the FFB consignment note are estate name, delivery date, no of FFB bunches, FFB weight, quantity, unique identification number. Monitoring records titled as "Mass Balance Worksheet - Monthly Input" has recorded the tonnage of certified FFB and its supplying estate. Verified through Silimpopon POM weighing system called 'Mass Balance Worksheet - Monthly Input and random sample of weighbridge ticket from.</p>
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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 understood 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> <ul style="list-style-type: none"> •
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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>a) There are 4 outsource company 1 CPO and 2 PK transporter.</p> <p>b) There is contract document between Silimpopon POM and the transporters. Transporter may inspect by third parties appointed by CU if deem necessary.</p> <p>c) There were explicit procedures for the outsourced process. "outsource procedure – SCCS – 006 revision 1.</p> <p>d) Inspection was carried out by Lab Supervisor or lab attendant and assisted by weighbridge operator and security as additional effort to ensure no contamination.</p>
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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	Syarikat Kretam Mill POM has outsourced the transportation of certified CPO and certified PK to 3 outsource company 1 CPO and 2 PK transporter.
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	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.

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	<p>RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis.</p> <p>b. All volumes of 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>		<p>Mill receive copy of transaction input to the system on monthly basis based on contract summary (buyer weight being put in).</p> <p>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 movements (FFB, CPO, PK, others).</p>
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	<p>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.</p>
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</p>	YES	Not applicable since CU were used Mass Balance module

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	documented procedures and record keeping that the RSPO certified oil 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>	YES	Silimpopon 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 Silimpopon POM. Personnel updated the RSPO IT platform system upon confirmed contract
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	Relevant information on product claim (including applicable Supply Chain model and certificate number) being correctly indicated in the relevant outgoing paperwork. Silimpopon POM has not use RSPO corporate logo as well as trademark logo.

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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	The CU subscribes to KHB Group Code of Conduct & Human Right 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. This policy was communicated accordingly to all level of workforce and evident during interview.
	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 CU as such issues never existed. There is no abusive language or threatening gestures observed during site visit nor reported by workers during interviews.
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	Grievance system is available in Kretam Holdings Berhad Group's Complaints and Grievance Procedure, provides 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. Anonymity of whistleblowers is provided in the Company's Whistleblower SOP known as Procedure for Whistleblowing that provides protection to whistleblowers where their identities will be kept confidential and ensuring no retaliation against whistleblowers.
	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 (user-friendly to illiterate parties), 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.
	4.2.3 The unit of certification keeps parties to a grievance informed of its progress, including against agreed	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

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Clause	Indicators	Comply Yes/No	Findings
	timeframe and the outcome is available and communicated to relevant stakeholders.		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, NGOs, and third parties. Another procedure for addressing conflicts is in Kretam Holding Berhad Group's SOP on Free Prior Informed Consent SOP that states that the affected parties to get advice or take anyone e.g. NGO or lawyer as representative during the pre-finalisation of the agreement.
4.3 The CU 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, it was a lease from state from 1998 until 2096. Land status is for the purpose of cultivation of agricultural crop of economic value.
	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, hence the evidence required under this clause was not available.
	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	YES	

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Clause	Indicators	Comply Yes/No	Findings
	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.		
	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 Silimponon CU since 1998-2096. The audit team had confirmed that there were no land issues related to previous owners. The audit team has also review land title and confirmed complied with this indicator.
	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 above.

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Clause	Indicators	Comply Yes/No	Findings
	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, hence the evidence required under this clause was not available.
	4.4.6 There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.	YES	As above.
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 above.
	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 above.
	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	YES	As above.

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Clause	Indicators	Comply Yes/No	Findings
	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.		
	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, hence the evidence required under this clause was not available.
	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 above.
	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 issuance of a new concession or land title to the operator.	YES	As above.
	4.5.7 New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent	YES	As above.

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Clause	Indicators	Comply Yes/No	Findings
	(2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations.		
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	Silimpocon 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.
	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 Silimpocon 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 Silimpocon CU.
4.7 For new planting, where it can be demonstrated that local peoples have	4.7.1 (C) A mutually agreed procedure for identifying people entitled to compensation is in place.	YES	Silimpocon 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

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Clause	Indicators	Comply Yes/No	Findings
legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.			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. From the interviews with stakeholders, it can be concluded that there was no evidence of any land dispute at Silimpocon 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 Silimpocon 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 Silimpocon 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 are implemented 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.	YES	From the interviews with stakeholders, it can be concluded that there was no evidence of any land dispute at Silimpocon, hence the evidence required under this clause was not available.

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Clause	Indicators	Comply Yes/No	Findings
	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.	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 local businesses.	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	It was evident that Silimpopon POM regularly explains the FFB Pricing to Smallholders. 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.
	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.
	5.1.4 (C) Evidence is available that all parties, including women and independent representative organisations assisting	YES	There is agreement between FFB outsider suppliers with Silimpopon POM. The FFB Supplier stated that they are involved in decision-making processes and understand the contracts including involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable which is not

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Clause	Indicators	Comply Yes/No	Findings
	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.		applicable to them because they are operate by themselves. Besides that, The Suppliers are free to choose their mill.
	5.1.5 Contracts are fair, legal and transparent and have an agreed timeframe.	YES	Contract with suppliers were drafted in the English language, which is understood by the suppliers as verified during interviews. Consultations with contractors confirmed that they understood the salient points in the agreement, namely contract duration, rate of payment, their obligations under the contract, etc. They also confirmed that contract entered into are valid, fair and transparent as the terms of payment are being negotiated upon prior to signing.
	5.1.6 (C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.	NO	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. However, It was found that During documentation review and interview, it was sighted the contract with smallholder stated the payment should be made on 12th days next month, but it was evident that payment to the smallholders has been made after 12th monthly. It contradicts with their current agreement. Thus, Major NCR MZK 01 2022 has been raised against this indicator.
	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 by Metrology Corporation Malaysia Sdn Bhd.
	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 conducted in June 2022 to promote on RSPO certification. However, the Growers and villagers were not in favour in the implementation due to high cost.
	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 was available. It has been confirmed during the interview with smallholders and growers, they are satisfied with price and no issues with Silimpopon POM and in case they want to complaint they know how to channel their grievance and complaints.
5.2 The unit of	5.2.1 The unit of certification consults with	YES	Kretam Holdings Berhad (KHB) supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the

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Clause	Indicators	Comply Yes/No	Findings
certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.	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.		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 2022 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	As above.
	5.2.3 Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.	YES	As above.
	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. Kretam Holdings Berhad (KHB) have their own report on the progress of the smallholder support program.

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,	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" 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 &

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Clause	Indicators	Comply Yes/No	Findings
	gender, sexual orientation, gender identity, union membership, political affiliation or age.		Human Right Policy was exhibited on notice boards in both Bahasa Malaysia and English. This Policy are communicated to all levels of workforce and briefed during muster briefings.
	6.1.2 (C) Evidence is provided that workers and groups incl local communities, women, and migrant workers have not been discriminated against incl 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 and at the same time. There was also no evidence of payment of recruitment fees by migrant workers.
	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. Reviewed during the audit were records of the following workers which showed submission of application form, relevant certificates, interview, medical check-up report and issuance of letter of job offer.
	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	Based on review of records at the estate's clinic, interviews with the Estate's Dresser, female workers and Gender Committee, there is no evidence of discriminatory pregnancy tests being carried out within Silimpopon CU. And, alternative equivalent employment was offered for pregnant women.
	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 units within Silimpopon CU and its organizational chart was updated for year 2022. Based on minutes of Gender Committee meetings sighted and interviews conducted with the committee member as well as female workers, they are fully aware of the committee and its function, awareness were given on sexual harassment, how to lodge a complaint, reproductive rights, domestic violence and health issues.
	6.1.6 There is evidence of equal pay for the same work scope.	YES	Evidence is available that all workers (male/female/foreign/local) are getting the same pay for the same work scope. This is based on reviewing the terms in the employment contracts and payslips. The employment contracts and payslips demonstrate that workers receive equal pay per day for the same scope of work.
6.2 Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum	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 and explained to them in language they understand.	YES	Applicable labour laws, and documentation of pay and conditions are contained in 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.

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Clause	Indicators	Comply Yes/No	Findings
standards and are sufficient to provide decent living wages (DLW).	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	Silimponon CU has demonstrated compliance to Sabah Labour Ordinance with regards to its employment terms. For regular working hours, sighted workers' payslip that they work between 24 to 26 days a month and average of 6 days per week. Stipulated in their employment contracts was agreed working hours which is 8 hours per day including break. The permit for workers' salary deductions towards paying for travel documents, dependent's passport, medical expenses, buffalo services, sundry shop debt, etc was evident. Sighted overtime work done by workers at Silimponon CU with mutual consent of workers and not made mandatory. The rates payable for overtime work is stipulated in the employment contracts and evident through sampled payslip and overtime record for the workers. Public holidays leaves and sick leave were paid a daily rate as of current legal requirements or ordinary rate of pay.
	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. 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.	YES	The Silimponon CU provide adequate and free housing, sanitation and medical facilities, welfare amenities, free electricity, and water supplies to its workers in accordance with International Labour Organization (ILO) Guidance on Worker's Housing Recommendation No. 115. The houses are generally in good state of repair. Each house has between 2 to 3 rooms normally allocated for each family. The worker's and staff housing area come with amenities such as CLC (Community Learning Centre) for foreign workers' children, creche, badminton/takraw/volleyball court, places of 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 centralized at Silimponon 1 Estate. Linesite inspection was done on every week by Medical Asisstant. Milk supply was provided at the creche and general maintenance, perimeter drains at Mill housing already repaired.
	6.2.5 The unit of certification makes efforts to improve workers' access to adequate,	YES	Silimponon 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

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Clause	Indicators	Comply Yes/No	Findings																																				
	sufficient and affordable food.		premises.																																				
	<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 by RSPO and implemented by the unit of certification, the Malaysian minimum wage has to be paid. 	YES	<p>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 and the Prevailing Wage was found to be as follows:</p> <p>Silimpopon Mill</p> <table border="1"> <thead> <tr> <th></th><th>Benefits in-kind</th><th>Minimum wages</th><th>Prevailing wages</th></tr> </thead> <tbody> <tr> <td>Local workers</td><td>RM919.31</td><td>RM1,500</td><td>RM2,419.32</td></tr> <tr> <td>Foreign workers</td><td>RM1,058.61</td><td>RM1,500</td><td>RM2,558.61</td></tr> </tbody> </table> <p>Silimpopon Estate 1</p> <table border="1"> <thead> <tr> <th></th><th>Benefits in-kind</th><th>Minimum wages</th><th>Prevailing wages</th></tr> </thead> <tbody> <tr> <td>Local workers</td><td>RM1,571.61</td><td>RM1,100</td><td>RM2,671.61</td></tr> <tr> <td>Foreign workers</td><td>RM1,596.08</td><td>RM1,100</td><td>RM2,696.08</td></tr> </tbody> </table> <p>Silimpopon Estate 2</p> <table border="1"> <thead> <tr> <th></th><th>Benefits in-kind</th><th>Minimum wages</th><th>Prevailing wages</th></tr> </thead> <tbody> <tr> <td>Local workers</td><td>RM506.14</td><td>RM1,100</td><td>RM1,606.14</td></tr> <tr> <td>Foreign workers</td><td>RM529.40</td><td>RM1,100</td><td>RM1,629.40</td></tr> </tbody> </table> <p>Based on the review of the calculation formula, it was verified that the calculation of prevailing wages above are fair and reasonable.</p>		Benefits in-kind	Minimum wages	Prevailing wages	Local workers	RM919.31	RM1,500	RM2,419.32	Foreign workers	RM1,058.61	RM1,500	RM2,558.61		Benefits in-kind	Minimum wages	Prevailing wages	Local workers	RM1,571.61	RM1,100	RM2,671.61	Foreign workers	RM1,596.08	RM1,100	RM2,696.08		Benefits in-kind	Minimum wages	Prevailing wages	Local workers	RM506.14	RM1,100	RM1,606.14	Foreign workers	RM529.40	RM1,100	RM1,629.40
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	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.																																				

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Clause	Indicators	Comply Yes/No	Findings
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. This Policy are communicated to all levels of workforce and briefed during muster briefings.
	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.	YES	Workers are free to elect their own representatives to sit in the JCC as sighted at mill and Silimpopon 1 and 2 Estates. At mill, it was noted that election for staff representatives has been made during management meeting and the election among workers was conducted during their morning muster. Sighted updated organizational chart comprises of both employee and employer representatives as of Oct 2022 and official appointment letter issued by management. Interviews conducted with workers confirmed that worker's representatives were elected by the workers themselves during morning muster.
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	A formal policy for the protection of children were available in KHB Social 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. Prohibition of child labour is also included in contracts agreement with third parties.
	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, <i>Kartu Tanda Penduduk</i> for Indonesian (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.

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Clause	Indicators	Comply Yes/No	Findings
	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 documents sighted, interviews and observations, there was no evidence that the Silimpopon CU employ any young persons. This was further verified by examining the master lists of each operating unit where details of the workers' IC numbers and dates of birth are available. Interviews with workers and staff, as well as observations made during field visits confirm that only those above 18 are employed.
	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	Based on records of stakeholder meetings, JCC meeting, worker interviews, evidence is available that the KHB Group Social Policy was communicated to its external stakeholders and all levels of workforce.
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 company has implemented Sexual Harassment Policy that sets out the Company's commitment to promote a safe and healthy working environment, and zero tolerance for any form of harassment at workplace. The Policy serves as a guidance on handling matters related to harassment and is being displayed at all the main notice boards and communicated accordingly. 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	The KHB Social Policy states that the Company would protect reproductive rights of women employees. The Policy is being displayed at all main the notice boards within the Silimpopon CU and communicated accordingly.
	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 communicated to all levels of the workforce.	YES	Silimpopon CU subscribes to Complaint and Grievance Procedure. This procedure is open to all stakeholders, internal workers, NGO's, and third parties. The Policy states, among other things, that it shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants. Additionally, the Company also subscribes to Sexual Harassment Reporting Procedure which elaborates how the general complaint and sexual harassment related complaint can be made and implemented Sexual Harassment Policy where the company will keep all the grievances related to sexual harassment as confidential and the victim can remain anonymous.
6.6 No forms of forced or trafficked labour are	6.6.1 (C) All workers have entered into employment voluntarily , and the following are prohibited:	YES	Evidence is available that all workers have entered into their respective employment voluntarily. Interviews conducted with the workers confirmed that the above SOP is being implemented within the Silimpopon CU. The following were observed during the audit:

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Clause	Indicators	Comply Yes/No	Findings
used.	<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 		<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	The specific Foreign Worker Policy is available and procedures for migrant workers are contained in Recruitment of Foreign Worker states among other things, that the company shall ensure that the foreign workers are properly insured and legalised. Foreign workers should enter into employment voluntarily and freely terminate without any penalty. Additionally, there is a procedure established known as "Recruitment of Foreign Workers".
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	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.
	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	YES	Silimpopon CU had in place accident and emergency procedures as stated in the Occupational Safety and Health Policy of Kertam Holdings Berhad Group. 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.

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Clause	Indicators	Comply Yes/No	Findings
	both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.		First aid training was conducted annually at S1 Estate and S2 Estate in May 2022 was sighted and reviewed. Master list of first aid box of all estates which is available at the office was checked and verified. Observed that, first aid box is well provided for all the field mandores whose involved in harvesting, manuring and spraying works. The content of first box which is held by harvesting, manuring and spraying mandore was verified. The content such as bandage, gauze, triangular bandage, cotton wool, plaster, handy plaster, flavin lotion, antiseptic cream, surgical gloves and scissor were well equipped. Site inspection evidence that first aid kit is available at all works place with complete contents. The stock of first aid box is regularly check and refill when necessary by estate Hospital Assistant. Telephone numbers and names of the members of the Emergency Response Team (ERT) were communicated to all employees and displayed at notice boards. Telephone numbers of the PIC, Police Station, Fire Brigade, and Government Clinic were also included. Accident statistics were being maintained in a satisfactory manner and periodically reviewed. Accident/injury record were recorded using Lost Time Accident (LTA) metrics. Quarterly review on accident cases had been carried out during quarterly OSH committee meeting. Telephone numbers and names of the members of the Emergency Response Team (ERT) were communicated to all employees and displayed at notice boards. Telephone numbers of the PIC, Police Station, Fire Brigade, and Government Clinic were also included.
	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.	YES	All Training and Briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. All PPE has been provided free of charge and was sighted all workers wearing appropriate PPE accordingly. Staff and workers such as the storekeepers, harvesters and sprayers were continuously trained, and random interviews conducted showed that they had understood the hazards involved and the usage and handling of chemicals in a safe manner. Sanitation facilities for those applying pesticides was available near to chemical store area, after completed spraying activities, the workers will change out of PPE, wash and put on their personal clothing at the area. Meanwhile, during site inspection estate and mill workshop, most of the moving part and rotating machinery were installed with machine guarding and properly covered. Noted also the set of oxygen and acetylene cylinders in the workshop available with "flash back arrestors".
	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	The Mill and Estates provide medical care and insurance coverage for all the workers. Local Workers and foreign workers – covered by SOCSO. 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	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 JKPP 8.

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Clause	Indicators	Comply Yes/No	Findings
			Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKPP 8 a mandatory requirement for submission to DOSH by Jan of the subsequent year. Cases if any are reviewed during safety meetings.

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	Kertam Hoding Berhad had established and documented a common IPM plan which was reviewed yearly for both estates. The Integrated Pest Management had been implemented in Kertam Holding Berhad Group as part of compliance to the RSPO, ISCC & MSPO P&C requirements. The Kertam Holding Berhad group also has an Environment Policy and Sustainable Policy to advocate issues related to good agricultural practices and environment protections. Every plantation region had their IPM plan and addressed to the individual estates. The estates had in place documented the IPM plan which covered monitoring of pest, control of pest population levels at below threshold levels by using cultural, biological, physical/mechanical and use of pesticides. The plan was guided by Planting Manual. IPM program by individual estates, too, had been drawn-up and the actual progress of the implementation will be reviewed by the management periodically. Supporting documents in such as census forms, monitoring forms and other information in related to the IPM implementations will be kept in proper filling for estate management to review. The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. For bagworm control the program includes the planting of beneficial plants such as Cassia cobanensis, Antigonon leptopus and Turnera subulata and for rhinoceros beetles is by using pheromone traps. In order to minimize use of pesticides the estates had planted beneficial plants mainly Tunera subulata, Cassia cobanensis and Antigonon leptopus with maps indicating areas planted.
	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 Burning a main policy and sub policy.

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Clause	Indicators	Comply Yes/No	Findings																																				
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. The chemical used in the estates as captured from the chemical register among others as listed below;																																				
			<table><tr><td></td><td>Chemical name</td><td>Class</td><td></td><td>Chemical name</td><td>Class</td></tr><tr><td>1</td><td>Glyphosate isopropylamine</td><td>III</td><td>6</td><td>Cypermethrin</td><td>III</td></tr><tr><td>2</td><td>Sodium chlorate</td><td>III</td><td>7</td><td>Triclopyr butoxy ester</td><td>III</td></tr><tr><td>3</td><td>Glufosinate ammonium</td><td>III</td><td>8</td><td>Canyon 20G</td><td>IV</td></tr><tr><td>4</td><td>Triclopyr butoxy</td><td>III</td><td>9</td><td>Amine 2.4 D</td><td>II</td></tr><tr><td>5</td><td>Metsulfuron methy 20% w/w</td><td>III</td><td>10</td><td>Bayfolan</td><td>III</td></tr></table>		Chemical name	Class		Chemical name	Class	1	Glyphosate isopropylamine	III	6	Cypermethrin	III	2	Sodium chlorate	III	7	Triclopyr butoxy ester	III	3	Glufosinate ammonium	III	8	Canyon 20G	IV	4	Triclopyr butoxy	III	9	Amine 2.4 D	II	5	Metsulfuron methy 20% w/w	III	10	Bayfolan	III
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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. 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.																																					
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		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																																				

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Clause	Indicators	Comply Yes/No	Findings
	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:		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 alternative.	YES	
	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, used and applied by trained persons and as per the MSDS/SDS of the pesticide, Kertam Holdings Berhad SOPs on Safety & Health Sprayer and Rat Baiting. The staffs and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained and they had understood the hazards involved and how the chemicals should be used in a safe manner. The estates had a SOP for use of PPE during working. All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issue and replacements records were verified by the auditors. It was also observed that PPE was used by workers working in the fields. The estates had a SOP for handling of chemical/pesticide management. The employees involved in the chemical handling such as the storekeepers, sprayers, fertilizer and rat bait workers were trained in chemical handling training and they understood the hazards of the chemicals and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to them through the SDS training. It was also noted that SDS are available at chemical and fertilizers during the audit.
	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

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Clause	Indicators	Comply Yes/No	Findings
			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	Noted on the compliance to EQA (SW) Regulations 2005.
	7.2.9 (C) Aerial spraying of pesticides is 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.	YES	There was no evidence that aerial spraying was practiced in Silimpocon 1 and Silimpocon 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	All pesticide operators and recommendation workers from CHRA were sent to 3 rd party clinic. In 2021 exercise, from the results, all workers fit to handle chemical except for 1 worker identified as unfit at S1 Estate. The unfit worker has been transferred to another work (Cheche). For year 2022, the medical surveillance has been conducted in Oct 2022. However, the report results yet to be issued by the OHD.
	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 Sprayer 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	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	Waste management and disposal plan to avoid or reduce pollution had been documented and implemented. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. In the sampled estates and mill, the waste management program and plan seen incorporated with environmental impact aspect assessments. The assessment seen effectively covers on matured maintenance, FFB

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Clause	Indicators	Comply Yes/No	Findings
socially responsible manner.			collection, workshop, schedule waste / chemical / fertilizer store and etc. The waste disposed were seen only household and food waste and disposed via landfill. As for the line-site cleaning, it scheduled on monthly basis by Hospital Assistant. The mitigation measures were then derived from this exercise. Generally, the scheduled wastes were disposed through licensed vendors, organic wastes were disposed through the municipal council and recyclable wastes were sent to recycle centers.
	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.	YES	Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. Standard Operating Procedure Waste Disposal has been established. In the waste management plan, 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.
	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 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 2022 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.
	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.

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Clause	Indicators	Comply Yes/No	Findings
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 Silimpopon 1 and Silimpopon 2 Estate are: <ul style="list-style-type: none"> • Stom • Tanjong lipat • Malau • Kumansi • Talisai • Kuah • Selangor • Local alluvial complex • Steepland • Disturbed land
	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 which amount of 795.26 ha, and Silimpopon 2 Estate due in 2022 – target on end of the year (329.80 ha), 2023 (1085.27 ha) and 2025 (306.67 ha). Meanwhile, no replanting as at time the CU was audited.
	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	7.7.1 (C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new dev 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.

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Clause	Indicators	Comply Yes/No	Findings
depth after 15 November 2018 and all peatlands are managed responsibly.	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.
	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	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.

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Clause	Indicators	Comply Yes/No	Findings
	for recognition.		
	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 (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.	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
7.8 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>The CU Water Management Plan has been reviewed and updated. The objective was to meet the needs of existing and future populations and ensure that habitat and ecosystems are protected, the nation water must be sustainable and renewable. The water management measures are identified stage as part of the progress towards the objective of water management plan. There are 3 major parts which are general water management, water quality management and emergency management. General Water Management covers mainly on the efficient water usage practices and ways to achieve it. Factors such as education, infrastructure and water using processes are being analysed to achieve the water management goal. Water quality management for various water using processes in the mill and for domestic use in the estate especially for drinking water. Water supply for mill and estates are mainly from flowing river/reservoir apart from rain water. Emergency management is the discipline of dealing with and avoiding risks of water shortage. Water spillage during pre-mixing of chemicals, from washing of PPE and from triple rinsing was collected from in sumps and recycled for spraying.</p> <p>Water supplies are made to all housing areas and office complexes in the respective estates and POM as the sources are from the internal water pond and catchment. River water quality (upstream and downstream) is tested twice a year to ensure the water supply is in usable condition. The water sampling was sent to Permula Sdn. Bhd. and Central Laboratory Sawit Kinabalu Sdn. Bhd. Based on the result, water quality monitoring is</p>

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Clause	Indicators	Comply Yes/No	Findings
			generally within WHO and Class IIB of NWQSM at all monitoring parameters.
	7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.	YES	Supplies are made to all housing areas and office complexes in the respective estates as the sources are from the internal water pond and catchment. For Estate, the continued availability of water sources and to avoid negative impacts on other users in the catchment has been conclude in the Environmental Monitoring & Compliance Audit Report for Bukit Sekong Estate. The EMCA was conducted by third party. 6 water sampling points selected from small river (Sg. Silimpocon) or water course. Based on the result, water quality monitoring is generally within Class IIB of NWQSM at all monitoring points. For POM, final discharge samples were taken on monthly basis and sent to an accredited laboratory for analysis. The results of analysis were submitted to the DOE on quarterly basis. All parameters were within the regulatory limit such as BOD discharged to land irrigation was not more than 20 mg/l.
	7.8.1b Workers have adequate access to clean water.	YES	Water supplies are made to all housing areas and office complexes in the respective estates and POM as the sources are from the internal water pond and catchment. The worker's quarters have adequate clean water supply by estates and mill management, the management also done the analysis to ensure water was safe for domestic use. Domestic water analysis results showed no adverse quality. Water analysis, both raw and treated water, conducted twice a year (In Compliance with WHO) and send the water sampling third parties. Based on the result, water quality monitoring is generally within WHO at all monitoring parameters.
	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).	YES	During site inspection at both estate riparian reserved sighted water courses and wetlands was 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).
	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	Effluent license renewal application for year 2022/2023 and letter from Department of Environmental sighted. The Effluent Treatment Plant (ETP) are available at Silimpocon POM to treat the POME. Effluent treatment process flow sighted in the Lay Out Effluent Pond. Stated in the process flow is the maximum mill capacity per hour is 45mt ffb/hr. According to DOE's license, the disposal method of the final discharge is through land irrigation. The ETP was regularly maintained by desludging of the ponds to ensure its efficiency. Final discharge samples were taken on monthly basis and sent to an accredited laboratory for analysis. The results of analysis were submitted to the DOE on quarterly basis. All parameters were within the regulatory limit such as BOD discharged to land irrigation was not more than 20 mg/l.
	7.8.4 Mill water use per tonne of FFB is monitored and recorded.	YES	Process water is obtained from water catchment near to the mill. The water usage per tonne of fresh fruit bunches (FFB) continued to be monitored on monthly basis.
7.9	7.9.1 A plan for efficiency of the use of	YES	The plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place,

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Clause	Indicators	Comply Yes/No	Findings																																																															
Efficiency of fossil fuel use and the use of renewable energy is optimised.	fossil fuels and to optimise renewable energy is in place, monitored and documented.		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.																																																															
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	<p><u>Summary of net GHG emissions from PalmGHG calculator</u></p> <p>Summary of Emissions</p> <table><tr><th>Description</th><th>tCO₂e/tProduct</th><th>Extraction Rate</th><th>%</th></tr><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></table> <table><tr><th>Land Use</th><th>Ha</th></tr><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></table> <p>Summary of Plantation/field emissions and sink</p> <table><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><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>0.00</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>0.00</td><td>0.00</td><td>0.00</td></tr><tr><td>Crop sequestration</td><td>-4908.79</td><td>-8.96</td><td>-0.75</td></tr><tr><td>Sequestration in conservation area</td><td>0.00</td><td>0.00</td><td>0.00</td></tr><tr><td>Total</td><td>11975.15</td><td>2.19</td><td>0.18</td></tr></table>	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	0.00	N ₂ O emission frm fertiliser	2884.13	0.53	0.04	Fuel consumption	789.68	0.14	0.01	Peat Oxidation	0.00	0.00	0.00	Crop sequestration	-4908.79	-8.96	-0.75	Sequestration in conservation area	0.00	0.00	0.00	Total	11975.15	2.19	0.18
Description	tCO ₂ e/tProduct	Extraction Rate	%																																																															
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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	0.00																																																															
N ₂ O emission frm fertiliser	2884.13	0.53	0.04																																																															
Fuel consumption	789.68	0.14	0.01																																																															
Peat Oxidation	0.00	0.00	0.00																																																															
Crop sequestration	-4908.79	-8.96	-0.75																																																															
Sequestration in conservation area	0.00	0.00	0.00																																																															
Total	11975.15	2.19	0.18																																																															

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Clause	Indicators	Comply Yes/No	Findings																								
			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>0.00</td></tr><tr><td>Grid Electricity Utilisation</td><td>0.00</td><td>0.00</td></tr><tr><td>Export of Excess Electricity to Housing & Grid</td><td>0.00</td><td>0.00</td></tr><tr><td>Sale of PKS</td><td>0.00</td><td>0.00</td></tr><tr><td>Sale of EFB</td><td>0.00</td><td>0.00</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	0.00	Grid Electricity Utilisation	0.00	0.00	Export of Excess Electricity to Housing & Grid	0.00	0.00	Sale of PKS	0.00	0.00	Sale of EFB	0.00	0.00	Total	38025.44	0.20
			Description	tCO2	tCO2e/tFFB																						
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			Sale of PKS	0.00	0.00																						
			Sale of EFB	0.00	0.00																						
			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 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).	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 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	Assessment of all polluting activities was conducted under Pollution Management Plan for identifying activities that contributes significant impact to environment including gaseous emission.																									
7.11 Fire is not used for preparing land and is	7.11.1 (C) Land for new planting or replanting is not prepared by burning.	YES	The CU had 2 policies on Zero Burning a main and sub policy. No land clearing through usage of fire.																								
	7.11.2 The unit of certification establishes	YES	The unit of certification has established an Emergency Response Team (ERT) for year 2022																								

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Clause	Indicators	Comply Yes/No	Findings
prevented in the managed area.	fire prevention and control measures for the areas under its direct management.		lead by Estate Manager to handle all the emergency case included fire control in the estates and mill.
	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 2022 lead by Estate Manager to handle all the emergency case included fire control in the estates and mill. The 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 Progresis Sdn Bhd, etc) in July 2022 by issuance of official letter to the parties.
7.12 Land clearing does not cause deforestation or damage any area required to protect or 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.	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. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.	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.
	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.
	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	YES	There was Rare, Threatened or Endangered (RTE) species were presence within HCV1,

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Clause	Indicators	Comply Yes/No	Findings
	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 landscape level considerations (where these are identified).		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. In general, the action plan has been implemented accordingly as per detailed of action plan concerning HCV contained in the report Clause 6.2.1 - HCV Management Implementation. The action plan for these HCVs had been incorporated in the HCV report Clause 6.2.2 - HCV Management and Monitoring Recommendations and Table 6.3 – Recommendations for managing and monitoring Identified Threats to HCV.
	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 they are identified in an HCV assessment or not. 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.

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Clause	Indicators	Comply Yes/No	Findings
	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, 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. 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	<p>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.</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> <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
<p>5.5.2 Time-bound plan</p> <p>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.</p>	(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 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.</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.

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	(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.
	(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 eq);	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	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.

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		development, compliance with the NPP shall be verified by an RSPO accredited CB;		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.
	(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	
	(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 6.3;	YES	
	(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 	YES	

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		NGO's will be carried out by the audit team.		
		<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 requirements. 	YES	
	(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</p>		No additional indicators		Previously, the estate area (Silimpopon 1, Silimpopon 2 and Silimpopon Mill) belongs to Sabah State Government. It was now under lease from the state, 1998-2096. Land status is for the purpose of cultivation of agricultural crop of economic value. 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.

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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>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. 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>				

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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
3.3.2 MAR/DA 01 2022	Minor	<p>Requirement: 3.3.2 A mechanism to check consistent implementation of procedures is in place.</p> <p>Finding:</p> <p>1) Mechanism to check consistent implementation of procedures was not in place.</p> <p>2) The mechanism to check consistent implementation of Environmental Management Plan on consistent basis was not being practices.</p> <p>Objective evidence:</p> <p>1) Based on site visit at field 2001 Silimpopon 1, it was found that the pesticide sprayer was using N95 mask, instead of FFP respirator or R95 respirator which was recommended by CHRA report dated 7/12/2021 by Chemclass Sdn Bhd (Dr Azizan).</p> <p>2) During site inspection, sighted certain fields (Field 01TA10, 01TA17, 01TA21, 02TB9) were not implementing the Best Management Practices (BMPs) for minimizing the effects of chemical application to controlling of erosion of vulnerable soils and slopes. Besides, the soft vegetation was not maintained along the slopes to prevent the soil erosion.</p>	<p>The root cause:</p> <p>1)The PIC of Safety & Health did not update the recommendations as provided in the CHRA report.</p> <p>2)The old PIC has resigned and change to New Staff, the New staff was not aware that there is different type of mask and the training/briefing provided is inadequate to New Staff.</p> <p>Correction:</p> <p>1)The recommended respirator mask by CHRA will be provided free of charge to the workers.</p> <p>2) Immediately stop the chemical spray on hill slope, followed with training/briefing to the sprayers workers.</p> <p>Corrective action:</p> <p>1)The management will provide the respirator mask follow the recommendation. Daily PPE monitoring checking will be done during the muster call to ensure their compliance.</p> <p>2) The management will follow SOP and stop the chemical spray on hilly slope. The Training on sprayer SOP will be conducted to improve their awareness and understanding to important of best practices to control of erosion of soils and hilly slopes. To plant fast growing cover crops such as mucuna and other LCC to best management practices</p>	<p>Corrective action plan accepted; the effectiveness of implementation will be verified during next audit.</p> <p>Status: Open</p>
2.2.2 NEA 01 2022	Major (Recurrence 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.</p> <p>Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/accredited) for migrant workers,</p>	<p>The root cause: The contractor did not update and provided the completed set document such as employment contract, payslip and statutory contributions of their workers to the estate management.</p>	<p>Auditor has verified the letter/memo to contractor dated 21/11/22 and documents of due diligence contractor i.e., employment contract, pay-slip and statutory contributions</p>

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		<p>service providers and labour contractors, is available.</p> <p>Finding: Insufficient evidence of legal due diligence by contractors.</p> <p>Objective evidence: 1) Based on documentation review and interview, it was noted that contractors L & Brothers Construction and Aneka Kerjaya were unable to provide employment contract, pay-slip and statutory contributions of their workers to the management when requested. Therefore, compliance to applicable legal requirements cannot be verified.</p>	<p>The old PIC has resigned and change to New Staff, the New staff was not aware that need monitoring all the documents related to contractor and the training/briefing provided is inadequate to New Staff.</p> <p>Correction: A memo will be issued to the contractor to provide the data.</p> <p>Corrective action: - Appoint a PIC to monitor the contractor's document. - The copy of all documents by contractors will be kept in the estate office for monitoring purpose. - Training/briefing will be conducted to the contractors and New Staff.</p>	<p>for their employers. Sighted also training which has been conducted on 22/11/22 and the appointment letter for new PIC for monitoring Contractors' activity, dated 01/01/2023.</p> <p>Status: Closed</p>
5.1.6 MZK 01 2022	Major	<p>Requirement: 5.1.6 (C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.</p> <p>Finding: Agreed payments for smallholders are not made in a timely manner.</p> <p>Objective evidence: During documentation review and interview, it was sighted the contract with smallholder stated the payment should be made on 12th days next month, however, sighted evidence receipt payment Jan – Sept to Guntur bin Saipol, Johan Sanrang, Saudah Abu, Jumadi Jalil, Asia Buludin, Ab Hamid Ali, Hazrinah Abd Hamid the payment has been made within 13-18 days next month. It contradicts with their current agreement.</p>	<p>The root cause: The FFB contract agreement stated that the payment should be made on 12th working days on the next month, but the receipt payment mostly stated that the payment has been made more than 12th working days on the next month. It has been noted that the one stated in the agreement was obsolete and did not reflect the actual implementation onsite.</p> <p>Correction: Silimpon POM Management, had reviewed the FFB contract agreement and confirmed with the Account Department. The revised agreement stated payment will be made on the 15th working days or if the 15th days falls on a weekend/public holiday; payment will be made on the next working day. Some of the FFB suppliers have already signed the agreement with the approval of the Director and all FFB suppliers will sign the agreement from time</p>	<p>Auditor has verified the revised agreement of FFB Supplier, and the Timeline has changed to 15th to reflect the actual implementation. Sighted also training has been conducted on 22/11/22 the appointment letter for new PIC for monitoring Contractors' activity, dated 01/01/2023.</p> <p>Status: Closed</p>

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			<p>to time.</p> <p>Corrective action: The management of Silimpopon Palm Oil Mill will be monitoring the receipt payment date upon received. If any changes or contradiction with the agreement, the management of Silimpopon POM will check and confirm with account department first before revising the FFB contract agreement again and Appoint a PIC to monitor all the documents related to Payment.</p>	
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Attachment 5

STATUS OF NON-CONFORMITIES PREVIOUSLY IDENTIFIED

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Verification by Assessor
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 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.</p>	<p>Sighted during this ASA3 site visit and documentation review, sundry shop in Silimpopon 2 does not keep LPG Gas in their premises. In case of workers need change the LPG Gas, they will order through the Sundry Shop and the Shop will bring in the Gas from their sub shop who have the licenses at Kalabakan town. Also sighted effort from the sundry shop to renew their LPG Gas Licenses on dated 19 July 2022, but no further approval from KPDNKK, as of todote they don't want to keep the LPG Gas in the premises, and breach their contract with estate management. Therefore, Past minor NCR MAR 01 2022 has been successfully closed. However during this ASA 3 Audit it was found that, Based on documentation review and interview, it was noted that contractors L & Brothers Construction and Aneka Kerjaya were unable to provide employment contract, pay-slip and statutory contributions of their workers to the management when requested. Therefore, compliance to applicable legal requirements cannot be verified, Thus Major (Recurrence Minor) NCR NEA 01 2022 has been raised against this Indicator</p> <p>Status: Recurrence Minor upgraded to Major</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>Sighted during this audit all transaction has been announce within 3 month after the dispatch as per evidence above. Thus, Past #Major NCR RAR 01 2022 has been successfully closed.</p> <p>Status: Closed</p>

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		Objective evidence: SPOM dispatch ticket no: PK21000351W, 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 KKK 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).	
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>Workers are free to elect their own representatives to sit in the JCC as sighted at mill and Silimpopon 1 and 2 Estates. At mill, it was noted that election for staff representatives has been made during management meeting on 16 June 2022 and election among workers was conducted on 28 June 2022 during their morning muster. Sighted updated organizational chart comprises of both employee and employer representatives date 1 October 2022 and official appointment letter issued by management. Interviews conducted with workers confirmed that worker's representatives were elected by the workers themselves during morning muster.</p> <p>Status: Closed.</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>During site visit at both estates, it was verified that the workers has been given PPE (safety shoes) and all types of PPE. Site visit has been done for the LF picker job and weeding job. Interview has been made, therefore, all of them admitted that the PPE was given to them and they not need to buy themselves, as per the NCR previously. Hence, previous NCR, RAR 02 2022 was satisfactorily closed.</p> <p>Status: Closed</p>

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		<p>Objective evidence: 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 MAR 02 2022</p>	<p>Major</p>	<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>During site inspection at both estate riparian reserved (Field 01TA22, 99KA3 and 00KB5), sighted water courses and wetlands was 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>Status: Closed.</p>

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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							