SIRIM QAS INTERNATIONAL	**SIRIM QAS INTERNATIONAL SDN. BHD.** Building 4, SIRIM Complex, No. 1 ,Persiaran Dato' Menteri, Section 2, 40700 Shah Alam, Selangor, Malaysia. **RSPO PUBLIC SUMMARY REPORT**	**File Ref. : EK91200001**

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

PARENT COMPANY : Kretam Holdings Berhad

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

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

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

MAP : See Attachment 1

AUDIT DATE : 12 – 15 April 2021 **DURATION : 10 auditor days (onsite)**

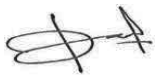
TYPE OF AUDIT : ■ **Annual Surveillance Audit No.1** ☐ **Recertification Audit**

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 AB RAOUF BIN ASIS**	Name :	Abdul Hamid Kimar
Signature :		Signature :	
Date :	8 July 2021	Date :	9th July 2021

SUMMARY OF AUDITS

Stage 2 audit					
On-site audit date	:	29 – 31 October 2019		No. of auditor days:	9 auditor days
Audit team	:	Dzulfiqar Azmi, Rozaimee 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	Suppliers
		✓		✓	✓
		Contract workers	Local & National NGOs	Govt. agency / Statutory bodies	Independent growers / Smallholders
		✓		✓	
		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 Remote audit date	:	12-15 April 2021 (10.0 a.d) 3-4 Dec 2020 (4.0 a.d)		No. of auditor days:	14 auditor days
Audit team	:	Onsite-Mohd Ab Raouf bin Asis (LA), Rozaimee bin Ab Rahman, Rahayu binti Zulkifli Remote-Mohd Zulfakar bin Kamaruzaman (LA), Rozaimee 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	Suppliers
		✓	NA	✓	✓
		Contract workers	Local & National NGOs	Govt. agency / Statutory bodies	Independent growers / Smallholders
		✓	✓		
		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	

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 March 2022			
Certified FFB Processed (MT)	63,000.00	107,630.00			
Production of Certified CPO (MT)	13,909.00	23,141.35			
Production of Certified PK (MT)	2,878.00	5,287.99			
Certified Areas (Ha)	3,934.82	**8,090.00			
Planted Areas (Ha)	2,884.90	**5,477.86			
Production Areas (Ha)	2,884.90	**5,477.86			
HCV Areas / Conservation Areas (Ha)	642.18	**1,479.54			
REMARKS	*This was the projected period based on audit carried out last year. However, during the conduct of ASA1 in Apr 2021, the actual reporting period has been extended to 19 months as the surveillance audit was delayed due to Covid-19 pandemic restrictions. The actual reporting period i.e. Sept 2019-March 2021 was reflecting the actual stocks and transactions carried out by the CU. **Silimpopon 2 Estate has been included as the new supply base and certified in ASA 1. Planted hectare at Silimpopon 1 reduce at 3.39 ha due to re-identification of HCV area i.e. riparian areas.				

TABLE 2

	PO	PK
Last years certified volume (MT)	13,909.00	2,878.00
Last years actual certified sold (MT)	4,907.62	2,753.20
Last years actual sold under other schemes (MT)	0.00	0.00
Last years sold conventional (MT)	8,930.96	0.00
New year certified volume (MT)	23,141.35	5,287.99

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1.0 AUDIT PROCESS

1.1 Certification Body

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

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

1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Mohd Ab Raouf bin Asis	Lead Auditor / GAP, Social	Holds a B.Sc. in Manufacturing (Production and Operation). He had 7 years of working experience in the oil palm operation and 5 years in auditing related to oil palms operation, since 2016. He is a qualified RSPO P&C Lead Auditor and MSPO Lead Auditor.
Rozaimee bin Ab Rahman	Auditor / SCCS, Safety and Environment	Holds a B. Sc. of Agriculture from UPM. He had 7 years of working experience in the oil palm operation and 5 years in auditing related to oil palms operation. He is a qualified Lead Auditor for RSPO P&C, SCCS and MSPO.
Rahayu binti Zulkifli	Auditor / Social, HCV	Graduated with LLB (Hons), a practising lawyer, Head of Legal Dept. for several companies before working with an environmental NGO in 2003 and joined the RSPO in 2014. She is an expert in social aspect of the RSPO and a qualified auditor for RSPO P&C and MSPO.

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: ▪ Workers work 6 days a week with one rest day (Friday). They work 8 hours with a minimum of 30 minutes' break in between. ▪ All workers confirmed that they receive a minimum of RM1100 per month. They receive their salaries before 7th of every month. As of the date of this audit, all workers sampled aware on the new Minimum Wages (Amendment 2020). ▪ Any overtime work is mutually agreed between workers and management, and that there is no element of forcing. ▪ Gender Committee – At Silimpopon 2 Estate and Mill, membership of the Gender Committees is open to male and female employees, where they have separate committees to address issues such as domestic violence, sexual harassment, and reproductive rights. ▪ Joint Consultative Committees – each estate and mill has 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 were chosen from those elected by the workers. They confirmed that they can make decisions independently. ▪ Silimpopon 1 and 2 Estates could not demonstrate that the needs of new mothers have been assessed and identified in a consultative way. This has been raised as NCR under indicator 6.5.3.
2) Settlers	Not applicable
3) Villagers / Local communities (including women representatives, displaced communities)	Due to Covid-19 restrictions, no members of the local communities were met. Attempts were made to reach them via telephone and the representatives from these villages were interviewed: 1. Kg Rancangan Kalabakan 2. Kg Silimpopon 3. Kg Ulu Kalabakan No issues during interview except from Kg Ulu Kalabakan, where they requested to use estate road. Upon checking, it has been confirmed with the Management that the estate has authorized the villagers to use estate road. The representative has missed this information.
4) Suppliers	No issue raised. Payments are received in time.
5) Contract workers	There were no contract workers employed within the Silimpopon certification unit.

6) Local & national NGOs	Sabah Environmental Protection Association (SEPA) – a local NGO based in Kota Kinabalu. They have carried out awareness programmes with the workers of Silimponpon CU pertaining to their rights, etc. SEPA confirmed that Kretam has been extending support and cooperation during the engagements with SEPA. However, SEPA says it has not received any invites to attend stakeholder meetings.
7) Government agencies / Statutory bodies	Sabah Labour Office, Kota Kinabalu was contacted to comment on the practice of paying minimum wages for daily-rated workers. It was confirmed that the method of payment by Silimponpon CU is in compliance with the Minimum Wages Order 2020 requirements.
8) Independent growers / Smallholders	No issues on smallholders except as indicated in the NCR No MAR 01 2021 under indicator 5.1.9.
9) Indigenous people	Not applicable as there are no indigenous peoples within the vicinity of the CU.
10) Contractor	Pengangkutan Nasip is a transporter and the representative confirmed that there is a valid contract, is aware of the obligations to comply with laws related to child, trafficked and forced labour, payment of minimum wages. There has been no delay in payment by Silimpopon CU.
11) Previous land owner (if any)	As mentioned in indicator 4.6.4 under Certification System, previously, the estate area (Silimpopon 1, Silimpopon 2 and Silimpopon Mill) belongs to Sabah State Government. It was now under lease from the state.
12) Others (please specify)	N/A

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 business 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. 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:

a. LUCA was approved by RSPO on 27 February 2019;
b. Concept Note accepted by RSPO on 14 May 2020;
c. 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 Sep 2019 to March 2021

Estates	FFB Production	
	Tonnes	Percentage (%)
Silimpopon 1 Estate (certified)	64,723.89	28.19
Non-certified:		
Own estate	52,470.65	20.14
OCP	139,831.15	54.40
Total	257,025.69	100.00

Table 2: Projected FFB production by the supply base for the next reporting period April 2021 to March 2022

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Silimpopon 1 Estate	58,300	28.15
Silimpopon 2 Estate	49,330	23.82
OCP (non-certified)	99,500	48.03
Total	207,130	100.00

Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period Sep 2019 to March 2021

RSPO Supply Chain Model: Mass Balance (Sep 2019-Mac 2021)	Total (MT)
FFB Received	257,025.69
FFB Processed	257,025.69
Certified FFB Processed	*64,723.89
Non – Certified FFB Processed	192,301.80
Crude Palm Oil (CPO)	
Overall CPO Production	53,498.67
Certified CPO Production	*13,838.58
Certified CPO Delivered as RSPO	4,907.62
Certified CPO Delivered as non-RSPO	-
Certified CPO Delivered under other sustainable schemes	8,930.96
Credits traded through Book and Claim	-
Palm Kernel (PK)	
Overall PK Production	11,843.78
Certified PK Production	*2,753.20
Certified PK Delivered as RSPO	2,753.20
Certified PK Delivered as non-RSPO	-
Certified PK Delivered under other sustainable schemes	-
Credits traded thru Book & Claim	-

* The actual reporting period has been extended to 19 months as the surveillance audit was delayed due to Covid-19 pandemic restrictions. The actual reporting period was between Sept 2019-March 2021.
* Low production at Silimpopon 1. Actual yield was recorded at about 60% from the projected figures – low crop production, the unavailability of harvesters, reduced workforce and ceased operation during the pandemic. Same trending has been considered for 2021 projection.

Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period April 2021 – Mac 2022

RSPO Supply Chain Model : Mass Balance	Total (MT)
FFB Received	207,130.00
FFB Processed	207,130.00
Certified FFB Processed	107,630.00
Certified CPO Production	23,141.35
Certified PK Production	5,287.99

Table 5 Planted and certified area of the CU

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

*Planted hectare at Silimpopon 1 reduce 3.39 ha due to re-identification of HCV area i.e riparian areas.

Table 6 Planting profile for Silimpopon CU

Estate	Year of planting	Planting Cycle	Mature >3 years (Ha)	Immature < 3 years(Ha)	Planted area	% of planted area mature	% of planted area immature
Silimpopon 1	2001	1st	1027.29	-	1027.29	18.75	-
	2002	1st	821.82	-	821.82	15.00	-
	2003	1st	1012.88	-	1012.88	18.49	-
	2005	1st	19.52	-	19.52	0.36	-
Silimpopon 2	1999	1st	660.27	-	660.27	12.05	-
	2000	1st	667.63	-	667.83	12.19	-
	2002	1st	458.25	-	458.25	8.37	-
	2003	1st	480.20	-	480.20	8.77	-
	2004	1st	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	:	Abdul Hamid Bin Kimar
Position	:	Assistant Manager Sustainability
Address	:	Green Edible Oil
Phone no.	:	+60138554356
Email	:	ahk@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?

Silimpopon 2 has been audited for certification under Silimpopon CU during Surveilance Audit 2021.

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.)

Apart from the inclusion of Silimpopon 2 estate as supply base to Silimpopon CU during this ASA1 audit, no other changes.

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

* If not closed, minor non conformity will be upgraded to major non conformity

3.5. Complaint received from stakeholder (if any)

No complaint received from the stakeholders.

4.0 DETAILS OF NON-CONFORMITY REPORT

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

Total no. of minor NCR(s)
(details refer to Attachment 4) List : (4) - 3.3.2, 6.5.3, 7.3.2, 7.11.3

Total no. of major NCR(s)
(details refer to Attachment 4) List : (3) - 3.4.3, 5.1.9, 6.2.2

4.2 For SC (Details checklist refer to Attachment 3) :

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

Total no. of major NCR(s)
(details refer to Attachment 4) List : Nil

5.0 AUDIT CONCLUSION

The audit team concludes that the organization has / ~~has not~~* established and maintained its management system in line with the RSPO P&C requirements of the standard and demonstrated the ability of the system to systematically achieve agreed criterion & requirements.

6.0 RECOMMENDATION

☐ No NCR recorded. Recommended to continue certification.

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

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

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

■ Recommended to continue certification.

☐ Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)…… have not been satisfactorily closed out within 60 days of the audit. Recommended for suspension of the certificate.

Note: Major NCRs which are not addressed within a further 60 days shall result in the certificate being withdrawn.

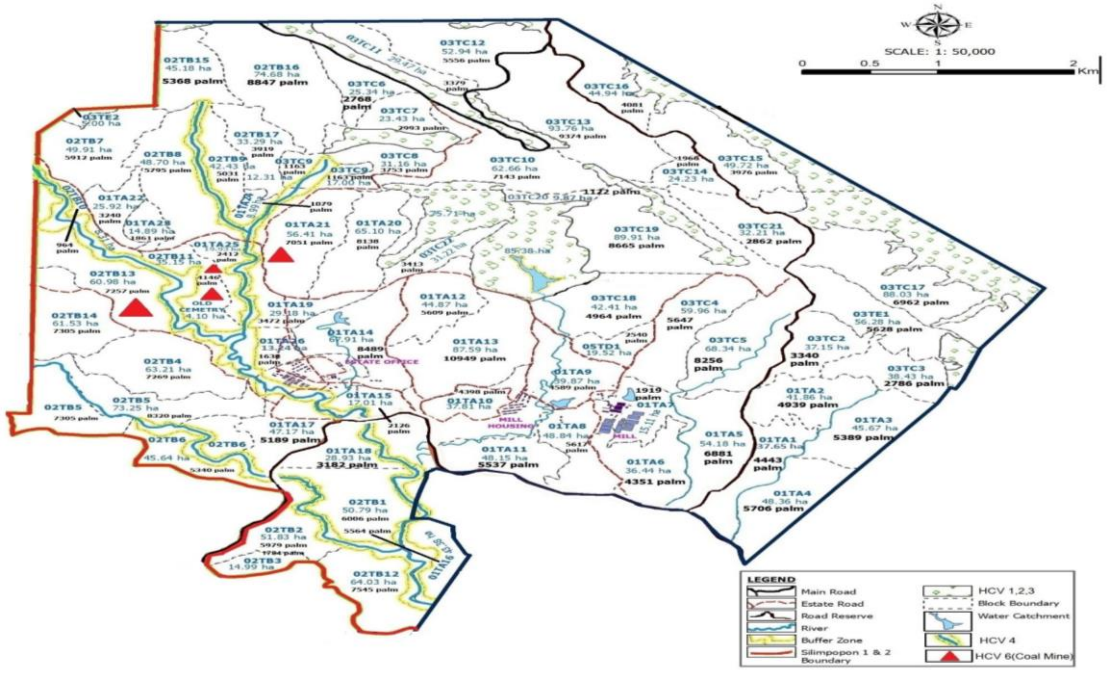
7.0 IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.

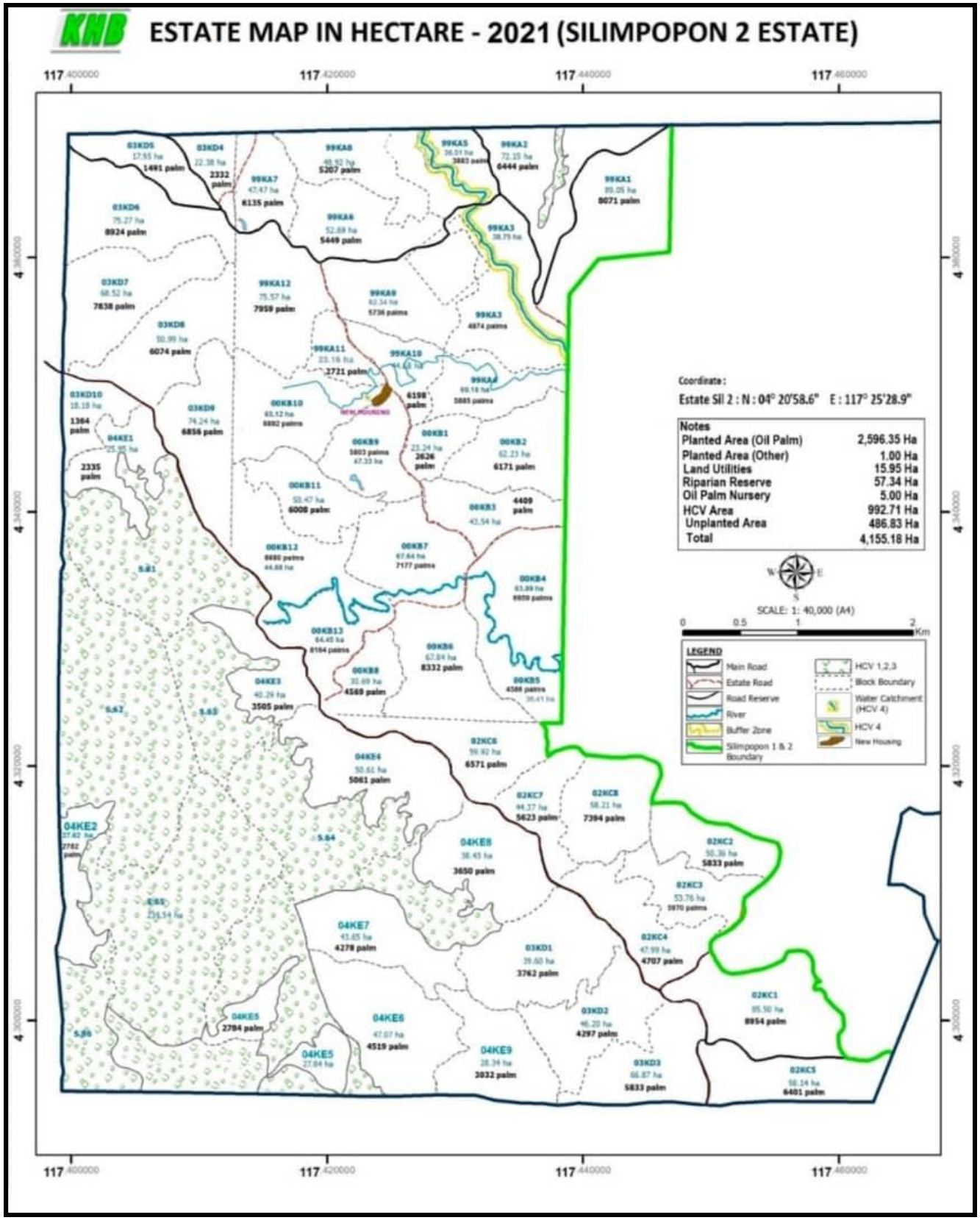
Audit Team Leader :	MOHD AB RAOUF BIN ASIS		5/07/2021
	(Name)	(Signature)	(Date)

Silimpopon POM



Silimpopon 1 Estate




ESTATE MAP IN HECTARE - 2021 (SILIMPOPON 2 ESTATE)
117.400000
117.420000
117.440000
117.460000
4.360000
4.340000
4.320000
4.300000
Coordinate :
Estate Sil 2 : N : 04° 20'58.6" E : 117° 25'28.9"
Notes
Planted Area (Oil Palm) 2,596.35 Ha
Planted Area (Other) 1.00 Ha
Land Utilities 15.95 Ha
Riparian Reserve 57.34 Ha
Oil Palm Nursery 5.00 Ha
HCV Area 992.71 Ha
Unplanted Area 486.83 Ha
Total 4,155.18 Ha
SCALE: 1: 40,000 (A4)
0 0.5 1 2 Km
LEGEND
Main Road
Estate Road
Road Reserve
River
Buffer Zone
Silimpopon 1 & 2 Boundary
HCV 1,2,3
Block Boundary
Water Catchment (HCV 4)
HCV 4
New Housing

Attachment 2 – Audit Plan

ANNUAL SURVEILLANCE 1 AUDIT PLAN

1. Objectives

The objectives of the audit are as follows:

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

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

(iii) To make appropriate recommendations based on the audit findings

2. Date of assessment : 12-15 April 2021

3. Site of assessment : SILIMPOPON CU

i) Silimpopon POM
ii) Silimpopon 1 Estate
iii) Silimpopon 2 Estate

4. **Scope of certification**:

Production of Sustainable Crude Palm Oil and Palm Kernel Using Mass Balance Supply Chain Model.

5. Reference Standard:

a. MYNI 2019 of RSPO P&C 2018
b. RSPO Certification Systems, June 2017
c. Company's audit criteria including Company's Manual/Procedures

6. Assessment Team

(i) Audit Team Leader : Mohd Ab Raouf bin Asis (**MAR**) - TBP, Social (External Stakeholder), GAP
(ii) Auditor : i) Rozaimee bin Ab Rahman (**RAR**) - SCCS, Safety, Environment
ii) Rahayu binti Zulkifli (**RZ**) – Social (Employee), HCV
(iii) Witnessed (ASI) : Nil
(iv) Technical expert : Nil

If there is any objection to the proposed audit team, the organization is required to inform the Lead Auditor/RSPO Section Manager.

7. Audit Method

Site audits 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. Repeated major non-compliance in consecutive audits will also resulted in recommendation for suspension.

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

9. Confidentiality Requirements

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

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

10. Working Language : English and Bahasa Malaysia

11. Reporting

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

12. Facilities Required

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

13. Assessment Programme Details : As below

Day 0: 11 April 2021
Travelling day

Day 1: 12 April 2021 (Monday)

Time	Activities / areas to be visited			Auditee
8.30am	Opening Meeting – Audit team introduction and briefing on assessment objectives, scope, methodology, criteria and programmes by SIRIM QAS Audit Team Leader. Just short discussion and very brief.			
9.00am	Organization Representative - Briefing on RSPO implementation, significant change on organization activity, structure, certified areas, machinery, FFB supply bases, Time bound plan, actions taken to address previous audit findings. Logistics discussion to the sites to be visited.			Management Representative
9.15am	To assign each audit team members – site and the P&C requirements			
	RZ (POM)	**MAR (Silimpopon 1 Estate)**	**RAR (POM)**	
	Site visit and assessment on implementation: • Laws and regulations • Social aspects - SIA, management plan & implementation, workers' quarters. • Interview with gender committee, worker representative, contractors, supplier, etc • Linesite inspection • Complaints and grievances • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone • HCV Assessment management plan & implementation	Site visit and assessment on implementation: • Good agriculture practices • IPM implementation, training and safe use of agro-chemicals. • New planting • Land titles user rights • Stakeholder consultation with affected communities surrounding the CU • Consultation with relevant government /NGO / agencies • Time bound plan and uncertified management units	Site visit and assessment on Supply Chain Implementation incl. the • Model used • General Chain of Custody • System Requirements for the supply chain • Documented procedures • Purchasing and goods in • Outsourcing activity • Sales and goods out • Processing • Records keeping • Registration • Training • Claims • Interview with PIC SCCS, contractors, etc.	Guide(s) for each auditor
12.30pm	**LUNCH BREAK / ZUHUR PRAYER**			All
2.00pm	Continue assessment at POM/Estate			
	RZ (POM)	**MAR (Silimpopon 1 Estate)**	**RAR (POM)**	
	• Continue assessment	• Continue assessment	Continue assessment on safety and environment • Laws and regulations • Environmental management – witness activities at site	

			• Waste & chemical management • Interview with workers, safety committee and contractors • Facilities at workplace • Occupational safety & health practice – witness activities at site • Training and skill development programmes • Continuous improvement	
4.30 - 5.00pm	Audit team discussion / Debrief meeting with client on issues (if any) / End of Day 1 audit			All
9.00 – 9.30pm	Discussion on potential NCRs			Audit team only

****split team into two group for minimize impacts on crowded place**

Day 2: 13 April 2021 (Tuesday)

Time	Activities / areas to be visited			Auditee
8.30am	Overview of current activities at Supply base sites. To assign each audit team members – site and the P&C requirements			Respective Manager
9.00am	To assign each audit team members – site and the P&C requirements			Guide(s) for each auditor
	RZ (Silimpopon 2)	**MAR (POM)**	**RAR (Silimpopon 1 Estate)**	
	• Social aspects - SIA, management plan & implementation, workers' quarters. • Interview with gender committee, worker representative, contractors, supplier, etc • Linesite inspection • Complaints and grievances • Continuous improvement • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone	• Milling practices • Stakeholder consultation with affected communities surrounding the CU • Interview with third party (smallholders or smallgrowers sending the FFB) • Land titles user rights • Consultation with relevant government /NGO / agencies • Training and skill development programmes	• Laws and regulations • Environmental management – witness activities at site • Waste & chemical management • Interview with workers, safety committee and contractors • Facilities at workplace • Occupational safety & health practice – witness activities at site • Training and skill development	

	• HCV Assessment management plan & implementation		programmes • Continuous improvement	
1.00pm	**BREAK / ZUHUR PRAYER**			All
2.00pm	Continue assessment at POM/Estate			
	RZ (Silimpopon 2)	**MAR (Silimpopon 2)**	**RAR (Silimpopon 1)**	
	• Continue assessment	Continue assessment on external stakeholders and GAP • Good agriculture practices • IPM implementation, training and safe use of agro-chemicals. • New planting • Land titles user rights • Stakeholder consultation with affected communities surrounding the CU • Consultation with relevant government /NGO / agencies • Time bound plan and uncertified management units	• Continue assessment	
4.30 - 5.00pm	Audit team discussion / Debrief meeting with client on issues (if any) / End of Day 2 audit			All
9.00 – 10.00pm	Discussion on finalization of draft NCRs			Audit team only

****split team into two group for minimize impacts on crowded place**

Day 3: 14 April 2021 (Wednesday)

Time	Activities / areas to be visited	Auditee
8.30am	Continue unfinish assessments	Respective Manager
9.00am	To assign each audit team members – site and the P&C requirements	Guide(s) for each auditor

	RZ (Silimpopon 1)	MAR (Silimpopon 2)	RAR (Silimpopon 2 Estate)	
	Continue assessment on: • Social aspects - SIA, management	Continue assessment on external stakeholders and GAP • Good agriculture practices	Continue assessment on: • Laws and regulations	

	plan & implementation, workers' quarters. • Interview with gender committee, worker representative, contractors, supplier, etc • Linesite inspection • Complaints and grievances • Continuous improvement • Inspection of protected sites with HCV attributes • Forested area, plantation boundary, adjacent and neighbouring land use, riparian zone • HCV Assessment management plan & implementation	• IPM implementation, training and safe use of agro-chemicals. • New planting • Land titles user rights • Stakeholder consultation with affected communities surrounding the CU • Consultation with relevant government /NGO / agencies • Time bound plan and uncertified management units	• Environmental management – witness activities at site • Waste & chemical management • Interview with workers, safety committee and contractors • Facilities at workplace • Occupational safety & health practice – witness activities at site • Training and skill development programmes • Continuous improvement	
1.00pm	**BREAK / ZUHUR PRAYER**			
2.00 pm	Continue assessment on unfinished area			All Guide(s) for each auditor
3.00 pm – 5.00 pm	• Continue assessment • Verification on outstanding issues for CU • Auditor to inform auditee on the required document / records • Continue Audit Team discussion and preparation of assessment findings.			

****split team into two group for minimize impacts on crowded place**

Day 3: Travelling to Tawau

Day 4: 15 April 2021 (Thursday)

Time	Activities / areas to be visited	Auditee
10.00am	• Closing meeting through Microsoft Teams	All

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	Kretam Silimpopon CU make available documents specified in the RSPO P&C to the public. These documents are either available at the CU offices, or via the Company's website 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.
	1.1.3 (C) Records of requests for information and responses are maintained.	YES	For Silimpopon CU, the procedure for request for information and the subsequent responses are provided under Transparency Procedure. The procedure also contains a flowchart on how to respond to requests for information /document, and the timeframe allowed. Records were maintained.
	1.1.4 (C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative.	YES	The consultation and communication procedures are documented, disclosed during stakeholder meetings by nominated representative. These documents are also available on the Company's website. 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 list of stakeholders for Silimpopon CU are maintained, updated and made available during the audit. The stakeholders list at Silimpopon CU are including the contractors, vendors, neighboring estates/smallholders, villagers and government agencies Records of communications are documented and filed. Records also show actions taken in response to inputs from stakeholders, and those efforts are made to ensure understanding by affected parties.
1.2 The unit of certification commits to ethical conduct in all business	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.

Clause	Indicators	Comply Yes/No	Findings
operations and transactions.	1.2.2 A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.	YES	A system to monitor compliance of the Code of Conduct is in place and available under in Kretam Holdings Berhad's Purchase & Payment Procedure. All purchases are centralized at the Company's HQ in Sandakan, where quotation, order, and suppliers are determined. The Mill and Estates have no direct contact with suppliers and buyers.

Principle 2: Operate legally and respect rights

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

Clause	Indicators	Comply Yes/No	Findings
2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1 (C) The unit of certification complies with applicable legal requirements.	YES	It was evident that Silimpopon CU continue to comply with most of the applicable laws and regulations.
	2.1.2 A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.	YES	List of Laws, Regulation and Guidelines Description has been prepared by sustainability team. Guided by the established procedure, the annual evaluation of compliance was carried out concurrently with the review of legal register by sustainability and HR team.
	2.1.3 Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.	YES	Boundary stones/markers along the legal boundaries were observed and visibly maintained by the CU, delineating boundaries of Silimpopon CU with IGN Plantation, Good Crop Plantation, FELDA plantation, Amalan Progressive Plantation and Teck Guan Wise Mission 1 Plantation.
2.2 All contractors providing operational services and supplying labour and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.	2.2.1 A list of contracted parties is maintained.	YES	The list of contracted parties is maintained by each unit in its respective stakeholder list. The lists contain name of contractors, designated contact persons, address, telephone/fax/email and type of contracted works done.
	2.2.2 All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal reqs, and this can be demo by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies for migrant workers, service providers and labour contractors, is available.	YES	Each contract issued to suppliers and contractors contain a clause requiring compliance with legal requirements. Sighted during the audit were contracts between with crude palm oil and palm kernel transporters. It was verified that the contracts contain clauses specifying no child, forced or trafficked labour, agree to be bound by the Company's anti-bribery and anti-corruption policy, and to comply with all statutes, ordinance and other laws, and this can be demonstrated by the third-party contractors.
	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.

Clause	Indicators	Comply Yes/No	Findings
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: • 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	Based on sample documents verification on directly sourced FFB, Silimpopon POM has made readily available the following for the directly source of FFB: a) Information on geo-location of FFB origins. b) Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder
	2.3.2 For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1.	YES	Based on sample documents verification on indirectly sourced FFB, Silimpopon POM has made readily available the following for the directly source of FFB: a) Information on geo-location of FFB origins. b) Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder

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	The business management plan evidenced from document namely Long Term Plan & Financial Projection 2019-2025, Silimpopon Palm Oil Mill & Plantation Division Tawau Region, prepared in annual basis.
	3.1.2 An annual replanting programme projected for a minimum of five years with yearly review, is available.	YES	Sighted the replanting programme until year 2025 for Silimpopon 1 and SIlimpopon 2 Estate.
	3.1.3 The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	YES	Management review was held in Jan 2020. The agenda of the meeting was to discuss related to RSPO/MSPO internal audit results especially and corrective action plan taken based on the assessment findings. For reviewing process performance management has carried out internally meeting & during muster call to discuss related crop quality.
3.2 The unit of certification regularly	3.2.1 (C) The action plan for continuous improvement is implemented, based on consideration of the main social and	YES	The continual improvement plan is developed in conjunction with the EAIA and Environmental Management Plan. The plan is reviewed every 12 months or more often if significant changes in the Company's operations or in the operating environment occurs.

Clause	Indicators	Comply Yes/No	Findings
monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.	environmental impacts and opportunities of the unit of certification.		
	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.	N/A	Not applicable
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	It was found during the audit that mechanism to check consistent implementation of the procedures for hiring foreign workers is not in place. This has resulted in the hiring of an undocumented person who collected loose fruits at Division 3, Silimpopon 2 estate from 2 March 2021. Therefore, a Minor Non-Compliance RZ 03 2021 was issued.
	3.3.3 Records of monitoring and any actions taken are maintained and available.	YES	Records of monitoring and the actions taken by both estate and POM were maintained and kept for a minimum of 12 months. Generally, there were evidence of monitoring implemented by the estates and mill, e.g. pertaining to scheduled wastes management, emission from boiler and river water quality. Records of monitoring maintained available. Sighted the monitoring data and found within the stipulated limit.
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	3.4.1 (C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/outgrower scheme, is documented.	YES	Silimpopon CU has established its environmental aspects/impacts assessment associated with their activities. For Silimpopon POM, 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. While, for the estates, all activities from harvesting, pest and disease, upkeep programmed until delivery to mill has been identified. 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.
	3.4.2 For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have	YES	The updated management plan covering all activities in Silimpopon CU and Tawau Region available for review. The main purpose of for this assessment was to evaluate and analyze impact on soil, water, and lair associated with the organization activities. Among

Clause	Indicators	Comply Yes/No	Findings
regularly updated in ongoing operations.	been developed with participation of affected stakeholders.		environment aspects assessed were agrochemical applications, air, land and water contamination from hazardous material and vehicles, human settlement disturbance and abandonment. Silimpopon Mill and Estates have their own Social Impact Assessments (SIA). The SIAs have summarised the positive/negative impacts and time bound plans to mitigate the negative impacts and enhance the positive impacts. These plans were devised with participation of affected parties who provided their inputs in writing. Sighted were written inputs given by stakeholders at the Silimpopon Mill which the Mill would incorporate onto the management plan.
	3.4.3 (C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.	NO	It was found during the audit that Silimpopon CU could not demonstrate that the SIA for Silimponpon Mill and Estates 1 & 2 have been reviewed and updated regularly with participation of all levels of employees. As a result, the following social-related issues have not been identified and assessed: a. Psychological and emotional impacts on all levels of employees arising from the imposition of internal controls against the spread of Covid-19; b. Security concerns faced by foreign workers who have undocumented dependents living with them and their concerns related to affordability of regularization. Therefore, a Major Non-Compliance RZ01 of 2021 was issued.
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). Employment procedures for retirement and termination are available in the local workers' employment contracts as well as an SOP. 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	Silimpopon 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.
3.6 An occupational health and safety (H&S) plan is documented, effectively communicated and	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. 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.

Clause	Indicators	Comply Yes/No	Findings
implemented.	3.6.2 (C) The effectiveness of the H&S plan to address health and safety risks to people is monitored.	YES	Both the mill/estates had identified and reviewed significant hazards and risks and determined appropriate risk control measures. The hazard identification, risk assessment and risk control (HIRARC) records, as well as CHRA reports were verified during the assessment. HIRARC for SPOM also has been reviewed by yearly basis.
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 2021 covered all aspects of the RSPO Principles and Criteria. Regular assessments of training needs were presented to auditors. Year 2021 Training Plan was established in Jan 2021. A training needs identification matrix has been established with target dates for the training to be conducted.
	3.7.2 Records of training are maintained, where appropriate on an individual basis.	YES	Records of Training 2019/2020 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	Sighted latest training SCCS & traceability has been conducted in Nov 2020 conducted by sustainability office and has been attended by relevant personnel.

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	**NA**	Not applicable since CU used Mass Balance Module

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	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.		
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 3rd 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.
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	Projection data was as in Table 4 of 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	The mill was observed to have met with registration and reporting requirements for supply chain through the RSPO Palm Trace. The registration information was: Silimpopon POM has registered in IT platform RSPO membership: 1-0189-15-000-00 Register under name: Syarikat Kretam Plantations Sdn Bhd (Silimpopon Palm Oil Mill) Country: Malaysia Member Category: Oil Mil Products: CPO & Palm Kernel Program: MB
3.8.5	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: • 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 demo awareness of the org.'s procedures for the implementation of this standard.	YES	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 Silimpopon POM has updated and change the name of documented procedure named RSPO Supply Chain Certification Manual. SPOM also established a SOP "RSPO Supply Chain Module" and the Internal Audit procedure apart from other procedures as required by the standard. Assistant Engineer have overall responsible and authority over the implementation of RSPO supply chain requirement in RSPO Silimpopon POM. The latest training SCCS & traceability has been conducted in Nov 2020.

3.8.5	• The site shall have documented procedures for receiving and processing certified and non-certified FFBs		
3.8.6	The site shall have a written procedure to conduct annual internal audit to determine whether the organisation; • 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	Procedure to conduct annual internal audit is available, titled 'internal Audit Procedure". The purpose of this procedure is to provide guidelines to conduct internal audit for RSPO SCCS & other similar standard. Audit checklist also been established using RSPO Supply Chain Certification Standard to cover all the elements and indicator, sighted latest SCCS Internal Audit report has been carried out on Silimpopon Mill internal auditors. Coverage of audit sufficient & comprehensive to cater for the new standard. 1 nonconformity has been raised during the internal audit. Management review has been conducted in Sept & Nov 2020 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.

3.8.7	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. The site shall inform the CB immediately if there is a projected overproduction of certified tonnage. The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents.	YES	Available.
3.8.8	Sales and Goods Out 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.): 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;	YES	The procedure in handling of sale and delivery was sighted and found adequate. Sales activities usually handled by Sales and Marketing Department Department (HQ) on behalf of Silimpopon POM. Silimpopon CU has established the procedure “handling certified FFB /CPO/PK and non-certified FFB/CPO/PK” Management Units for FFB supplied to the mills unique identification has established to segregate certified FFB from his own estates with outsider crops. During interview with weighbridge clerks they were understand how to segregate the certified FFB and uncertified FFB

3.8.8	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		
3.8.9	Outsourcing Activities (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. (ii) The mill shall ensure the following: a) The mill has legal ownership of all input material to be included in outsourced processes 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. c) The mill has a documented control	YES	a) There are 4 outsource company 1 CPO and 3 PK transporter. b) There is contract document between Silimpopon POM and the transporters. c) There were explicit procedures for the outsourced process. d) Inspection was carried out by Lab Supervisor or lab attendant as additional effort to ensure no contamination.

3.8.9	system with explicit procedures for the outsourced process which is communicated to the relevant contractor. 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.		
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 outsource the transportation of certified CPO and certified PK to 4 outsource company 1 CPO and 3 PK transporter. During stakeholder meeting all representatives from contractors attended the meeting. It has been noted that the meeting highlighted the information on the implementation of RSPO standard. There is also addendum stated that the transporter shall comply with 'to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary'.
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	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.

	raw materials or products held in stock.		
	iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.	YES	Not applicable since CU were used Mass Balance module
	iv) For Mass Balance Module, the mill: a. shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. 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. 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.)	YES	Sales activities usually handled by Sales and Marketing Department Department (HQ) on behalf of Silimpopon POM. Personnel updated the RSPO IT platform system upon confirmed contract. Mill receive copy of transaction input to the system on monthly basis based on contract summary (buyer weight being put in). RSPO Records for Oil Mills had been updated on real time basis by relevant personnel and had included the receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK. Their LAK weighing system also being referred for real-time transaction details as well as daily/ monthly summary of their material movements (FFB, CPO, PK, others).

3.8.13	Extraction rate 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.	YES	Based on nature of their processing activities, Silimpopon POM's conversion factor shall be based on their oil extraction rate (OER) and kernel extraction rate (KER). These rates being monitored on daily basis as part of their process performance evaluation and consolidated at month end.
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	YES	
3.8.15	Processing For Identity Preserved Module, the mill shall assure and verify through 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.	YES	Not applicable since CU were used Mass Balance module
3.8.16	Registration of Transactions 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	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.

	dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. 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		
3.8.17	Claims 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.	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

Principle 4: Respect community and human rights and deliver benefits

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

Clause	Indicators	Comply Yes/No	Findings
4.1 The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.	4.1.1 (C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders, is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.	YES	A Policy to respect human rights, including prohibition against retaliation against Human Rights Defenders is available, and is known as Kretam Holdings Berhad Group Code of Conduct and Human Rights Policy signed by CEO. This Policy, among other things, respect and protect fundamental human rights as stated in the Declaration of Human Rights of the United Nations, as well as dignity of all individuals working in all levels of operations including contracted third parties. The Policy also maintains confidentiality of whistleblowers, prohibit retaliation against Human Rights Defenders, prohibit intimidation and harassment including contracted security forces. This Policy is communicated to all levels of workforce and briefed during muster briefings. The Policy is also available in English and Bahasa Malaysia and displayed at the main notice boards.
	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 is no evidence of any instigation of violence or use of any form of harassment within the certification unit.
4.2 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.	4.2.1 (C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.	YES	A documented system in dealing with complaints were communicated to and agreed by stakeholders during stakeholder meetings. This system is available in Kretam Holdings Berhad Group's Complaints and Grievance Procedure. This procedure is to provide guidance to stakeholders and management to address complaints and grievances, including complaints and grievances of employees related to their work. The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, Human Rights Defenders (HRDs), community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the Code of Conduct & Human Rights Policy on respect for HRDs. Anonymity of whistleblowers is provided for in the Company's Whistleblower Policy, 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, 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.

Clause	Indicators	Comply Yes/No	Findings
	4.2.3 The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.	YES	Silimpopon CU keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders. It was verified that from records, the grievances and complaints are from internal stakeholders and related to housing defects and repair jobs required. Complainants are aware of the status. An examination of the books showed that all the complaints were house repairs. There were no complaints from external stakeholders.
	4.2.4 The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.	YES	The system used by the Silimpopon CU in resolving disputes exists in the procedure called Kretam Holdings Berhad Group's Complaints and Grievance Procedure. This SOP is open to all stakeholders, internal workers, NGO's, and third parties. Another procedure for addressing conflicts is in Kretam Holding Berhad Group's SOP on Free Prior Informed Consent. This SOP states that 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 unit of certification contributes to local sustainable development as agreed by local communities.	4.3.1 Contributions to community development that are based on the results of consultation with local communities are demonstrated.	YES	CSR contributions evident.
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	The Silimpopon CU area used to belong to Sabah State Government. Currently, under lease from state from 01/01/1998 until 31/12/2096. Land status: 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 checklists, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998. The audit team had confirmed that there were no land issues related to previous owners.

Clause	Indicators	Comply Yes/No	Findings
	4.4.2a Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.	YES	
	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 checklists, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998. The audit team had confirmed that there were no land issues related to previous owners.

Clause	Indicators	Comply Yes/No	Findings
	4.4.4 All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	YES	As reported in 4.4.1 of this checklists, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998. The audit team had confirmed that there were no land issues related to previous owners.
	4.4.5 (C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.	YES	As above.
	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.

Clause	Indicators	Comply Yes/No	Findings
	4.5.3 Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.	YES	As reported in 4.4.1 of this checklists, it has been verified that the land is now legitimately leased by Silimpopon CU since 1998. The audit team had confirmed that there were no land issues related to previous owners.
	4.5.4 To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.	YES	As above.
	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	YES	As above.

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

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

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

Principle 5: Support smallholder inclusion

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

Clause	Indicators	Comply Yes/No	Findings
5.1 The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other 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 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	There is evidence that Silimpopon regularly explains the FFB Pricing to Smallholders. Training/briefing were conducted.
	5.1.3 (C) Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented.	YES	In Silimpopon POM Price for FFB adopted the MPOB Pricing. All prices are calculated by the MPOB and the mill take the price and follow what MPOB guided.

Clause	Indicators	Comply Yes/No	Findings
	5.1.4 (C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.	YES	There is no contract/bound for FFB outside supplier sending crop to the Silimpopon POM. The Suppliers are free to choose their mill.
	5.1.5 Contracts are fair, legal and transparent and have an agreed timeframe.	YES	The contractors confirmed that contract entered into are valid, fair and transparent as the terms of payment are being negotiated upon prior to signing. Contract with suppliers were drafted in the English language, which is understood by the suppliers, as verified during interviews.
	5.1.6 (C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.	YES	All contractor confirmed that payments were received within a reasonable timeframe which is 7-10 days after submission of invoice. And receipts contain specifying price, weight, deductions and amount paid are given.
	5.1.7 Weighing equipment is verified by an independent third party on a regular basis (this can be government).	YES	Weighing Equipment in Silimpopon POM has been calibrated on a yearly basis using Metrology Corporation Malaysia Sdn Bhd.
	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 in June 2020 to promote on RSPO certification. However, the Growers and villagers were not in favor 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.	NO	Grievance mechanism for smallholders and the grievances were not dealt with in a timely manner. Based on interview with 1 smallholder, he mentioned that he did not know on some of the grievances related to the current pricing and the method of the payment on 2 time payment in monthly basis. Therefore, major NCR was raised as MAR 01 2021.

Clause	Indicators	Comply Yes/No	Findings
5.2 The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.	5.2.1 The unit of certification consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification.	YES	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 in June 2020 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. 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,	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", available in two languages (Malay and English). The policy states that all employees shall be treated fairly in terms of recruitment, progression, terms and

Clause	Indicators	Comply Yes/No	Findings
	caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.		conditions of work regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political view, religion and age.
	6.1.2 (C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for migrant workers.	YES	Based on interviews with a cross section of workers interviewed at the Estates and Mill, (male, female, Malaysian, Indonesian), review of employment contracts and payslips, and visits to the workers' housing, there was no evidence of discrimination including charging of recruitment fees for foreign 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.
	6.1.4 Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.	YES	There is no evidence of discriminatory pregnancy tests being carried out within Silimpopon CU.
	6.1.5 (C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.	YES	Gender Committees are available at all the units within Silimpopon CU. Silimpopon 2 Estate and the Mill have gender committees for both women and men. Based on minutes of Gender Committee meetings sighted and interviews conducted with the committee chairpersons, awareness were given on sexual harassment, how to lodge a complaint, reproductive rights, domestic violence and health issues. In addition, the estate dresser also provides training to the workers on topics related to family planning.
	6.1.6 There is evidence of equal pay for the same work scope.	YES	Based on a review of the workers' employment contracts and payslips of the Mill and Estate workers, evidence is available that workers receive equal pay for equal work.
6.2 Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are	6.2.1 (C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.	YES	Applicable labour laws, and documentation of pay and conditions are contained in 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.

Clause	Indicators	Comply Yes/No	Findings
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.	NO	Silimpopon 2 Estate could not demonstrate the issuance of pay slip which records work done by family members. The March 2021 pay slip of one outturn harvester (TP050113) has not given the record of loose fruit picking work done by his spouse during that period. Therefore, a Major Non-Compliance NCR RZ 02 of 2021 was issued.
	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	Based on workers sampled during the audit, evidence was available of compliance with legal requirements under the Sabah Labour Ordinance such as regular working hours, deductions, overtime, sickness and holiday entitlements, and maternity leave.
	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	Evidence is available that Silimpopon CU provide adequate housing and facilities to its Mill and Estate employees to national standards, which is the Workers' Minimum Standard of Housing and Amenities Act 1990. Houses are provided rent free with free water and electricity. Each house has 2 rooms and accommodate between 2 to 3 workers. The houses and the surrounding areas are in a good state of cleanliness and domestic waste cleared regularly. All workers interviewed affirmed the same. Among the available amenities include, badminton/takraw/volleyball court, children's playground, places of worship, and sundry shops. Estate clinic which is managed by a Dresser is also available for all workers needing medical attention.
	6.2.5 The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.	YES	Silimpopon CU is able to demonstrate that efforts were made to improve workers' access to adequate, sufficient and affordable food by having several grocery shops within the CU premises. A visit to one of the grocery shops was made during the audit and items sold included daily necessities such cooking oil, sugar, salt, rice, chicken, drinks, etc. The management also checks on the price of items and interviews with workers confirmed that items sold are reasonably priced.
	6.2.6 A "DLW" is paid to all workers, including those on piece rate/quotas, for	YES	All sampled workers receive at least minimum wages based on Minimum Wages Order 2020 which came into effect on 1 February 2020. Silimpopon CU have also carried out

Clause	Indicators	Comply Yes/No	Findings
	whom the calculation is based on achievable quotas during regular work hours. 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: • 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.		the calculation of prevailing wages and in-kind benefits. The calculation took into account housing (building, furnishing, household equipment, electricity and water), healthcare, general benefits (transport, sports, CLC). Based on the review of the calculation formula, it was verified that the calculation of prevailing wages above are fair and reasonable.
	6.2.7 Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.	YES	Based on documents sighted and interviews conducted, employment of workers by Silimpopon CU only involve full-time employees. There was no casual, temporary and day labour engaged.
6.3 The unit of certification respects the rights of all	6.3.1 (C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa	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

Clause	Indicators	Comply Yes/No	Findings
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.	Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.		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 is appropriate for workers as they are all conversant in Bahasa Melayu.
	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	It was evident that workers are free to elect their representatives without any decision interference from management.
6.4 Children are not employed or exploited.	6.4.1 A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.	YES	Silimpopon CU subscribes to Kretam Holdings Berhad Group, Social Policy signed by Chief Executive Director. The Policy states that KHB Group will ensure that NO child (a person under the age of 15 years) or young person (who has attained the age of 15 years but has not attained the age of 18 years) shall be, or be required or permitted to be, engaged in any employment other that 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. The prohibition against child labour is also contained in contracts with suppliers.
	6.4.2 (C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.	YES	Based on documentation review (master checkroll, personal files containing copies of passport, KTP or Malaysian IC), interviews conducted and observations in the field, all employees were above the age of 18 when they commenced work at Silimpopon CU. There also have a documented age screening verification procedure in the Recruitment and Selection procedure SKM/SDK-OHS-07.
	6.4.3 (C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.	YES	Based on interviews, documentation review and observations in the field, evidence is available that minimum age requirements are met throughout Silimpopon CU. This was based on workers' personal files which contained copies of the workers' NRIC or passports with their respective pictures for identification.

Clause	Indicators	Comply Yes/No	Findings
	6.4.4 The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.	YES	Silimpopon CU was able to demonstrate communication about the Social Policy which contained no child labour component to its workers during muster.
6.5 There is no harassment or abuse in the workplace, and reproductive rights are protected.	6.5.1 (C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.	YES	The policy to prevent sexual and other forms of violence is contained in the Kretam Holdings Berhad Group's Social Policy. A specific policy on sexual harassment titled "Sexual Harassment Policy" has been established. This policy is implemented and communicated to all levels of workforce during muster.
	6.5.2 (C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce.	YES	To protect the reproductive rights of all, especially of women, Silimpopon CU has established a policy titled "Social Policy". The Gender Committee meetings are used as an avenue to disseminate information to its members regarding reproductive rights. This was further confirmed during interviews held with female workers as well as male workers which showed their understanding of their reproductive rights.
	6.5.3 Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.	NO	Silimpopon 1 and 2 Estates could not demonstrate that the needs of new mothers have been assessed and identified in a consultative way. No consultative assessment to identify the needs of the following female employees as new mothers have been carried out and therefore no action to address those needs was taken. NCR Minor RZ 04 2021 raised.
	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	The system used by the Silimpopon CU in resolving disputes exists in the procedure called Kretam Holdings Berhad Group's Complaints and Grievance Procedure. This SOP is open to all stakeholders, internal workers, NGO's, and third parties. The Policy states, among things, that it shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants.
6.6 No forms of forced or trafficked labour are used.	6.6.1 (C) All workers have entered into employment voluntarily , and the following are prohibited: • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees	YES	Evidence is available that all workers have entered into their respective employment voluntarily. This is also in tandem with the Company's Foreign Worker Policy which states among other things, that foreign workers should enter into employment voluntarily and freely, without the threat of a penalty, debt bondage, withholding of wages, no charging the workers for recruitment fees, and no discrimination. Interviews conducted with the workers confirmed that the above SOP is being implemented within the Silimpopon CU.

Clause	Indicators	Comply Yes/No	Findings
	• Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty to the workers for termination of employment • Debt bondage • Withholding of wages		
	6.6.2 (C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.	YES	There is a Foreign Worker Policy and a procedure established known as “Recruitment of Foreign Workers” to manage migrant workers employment.
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.
	6.7.2 Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.	YES	Procedures guidelines were issued by Agronomy Dept (Sustainability Unit) and amended to tailor to the situation differences in the estates and mills.
	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	YES	The estates had a SOP for use of PPE during working. All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. 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 estate had a SOP for handling of chemical/pesticide. The employees involved in the chemical handling such as the storekeepers, sprayers, fertilizer and rat bait workers were trained in chemical handling

Clause	Indicators	Comply Yes/No	Findings
	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.		and they understood the hazards of the chemicals and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to them through the MSDS/CSDS training. It was also noted that MSDS/CSDS are available at all sites during the audit. Trainings on spraying which included the safety aspects and use of PPE when handling pesticides were evident.
	6.7.4 All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law.	YES	Local & Foreign workers are covered by SOCSO (Pertubuhan Keselamatan Sosial).
	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 JKKP 8. Records are kept for a minimum 10 years in the office. Summary for the year is described in the JKKP 8 a mandatory requirement for submission to DOSH by Jan of the subsequent year. Cases if any are reviewed during safety meetings. Accident statistics was reviewed during Health and Safety committee meeting & through OSH committee investigation accident. It was evident in the minutes of the meeting. Where required submissions of JKKP 6, & 8 to DOSH were complied with under the legislative requirement. Investigations and revision of HIRARC where appropriate were made accordingly.

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

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

Clause	Indicators	Comply Yes/No	Findings
7.1 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	7.1.1 (C) IPM plans are implemented and monitored to ensure effective pest control.	YES	The implementation of IPM programme for year 2021 was updated in March 2021. Generally, the estate had well established *Nephrolepis biserrata* fern and soft vegetation in the inter rows of mature palm. Palms were well pruned and cut fronds stacked as per SOP. Both estates also endeavored to plant beneficial plants was also sighted with *Cassia cobanensis, Antigonan leptopus and Turnera sublata.*
	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.

Clause	Indicators	Comply Yes/No	Findings
	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	Silimpopon continued to use the Syarikat Kretam Plantations Sdn Bhd policy of zero burning. As advocated, the 2 estates practised Zero burning thus no use of fire for pest control. No replant currently in all estates visited.
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	The Estate had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and Ai/Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field cost books and in progress reports. The estate had documented programs for spraying pesticides and for rat baiting.
	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	As part of the IPM plans, the management of both estates had established nectariferous beneficial plants (*Cassia cobanensis, Antigonan leptopus,Turnera sublata,and Mucuna bracteata)* nurseries for continuous planting in order to attract natural predators and thus reducing the use of insecticides.As mentioned in 4.5.1, observed that Beneficial Plants and LCC were planted. The estates had plants ready for planting in the nurseries.
	7.2.3 (C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.	YES	The Estate had records to show the types of pesticides used with active ingredients and their LD50 and where these pesticides had been used, the total quantity, number of applications and Ai/Ha. Pesticides are used only when justified and areas used are recorded in bin cards, program sheets, chemical register, field cost books and in progress reports. The estate had documented programs for spraying pesticides and for rat baiting.
	7.2.4 There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.	YES	There was no evidence of prophylactic use of pesticides in both estates.
	7.2.5 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to:	YES	Pesticides Class 1A were used in Silimpopon 2 Estate. There were listed in the chemical register as Azodrin. Permit from Agriculture Department was obtained was evident.
	7.2.5a Judgment of the threat and verify	YES	As mentioned in indicator 7.2.5, the permit to purchased and used has been obtained

Clause	Indicators	Comply Yes/No	Findings
	why this is a major threat.		through Agriculture Department.
	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 by trained persons and used as per the MSDS/CSDS of the pesticide. As mentioned under Indicator 3.3.1, the estate had the SOPs for safe handling of pesticides. Appropriate safety and application equipment had been provided and used as per the CHRA.The staff and workers such as the storekeepers, sprayers and those workers apply the fertilizer were trained and they had understood the hazards involve and how the chemicals should be used in a safe manner. The trade and generic names of the chemicals were made known to the workers through the MSDS/CSDS training. It was also noted that MSDS/CSDS are available at all sites during the audit.All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issuance and replacement records were verified by the auditors. It was observed that all of the sprayers were using all required PPE.
	7.2.7 (C) Storage of all pesticides is in accordance with recognised best practices.	YES	The storage of pesticides at Silimpopon CU was found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. The chemical and fertiliser stores (with cemented floors and roofing) are locked & handled only by authorized personnel i.e. storekeeper. The stores in estate and mill were ventilated (equipped with exhaust fans). All the chemicals were arranged/segregated according to the type. During site visit at Silimpopon POM and all estates i.e. chemical and fertilizer store, sighted relevant SDS were seen displayed. During field visit, SDS was made available at chemical store. Adequate safety signage has been placed at both internal and external of the building. Safety signage was available at scheduled waste store. 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.

Clause	Indicators	Comply Yes/No	Findings
	7.2.8 All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.	YES	Empty pesticide containers were punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. Inventory and consignment documents verified for confirmation of proper management and disposal. The scheduled wastes generated at Silimpopon CU not more than 180 days @ 20mt.
	7.2.9 (C) Aerial spraying of pesticides is 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 Silimpopon 1 and Silimpopon 2 Estate.
	7.2.10 (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.	YES	The medical surveillance were conducted in Aug 2020. Workers were sent to qualified 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	Based on site visit conducted, there was no work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions.
7.3 Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.	7.3.1 A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.	YES	Standard Operating Procedure Scheduled Waste Disposal has been established. The documentation and identification of all waste product such as scheduled wastes, domestic wastes, clinical wastes, recyclable wastes such as metal, tins, plastics, bottles, mill wastes and polluting material e.g. EFB and POME. Records on usage and disposal were well recorded and documented. Scheduled wastes had been disposed of through a licensed contractor approved by DOE.
	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.	NO	During site visits at Silimpopon 2 Estate (Kg Teratai), it was sighted that the domestic waste has not been manage according to the plan and has been disposed behind one of the houses. Thus, #Minor NCR RAR 01 2021 has been raised.
	7.3.3 The unit of certification does not use open fire for waste disposal.	YES	During visit to worker's quarters, seen no traces of fire been used to disposed domestic waste, a proper waste collection center identified at line-site. The domestic waste being collect by estate workers twice weekly and being segregate before goes to dumping site. The secondary containments, signage, sump pits, spillage kits and SDS seen effectively

Clause	Indicators	Comply Yes/No	Findings
			display and available at chemical / pesticide store, diesel skid tank and fertilizer store.
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 third party. Annual fertilizer recommendations were made based on annual foliar sampling while soil sampling was carried out on an 8-year cycle basis. 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	Records of programs and applications of fertilisers were made available to auditors. Records sighted showed that actual applied in 2021 was in line with program.
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 Brantian, Weston, Mawing, Lokan and Maliau.
	7.5.2 No replanting on steep slopes (above 25 degress) 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	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	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.	YES	Based on age profile, 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	YES	Based on age profile, map and site visit, there was no new planting and no planning of new

Clause	Indicators	Comply Yes/No	Findings
the results are incorporated into plans and operations.	fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.		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.	YES	Based on age profile, 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.
7.7 No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.	7.7.1 (C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.	YES	Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate. No new planting after 15 November 2018, based on planting profile and site visit conducted hence this indicator was not applicable.
	7.7.2 Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peat land Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).	YES	Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate.
	7.7.3 (C) Subsidence of peat is monitored, documented and minimised.	YES	Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate. No new planting after 15 November 2018, based on planting profile and site visit conducted hence this indicator was not applicable.
	7.7.4 (C) A documented water and ground cover management programme is in place.	YES	Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate. No new planting after 15 November 2018, based on planting profile and site visit conducted 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	YES	Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate. No new planting after 15 November 2018, based on planting profile and site visit conducted hence this indicator was not applicable.

Clause	Indicators	Comply Yes/No	Findings
	cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it ii is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation. This is subject to transitional (5 years: 2019 to 2025) arrangement stated in the Drainability Assessment Procedure. Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.		
	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.	YES	Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate. No new planting after 15 November 2018, 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.	YES	Based on soil map provided, there was no peat in Silimpopon 1 and Silimpopon 2 Estate. No new planting after 15 November 2018, 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	YES	Both the Mill and the estates had its *Water Management Plan for 2020* which was developed in order to maintain the quality and availability of natural water resources by practicing efficient water consumption through various methods; among others

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td>addresses the following:</td><td></td><td>
<table>
<tr><th></th><th>Area/incident</th><th>Action steps</th><th>PIC</th></tr>
<tr><td>1</td><td>Water shortage/ prolonged dry season</td><td>-to obtain water from mill/other estate pond
-to train/educate staff/workers to conserve water
to seek assistance from authorities to obtain treated water supply.</td><td>Mill Engineer
Estate Executives</td></tr>
<tr><td>2</td><td>RainWater harvesting</td><td>Rainwater will be recycled for washing heavy machinery, dry cleaning, and chemical premixing.</td><td>Mill Engineer
Estate Executives</td></tr>
<tr><td>3</td><td>Wastewater from chemical premixing and washing PPE</td><td>Reused all the wastewater for chemical premixing</td><td>Estate Executives</td></tr>
</table>
</td></tr>
<tr><td></td><td>7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.</td><td>YES</td><td>Based on stakeholder consultation with local communities and field visit, there was evidence that the CU does not restrict access to clean water or contribute to pollution of water used by communities.</td></tr>
<tr><td></td><td>7.8.1b Workers have adequate access to clean water.</td><td>YES</td><td>The CU provides clean water has been provided by water treatment plan. Sighted analysis of water quality has been carried out by several external labs. Results from the assessment were indicated all parameter were according with guideline for drinking water quality 4th Ed , WHO.</td></tr>
<tr><td></td><td>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).</td><td>YES</td><td>During site visit at the estates, it was sighted all the buffer zones area at Sungai Silimpopon were maintained according to Sabah Buffer zones guidelines and as per RSPO manual BMP for the management and rehabilitation of riparian reserve.</td></tr>
<tr><td></td><td>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.</td><td>YES</td><td>DOE license valid until June 2021, for 45mt / hour capacity process and land irrigation method was applied to the final discharge. Final discharges were monitored on daily basis and has been reported to DOE by quarterly basis.</td></tr>
<tr><td></td><td>7.8.4 Mill water use per tonne of FFB is monitored and recorded.</td><td>YES</td><td>Mill water usage per tonne of fresh fruit bunches (FFB) continued to be monitored on monthly basis and 3 years monitoring has established.</td></tr>
<tr><td>7.9
Efficiency of fossil fuel use and the use</td><td>7.9.1 A plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and doc.</td><td>YES</td><td>Plan for improving efficiency of the use of fossil fuels and to optimise renewable energy has established such as:</td></tr>
</table>

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td>of renewable energy is optimised.</td><td></td><td></td><td>
<table>
<tr><th>No.</th><th>Energy</th><th>Action plan</th></tr>
<tr><td>1</td><td>Diesel</td><td>-servicing vehicle in timely manner and on contractual basis to ensure efficient use of fuel and preventive maintenance to avoid leakages.
-to educate workers by having program on fuel saving practices i.e turn off the engine when vehicle not in used.
-no open burning at linesite</td></tr>
<tr><td>2.</td><td>Electricity</td><td>-installing energy saving appliances, replacing energy saving bulb at workers quarters and using photo -censor to light up street light & compound spotlight.
-educate workers on saving energy usage i.e turn off electric switch when not in use</td></tr>
</table>
</td></tr>
<tr><td>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.</td><td>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.</td><td>YES</td><td><u>Summary of net GHG emissions from PalmGHG calculator</u>

Summary of Emissions
<table>
<tr><th>Description</th><th>tCO2e/tProduct</th><th>Extraction Rate</th><th>%</th></tr>
<tr><td>CPO</td><td>1.84</td><td>OER</td><td>21.10</td></tr>
<tr><td>PK</td><td>1.84</td><td>KER</td><td>4.99</td></tr>
</table>
<table>
<tr><th>Land Use</th><th>Ha</th></tr>
<tr><td>OP Planted Area mineral</td><td>5545.09</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>5545.09</td></tr>
</table>
</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings

Summary of Plantation/field emissions and sink

Description	Own		
	tCO2e	tCO2e/ha	tCO2e/tFFB
Land conversion	**53790.42**	**9.70**	**0.64**
CO2 emission from fertiliser	**12049.76**	**2.17**	**0.14**
N2O emission frm fertiliser	**1530.49**	**0.28**	**0.02**
Fuel consumption	**717.20**	**0.13**	**0.01**
Peat Oxidation	**0**	**0**	**0**
Crop sequestration	**-50986.17**	**-9.19**	**-0.60**
Sequestration in conservation area	0	0	0
Total	**17101.71**	**3.08**	**0.20**

Summary of Mill emission and credits

Description	tCO2	tCO2e/tFFB
POME	32108.72	0.20
Fuel Consumption	874.96	0.01
Grid Electricity Utilisation	0	0
Export of Excess Electricity to Housing & Grid	**0**	**0**
Sale of PKS	**0**	**0**
Sale of EFB	**0**	**0**
Total	**32983.68**	**0.20**

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td></td><td></td><td>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>
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></td></tr>
<tr><td></td><td>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).</td><td>YES</td><td>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.</td></tr>
</table>

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td>7.10.3 (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</td><td>YES</td><td>All the estates had established the Pollution Prevention Plan 2020 among others addressing the following environmental issues;
<table>
<tr><th></th><th>Issues</th><th>Mitigation measures</th></tr>
<tr><td>1</td><td>Leakage of pesticide during chemical mixing</td><td>to recollect water used at chemical mixing area to be recycled during mixing, to construct containment sum at chemical mixing area to contain leakages</td></tr>
<tr><td>2</td><td>Contaminated ground / soil at workshop area</td><td>to replace tray whenever tractors / machines under repairing progress to avoid oil spillage on the ground, periodic checking on oil sump to ensure it is well maintained and to avoid any leakages</td></tr>
<tr><td>3</td><td>Prohibited spraying at line site</td><td>education to workers not to spray at the line site and explain reason for such a directive, periodic checking at the line site</td></tr>
<tr><td>4</td><td>Prohibited spraying & fertilizer or chemical near the river (buffer zone)</td><td>provide training and create awareness to workers, identifying and marking the buffer zones</td></tr>
</table></td></tr>
<tr><td rowspan="3">7.11
Fire is not used for preparing land and is prevented in the managed area.</td><td>7.11.1 (C) Land for new planting or replanting is not prepared by burning.</td><td>YES</td><td>During site visits there was no new planting and replanting at both estates.</td></tr>
<tr><td>7.11.2 The unit of certification establishes fire prevention and control measures for the areas under its direct management.</td><td>YES</td><td>The unit of certification has established an Emergency Response Team (ERT) for year 2021 lead by Estate Manager to handle all the emergency case included fire control in the estates and mill.</td></tr>
<tr><td>7.11.3 The unit of certification engages with adjacent stakeholders on fire prevention and control measures.</td><td>NO</td><td>The unit of certification has established an Emergency Response Team (ERT) for year 2021 lead by Estate Manager to handle all the emergency case included fire control in the estates and mill. However, during site visit, interviewing with stakeholders, and document review was sighted no engagement yet has been carried out with adjacent stakeholders on fire prevention and control measures. Thus, #Minor NCR RAR 02 2020 has been raised.</td></tr>
<tr><td rowspan="2">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</td><td>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.</td><td>YES</td><td>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.</td></tr>
<tr><td>7.12.2 (C) HCVs, HCS forests and other conservation areas are identified as</td><td>YES</td><td>The report of ""High Conservation Value (HCV) Assessment Report, Kretam Holdings Berhad, Silimpopon Estate, September 2018", prepared by consultant team was made</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
managed area are identified and protected or enhanced.	follows:		available to the audit team. The report covered all the High Conservation Value (HCV) within and surrounding the CU. The HCV assessment had identified 5 HCV attributes areas in the Silimpopon CU. The CU was observed to maintain its identified HCVs, i.e. HCV 1, 2, 3 areas (Forests, Biodiversity), HCV4 Steep Slopes area, Riparian Buffers and Water Catchments and HCV6 Cultural Value areas. Total hectare for HCV areas at Silimpopon CU is 1,479.54 ha. There is no evidence of any new land clearing (in existing plantations or new plantings) carried out after 15 November 2018.
	7.12.2a For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.	YES	
	7.12.2b: Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.	YES	
	7.12.4 (C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).	YES	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. No use of chemicals had been applied in the buffer zone as prohibited by the CU. In general, the action plan has been implemented accordingly as per detailed of action plan concerning HCV contained in the report section ‘6.2.2 HCV Management and Monitoring Recommendations’.” The action plan for these HCVs had been incorporated in the HCV report section ‘6.2.2 HCV Management and Monitoring Recommendations’.
	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	YES	No local community rights have been identified in the HCV areas.

Clause	Indicators	Comply Yes/No	Findings
	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.		
	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	Evidence was available on awareness briefings has been carried out. Workers were informed about RTE species, and the penalty involved if anyone working for the Company is found to capture, harm, collect, trade, possess or kill the HCV species.
	7.12.7 The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.	YES	Sighted during the audit were Monitoring Checklist of Biodiversity Area carried out on monthly basis, includes monitoring for signs of open burning, illegal hunting activities felling of trees, general conditions of water reservoir, fauna sightings, signboard and planted trees inspections. It was verified that these monitoring were then fed back into the HCV management plan.
	7.12.8 (C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.	YES	An area of 57.72 ha at Silimpopon 2 Estate (part of Block 10KF1) was cleared for new planting in 2010. Out of this, 39.12 ha was felled for oil palm, 5.18 ha was for access road, and 13.41 ha was felled but left unplanted. The RSPO's RaCP therefore applied to 39.12 ha and a Land Use Change Analysis was carried out. Under the RaCP, the following were carried: d. LUCA was approved by RSPO on 27 February 2019 e. Concept Note accepted by RSPO on 14 May 2020; f. Remediation and Compensation Plan was endorsed by the Compensation Panel on 8 October 2020.

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Clause	Indicators		Comply Yes/No	Findings
4.5.3 Time-bound plan Note: Where there are isolated lapses in implementation of a time-bound plan, a minor non-compliance shall be raised. Where there is evidence of fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised;	(a)	As a minimum, all estates and mills shall be certified within 5 years after obtaining RSPO membership. Any new acquisitions shall be certified within a 3-year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.	YES	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. 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: a. LUCA was approved by RSPO on 27 February 2019 b. Concept Note accepted by RSPO on 14 May 2020; c. Remediation and Compensation Plan was endorsed by the Compensation Panel on 8 October 2020.
	(b)	Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the time-bound plan, the later CB shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness;	YES	KHB has been certified all of their CU, including one in the Silimpopon 2 Estate, which done during Surveillance 1 Audit 2021.
	(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	YES	KHB has been certified all of their CU, including one in the Silimpopon 2 Estate, which done during Surveillance 1 Audit 2021.

		the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or equivalent);		
4.5.4 Requirements for uncertified management units:	(a)	No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3. Any new plantings since 1st January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;	YES	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-	YES	

		declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:		
		• 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	
		• Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team.	YES	
		• Desktop study e.g. web check on relevant complaints	YES	
		• 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	
4.6.4 The CB shall review whether oil palm operations have been established in areas which were previously owned by users and/or are subject to customary rights of local communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements.		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 since 1998. 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.

Attachment 4

Details of Non-conformities and Corrective Actions Taken

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action	Verification by Assessor
5.1.9 MAR 01 2021	Major	**Finding:** Grievance mechanism for smallholders and the grievances were not dealt with in a timely manner. **Objective evidence:** Based on interview with 1 smallholder, he mentioned that he did not know on some of the grievances related to the current pricing and the method of the payment on 2 time payment in monthly basis.	Root caused: The relevant FFB supplier was confused on the two (2) times payment per month which setting by the mill. Corrective action: The meeting with the FFB supplier who was confused with the payment has been carried out on 23/4/2021. The meeting focus on briefing and explanation on the payment method currently implemented by the mill. Mutual understanding on the payment agreeable by both side to be establish. Corrective action plan: Engagement or regular meeting from time to time with FFB supplier in order the FFB supplier could understand the method of payment by the mill.	Minute meeting dated 23/4/2021 with the said FFB supplier was verified. The meeting was attended by 2 FFB supplier and chaired by Mill Manager. Para 2.4 of the minute meeting said that, the said FFB supplier agreed to change the payment method from 2 time method in a month to 1 time payment only in a month. **Status: CLOSED**
7.3.2 RAR 01 2021	Minor	**Finding:** Disposal of waste material was not according to procedure and plan. **Objective evidence:** During site visits at Silimpopon 2 Estate (Kg Teratai) sighted domestic waste was not manage according to the waste management plan procedure and has been disposed behind the housing area.	Root caused: Awareness on hygiene and garbage disposal and also enforcement was not strictly implemented. Corrective action plan: Management will do the briefing on the hygiene and garbage disposal and also enforced strictly as per the waste management plan.	Corrective action plan accepted. **Status: Open** **The effectiveness of the corrective action plan will be verified during next audit**
7.11.3 RAR 02 2021	Minor	**Finding: E**ngagement with adjacent stakeholders on fire prevention and control measures was not yet carried out	Root caused: The annual stakeholder meeting was postponed due to Movement Control Order	Corrective action plan accepted. **Status: Open**

		Objective evidence: During site visit, interviewing with stakeholders, and document review, it was confirmed that engagement with adjacent stakeholders on fire prevention and control measures not yet carried out by Silimpopon CU.	(MCO) by the government. Stakeholders unable to attend the meeting and the fire prevention could not be carried out by CU. Corrective action plan: Estates and mill will engage and briefed the stakeholders on fire prevention and control measured. Priority to adjacent or neighbouring stakeholders through phone call, email or Whats App.	**The effectiveness of the corrective action plan will be verified during next audit**
3.4.3 RZ 01 2021	Major	**Finding:** The Social Impact Assessments and Monitoring Plans for Silimpopon Estates and Mill have not been implemented, reviewed and updated regularly in a participatory way. **Objective evidence:** Silimpopon CU could not demonstrate that the Social Impact Assessments for Silimponpon Mill and Estates 1 & 2 have been implemented, reviewed and updated regularly with participation of all levels of employees. As a result, the following social-related issues have not been identified and assessed: 1. Psychological and emotional impacts on all levels of employees arising from the imposition of internal controls against the spread of Covid-19. 2. Security concerns faced by foreign workers who have undocumented dependents living with them and their concerns related to affordability of regularization.	Root caused: Lack of the administration adherence, implementation and enforcement to the HR SOP. Corrective action: Estates and mill held an SIA meeting with workers and staff about re assessment of COVID 19 and security concerns for undocumented dependants. The meeting/consultation was held on 19-26 April 2021. The revised SIA action plan as per page 40 and 41 provided. Corrective action plan: The SIA action plan need to revised as and when any issues occurrence.	Revised SIA action plan has been verified. Impacts of COVID 19 has been stated in the SIA page 40 and 41. The employee provide the necessary things related to the basic needs while in the MCO period and agreement letter with regards to the dependent legalization. **Status: CLOSED**
6.2.2 RZ 02 2021	Major	**Finding:** Silimpopon 2 Estate could not demonstrate the issuance of pay slip which records work done by family members. **Objective evidence:** The March 2021 pay slip of one outturn harvester (TP050113) has not given the record of loose fruit picking work done by his spouse during that period.	Root caused: Inadequate of supply labor. Corrective action: The payment voucher has been issued to the spouse of the harvester which doing loose fruit picker job. The voucher dated 16/4/2021.	Payment voucher dated 16/4/2021 has been verified. Copy of vacancy advertisement dated 1 May 2021 has been verified. **Status: CLOSED**

			Corrective action plan: Management has advertised the vacancies of labor dated 1 May 2021.	
3.3.2 RZ 03 2021	Minor	**Finding:** Mechanism to check consistent implementation of the procedures for hiring foreign workers is not in place. **Objective evidence:** There is no mechanism to check consistent implementation of the following: 1. Procedure on Recruitment of Foreign Workers Doc No. KHB-HR-P04 Rev 4 effective on 1 March 2020. 2. Memorandum dated 29 May 2019 from Head of Human Resources and Sustainability to all Senior Estate Managers/Estate Managers which states that recruitment of temporary workers was no longer allowed effective 1 June 2019. This has resulted in the hiring of an undocumented person (Hasma Wati) who collected loose fruits at Division 3, Silimponpon 2 estate from 2 March 2021.	Root caused: Failure of the compliance by field staff according to the Recruitment Procedure and memorandum dated 29 May 2019. Corrective action plan: Memo of reminder on recruitment of temporary workers no longer allowed. Responsible staff on hiring undocumented person will give stern action by the management.	Corrective action plan accepted. **Status: Open** **The effectiveness of the corrective action plan will be verified during next audit**
6.5.3 RZ 04 2021	Minor	**Finding:** Silimponpon 1 and 2 Estates could not demonstrate that the needs of new mothers have been assessed and identified in a consultative way. **Objective evidence:** No consultative assessment to identify the needs of the following female employees as new mothers have been carried out, and therefore no action to address those needs was taken.	Root caused: The assessment of new mothers has been made but not include the need of new mothers. Corrective action: The new assessment will be conducted and to include the needs of new mothers and actions taken from the management.	Corrective action plan accepted **Status: Open** **The effectiveness of the corrective action plan will be verified during next audit**

ATTACHMENT 5

STATUS OF NON-CONFORMITIES PREVIOUSLY IDENTIFIED

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Verification by Assessor
4.7.3 DA 01 2019	Major	**Finding:** The CHRA recommendation Form F for work unit i.e. welding area (workshop), genset room and diesel skid tank was not available/installed. **Objective evidence:** During site visit at Silimpopon 1 Estate, sighted the Emergency Shower & Eye Wash was not available/installed at the welding area (workshop), genset room and diesel skid tank.	During site visit at Silimpopon 1 & 2 Estate and POM, sighted the Emergency Shower & Eye Wash was available/installed at the welding area (workshop), genset room and diesel skid tank. **Status: CLOSED**
5.1.2 DA 02 2019	Minor	**Finding:** Some activities have not been assessed in the Environment Impact Aspect assessment (EIA) report. **Objective evidence:** Transportation of fertilizers and chemical for spraying activities to the field have not been assessed in the Environment Impact Aspect assessment (EIA) report.	For Silimpopon 1& 2 Estates, latest environment aspect impact assessment was prepared on 21/10/2019 and updated on 03/03/2021 covering all activities. 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. Also Sighted the activities of transportation of fertilizers and chemical for spraying activities to the field was assessed and updated on 07/11/2019. **Status: CLOSED**
Supply Chain 5.1 RAR 01 2019	Major	**Finding:** Above requirement was not complied with. **Objective evidence:** The agreement between Silimpopon POM and outsourced transporter (Pengangkutan Kekal Sdn Bhd) to include clause stated that “The independent third party complies with the requirements of the RSPO Supply Chain Certification Standard” was not available.	Syarikat Kretam Mill POM has outsourced the transportation of certified CPO and certified PK to 4 outsource company 1 CPO and 3 PK transporter. Sighted clause stated that the independent third party shall complies with the requirements of the RSPO Supply Chain Certification Standard in the agreement **Status: CLOSED**

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 – Audit conducted by SIRIM							