RSPO ISH CERTIFICATION AUDIT REPORT

(NAME OF MANAGEMENT UNIT)

Audit Application Number:	IS25-000555
Assessment Type:	Recertification Audit
Phases	MSA, MSB & Eligibility Phase
Date of Assessment:	18/11/2024 – 21/11/2024
Audit Report Number:	1
Revision Number:	REV 0
Audit Report Date:	17/02/2025

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1. Certification Body Background

1.1 Description of Certification Body

Certification Body Information	
Name of Certification Body	SIRIM QAS International Sdn. Bhd.
Address of Certification Body (Accredited Office)	Building 4, SIRIM Complex, No. 1 ,Persiaran Dato' Menteri, Section 2, P.O. Box 7035, 40911 Shah Alam, Selangor, Malaysia.
Background of the Certification Body	SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS) and the International Automotive Task Force (IATF). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia. SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & ISO 45001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and re-accredited by ASI on 27 September 2024 (accredited since 2014)
Phone Number (Accredited Office)	(603) 5544 6119
Websites	**https://www.sirim-qas.com.my**
Contact Person Name	Kamini A/P M.Sooriamoorthy
Email	**kamini@sirim.my**
Accreditation Information	
ASI Code	ASI-ACC-065
Technical Scope	RSPO P&C, RSPO SCC
Geographical Scope	MALAYSIA AND INDONESIA
Accredited Since	27 SEPTEMBER 2014

2. Organisation Details and Certification Scope

2.1 Organisational Overview

Management Unit Information	
Name of Management Unit	LKM Trading
Address of the Management Unit	Sungai Segama, Jalan Jeroco, 91109 Lahad Datu, Sabah.
Country	Malaysia
Website	NA
Description of the Management Unit	The LKM Trading Sdn Bhd is a company owned by private smallholder. The Estate is located in Sungai Segama, Jalan Jeroco, Lahad Datu, Sabah. The location of the members are very close to Hap Seng Estate and Hap Seng POMs such as Bukit Mas POM, Jeroco 1 POM and Jeroco 2 POM. There are two (2) smallholders' unit under the same land title. The owners are the siblings of four (4) and they inherited their portion of the estate i.e., a quarter each, from their father. List of the independent smallholders i.e., group members of LKM Trading are tabulated below (also provided in Attachment 6). Mr Chua Soon Lee has been appointed as Group Manager for the RSPO Independent Smallholders group, the LKM Trading and Lim Engit Fun. Since 27/01/2023, another one (1) smallholder, Noriza Ariffin has also joined this ISH group. The previous 2 estates are fully developed with 100% oil palm planting. It began planting oil palm in year 2004 and for Lim Engit Fun, the oil palm planting is in year 2004, 2007, and 2011 and 1 new member Noriza were planting on year 2016 thus, 4 blocks were applicable for LUCA. Sighted latest Smallholder Land Use Change Analysis dated 19/08/2024 conducted by Skymap Global (M) Sdn Bhd (assigned by RSPO to analyse and calculate compensation liability). Conclusion and recommendation made by assessor as per below: • 6 separate landholdings with non-compliant land clearing are required for compensation liability analysis. • Total area of all separate landholding with non-compliant land clearing is 52.39ha. • The raw Non-Nompliant Land Clearance (NCLC) is 33.29ha and the Final Conservation Liability (FCL) is 0 ha. • No member's area was planted within riparian zone, steep slope, and peatland. The total area to be remediated is 0 ha.
Management Representative Name	CHUA SOON LEE @ LIEW SOON LEE

Management Representative Designation	RSPO Group Manager, LKM Trading
Management Representative Email	chuasoonlee@gmail.com

2.2 RSPO Membership Information

RSPO Membership Information	
RSPO Membership No.	1-0268-19-000-00
Name of RSPO Member	LKM Trading
Member Since	08/01/2019

2.3 Certificate Information

Certificate Information	
Certificate No.	RSPO-PC 00131
prisma Document Reference No.	*(N/A until June 2025)*
RSPO PalmTrace ID No.	RSPO_PO1000009743
prisma Trading Account ID	TA25-016644
Scope of Certification	PRODUCTION OF SUSTAINABLE FRESH FRUIT BUNCHES
Supply Chain Model	NA
Applicable Standards / Normative Reference	☐ RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard 2020 ☒ RSPO Independent Smallholder Standard 2019 ☐ RSPO Independent Smallholder Standard - Indonesia National Interpretation 2022 ☐ RSPO Independent Smallholder Standard - Côte d'Ivoire Local Interpretation
Initial Date of Certification	16/03/2020
Start Date of Certificate – Phase E	16/03/2025
Expiry Date of Certificate – Phase E	15/03/2027
Start Date of Certificate – Phase MS A	16/03/2025

Expiry Date of Certificate – Phase MS A	15/03/2026
Start Date of Certificate – Phase MS B	16/03/2025
Expiry Date of Certificate – Phase MS B	15/03/2030
Name of Peer Reviewer	Harso Yuli Antena

3. Description of the Management Unit

Information of Independent Smallholder Group						
Name of Independent Smallholder Group	**prisma ID**	**Address of Independent Smallholder Group**	**Area Summary (Ha)**		**GPS Coordinates**	
			Total Certified Area	**Total Planted Area**	**Latitude**	**Longitude**
Chua Soon Lee @ Liew Soon Lee And Chua Soon Nyee		Sungai Segama, Jalan Jeroco, 91109 Lahad Datu, Sabah.	30.39	29.54	5º 18' 31.89" N	118º 29' 53.51" E
Chua Soon Dee @ Liew Soon Dee And Chua Soon Yee @ Liew Soon Yee			30.39	29.57	5º 18' 31.89" N	118º 29' 53.51" E
Lim Engit Fun			29.101	27.551	5°23'14.293" N	118°42'37.431"E

Information of Independent Smallholder Group						
Name of Independent Smallholder Group	prisma ID	Address of Independent Smallholder Group	Area Summary (Ha)		GPS Coordinates	
			Total Certified Area	Total Planted Area	Latitude	Longitude
Noriza Ariffin			31.84	11.03	5°20'27.53" N	118°31'30.31"E

Information of Independent Smallholder Group Members												
No.	Name of Smallholder	prisma Smallholder Profile ID	Smallholder Plot Name	Prisma Smallholder Plot ID	Location	Date of Joining	Phase	GPS Coordinates		Area Summary (Ha)		Forecasted Annual FFB Production
								Latitude	Longitude	Total Certified Area	Total Planted Area	
1.	Chua Soon Lee @ Liew Soon Lee And Chua Soon Nyee		Chua Soon Lee @ Liew Soon Lee And Chua Soon Nyee	SHPL25-015240	Sungai Segama, Jalan Jeroco, 91109 Lahad Datu, Sabah.	07/03/2019	MS B	5º 18' 31.89" N	118º 29' 53.51" E	30.39	29.54	461.205

	Chua Soon Dee @ Liew Soon Dee And Chua Soon Yee @ Liew Soon Yee		Chua Soon Dee @ Liew Soon Dee And Chua Soon Yee @ Liew Soon Yee	SHPL25-015240	Sungai Segama, Jalan Jeroco, 91109 Lahad Datu, Sabah.	07/03/2019	MS B	5º 18' 31.89" N	118º 29' 53.51" E	30.39	29.57	461.205
2.	Lim Engit Fun		Lim Engit Fun	SHPL25-015236	Sungai Segama, Jalan Jeroco, 91109 Lahad Datu, Sabah.	27/01/2023	MS A	5°23'14.293" N	118°42'37.431"E	29.101	27.551	582.72
3.	Noriza Ariffin		Noriza Ariffin	SHPL25-015327	Sungai Segama, Jalan Jeroco, 91109 Lahad Datu, Sabah.	16/10/2024	E	5°20'27.53" N	118°31'30.31" E	31.84	11.03	185.29
Total										**121.721**	**97.691**	**1724.94**

Remark:
Use different colours to highlight the smallholders sampled for each audit (Eligibility, Milestone A and Milestone B audits).

3.1. Area Statement of the Management Unit

Name of the Independent Smallholder Group	Certified Area (Ha)	Planted Area (Ha)			Un-Planted Area (Ha)		
		Oil Palm Planted on Non-Peatland	Oil Palm Planted on Peat	Other Crop(s)	HCV	Conservation	Facilities / Others*
Chua Soon Lee @ Liew Soon Lee And Chua Soon Nyee	30.39	29.54	NA	NA	0.52	NA	1.14
Chua Soon Dee @ Liew Soon Dee And Chua Soon Yee @ Liew Soon Yee	30.39	29.57	NA	NA		NA	
Lim Engit Fun	29.101	27.551	NA	NA	NA	NA	1.55
Noriza Ariffin	31.84	11.03	NA	NA	NA	NA	20.81

TOTAL	121.721	97.691	NA	NA	0.52	NA	23.49
Remarks: **To include additional information wherever applicable.**							

3.2. Age Profile of the Management Unit

Name of the Independent Smallholder Group	Land size (Ha) by age of the Oil Palm				Total Production Area (Ha)	Total Planted Area (Ha)
	0 - 3 Phase 1	4 – 6 Phase 2	7 – 18 Phase 3	>19 Phase 4		
Chua Soon Lee @ Liew Soon Lee And Chua Soon Nyee	-	-	-	29.54	29.54	29.54
Chua Soon Dee @ Liew Soon Dee And Chua Soon Yee @ Liew Soon Yee	-	-	-	29.57	29.57	29.57

Lim Engit Fun	-	7.80	11.318	9.956	27.551	27.551
Noraniza Ariffin	-	-	11.03	-	11.03	11.03

Note: This age profile range is used based on the common phase of oil palm age as referred in *https://www.researchgate.net/publication/327527812*.

3.3. Replanting Program of the Management Unit

Name of the Independent Smallholder Group	Size of Land by Years (Ha)					Total Area (Ha)
	2024	2025	2026	2027	2028	
Chua Soon Lee @ Liew Soon Lee And Chua Soon Nyee	NA	NA	NA	NA	NA	NA
Chua Soon Dee @ Liew Soon Dee And Chua Soon Yee @ Liew Soon Yee	NA	NA	NA	NA	NA	NA
Lim Engit Fun	NA	NA	NA	NA	NA	NA

Noraniza Ariffin	NA	NA	NA	NA	NA	NA
Total Area (Ha)	NA	NA	NA	NA	NA	NA

Notes: 1st year of the replanting programme will be the current year of the audit.

3.4. Projected Certified Volume for Next License

Information of New License		
Next License Period	Start Date	1 December 2024
	End Date	30 November 2025
Projected IS-FFB Volume (MT) - Phase E	58	
Average Production Yield (MT/Ha) – Phase E	13.14	
Projected IS-CSPO Volume (MT)- Phase E	29	
4.Projected IS-CSPKO Volume (MT) - Phase E	7.25	
Projected IS-CSPKE Volume (MT) - Phase E	3.98	
Projected IS-FFB Volume (MT) - Phase MS A	434	
Average Production Yield (MT/Ha) - Phase MS A	22.50	
Projected IS-CSPO Volume (MT) - Phase MS A	124	
Projected IS-CSPKO Volume (MT) - Phase MS A	31	
Projected IS-CSPKE Volume (MT) - Phase MS A	17.05	
Projected FFB (ISH) Volume (MT) - Phase MS B	1100	
Average Production Yield (MT/Ha) - Phase MS B	18.60	

3.5. Information of Previous & Current License

Information of License	Previous Year License		Current Year License	
License Period	Start Date	16/06/2024	Start Date	16/03/2025
	End Date	15/03/2025	End Date	15/03/2026
Actual Production Period Reported	Start Date	01/01/2024	Start Date	01/12/2024
	End Date	31/12/2024	End Date	30/11/2025
Projected IS-FFB Volume (MT) - (for phase E)	180.00		58.00	
Projected IS-CSPO Volume (MT) - (for phase E)	36.00		29.00	
Projected IS-CSPKO Volume (MT) - (for phase E)	9.00		7.25	
Projected IS-CSPKE Volume (MT) - (for phase E)	4.95		3.98	
Projected IS-FFB Volume (MT) - (for phase MS A)	NA		434	
Projected IS-CSPO Volume (MT) - (for phase MS A)	NA		124	
Projected IS-CSPKO Volume (MT) - (for phase MS A)	NA		31	
Projected IS-CSPKE Volume (MT) - (for phase MS A)	NA		17.05	
Projected FFB (ISH) Volume (MT) - (for phase MS B)	1100		1100	

Actual Production of FFB	922.41	NA
Actual FFB Volume Sold as RSPO Certified (MT) - (for phase MS B)	922.41	NA
Actual FFB Volume Sold as Conventional (MT) - (for phase MS B)	0	NA
Actual FFB Volume Sold as Other Scheme (MT) - (for phase MS B)	0	NA
Total Actual FFB Volume Sold (MT) - (for phase MS B)	922.41	NA
Actual IS-CSPO Credits Volume Sold	0	NA
Actual IS-CSPKO Credits Volume Sold	0	NA
Actual IS-CSPKE Credits Volume Sold	0	NA

4. Audit Programme

4.1 Audit Methodology

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

1) Eligibility = (√y) x (0.5) where y is the number of group members;

2) Milestone A = (√y) x (0.8) where y is the number of group members;

3) Milestone B = (√y) x (z), where y is the number of group members and z is the multiplier defined by the risk assessment.

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

■ Eligibility ■ Milestone A ■ Milestone B

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

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

LKM Trading Sdn Bhd, with the current certified two (3) members and additional one (1) new member Noraniza Ariffin. 100% sampling was conducted during the assessment.

Noraniza Ariffin, joined on 16/10/2024 (Eligibility phase). The LKM Trading Sdn Bhd is a company owned by private smallholders. The audit included an on-site audit of LKM Trading Estate and its line site to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees and other relevant stakeholders were also conducted during the audit.

4.2 Audit Team Member

Auditor Name	Role	CAB Auditor Number
Rozaimee Ab Rahman	Lead Auditor / GAP & Safety	ASI1AU6HF7 (RAR)
Mohd Zulfakar Kamaruzaman	Auditor / Social & Environment	ASI17IDGG4 (MZK)
Dzulfiqar Azmi	Auditor / Social & safety	ASI1GIVNPH (DA)

4.3 Audit Plan

Date	Time	Auditor Profile ID	Location	Activity
18/11/2024	8.00 am – 5.00 pm	ASI1AU6HF7 (RAR) ASI17IDGG4 (MZK) ASI1GIVNPH (DA)	Office Group ISH	• Verification on Internal control system (ICS): Group entity and group management requirements • Legal identity of Group • Verification on legal requirement. • Verification on acknowledged membership requirements. • Verification on understanding and demonstration compliance of the ICS by individual members • Verification group certification and related topics and has sufficient resources to manage the group • Verification and evaluation for group manager to demonstrate capacity to manage and operate group certification requirements • Verified the group annual training programmed and effectiveness of training • Verifiifcation on ICS: policies and management for management operational • Verification on SOP for expulsion and sanctions for members who fail to comply, and a procedure to conduct internal audits • Basic information, farm information, production data, legal documentation of group members. • ICS: Group business planning – prepared with participatant and contribution by members • Verification The ICS of the group is integrated with the group's management plan. • ICS: Group trading system for certified volumes • Verification on procedure and system for the tracking of FFB. • Verification on procedure and system for premium distribution

19/11/2024	8.00 am – 5.00 pm	ASI1AU6HF7 (RAR)	Field visit at: • CHUA SOON LEE @ LIEW SOON LEE and CHUA SOON NYEE (MSB)	• Documentation review • Laws and regulations • Waste management • Environmental management – witness activities at site • Fertilizer store • Monitoring buffer zones areas • Training and skill development programmes • Occupational safety & health
		ASI17IDGG4 (MZK)		• Documentation review • Complaints and grievances • High conservation value • Good Agriculture Practices • IPM implementation, training and safe use of agro-chemicals • Stakeholder consultation with affected communities surrounding the CU
		ASI1GIVNPH (DA)		• Documentation review • Land titles, user rights • Facilities at workplace • Social aspects, child labour • Stakeholder consultation with employees
20/11/2024	8.00 am – 5.00 pm	ASI1AU6HF7 (RAR)	Site visit at : CHUA SOON DEE @ LIEW SOON DEE and CHUA SOON YEE @ LIEW SOON YEE (MSB)	• Documentation review • Laws and regulations • Waste management • Environmental management – witness activities at site • Fertilizer store • Monitoring buffer zones areas • Training and skill development programmes • Occupational safety & health
		ASI17IDGG4 (MZK)		• Documentation review • Complaints and grievances • High conservation value • Good Agriculture Practices

				• IPM implementation, training and safe use of agro-chemicals • Stakeholder consultation with affected communities surrounding the CU
		ASI1GIVNPH (DA)		• Documentation review • Land titles, user rights • Facilities at workplace • Social aspects, child labour • Stakeholder consultation with employees
21/11/2024	8.00 am – 3.30 pm	ASI1AU6HF7 (RAR)	Site visit at: • LIM ENGIT FUN (MS A) • NORIZA BINTI ARIFFIN (Eligibility)	• Documentation review • Laws and regulations • Waste management • Environmental management – witness activities at site • Fertilizer store • Monitoring buffer zones areas • Training and skill development programmes • Occupational safety & health
		ASI17IDGG4 (MZK)		• Documentation review • Complaints and grievances • High conservation value • Good Agriculture Practices • IPM implementation, training and safe use of agro-chemicals • Stakeholder consultation with affected communities surrounding the CU
		ASI1GIVNPH (DA)		• Documentation review • Land titles, user rights • Facilities at workplace • Social aspects, child labour • Stakeholder consultation with employees
	3.30pm-5.00 pm	All auditor		• Verification on outstanding issues for CU • Auditor to inform auditee on the required document / records

				• Continue Audit Team discussion and preparation of assessment findings. • Discussion and acceptance on assessment findings with Management Representative. • Closing meeting at CU

4.4 Sampling Details

No. of Smallholders	Phase	Risk Factor	Sampling Calculation Result	Total Sampled
1	Eligibility x = (√y) x 0.5	1	NORIZA ARIFFIN	NORIZA ARIFFIN
1	Milestone A x = (√y) x 0.8	1	LIM ENGIT FUN	LIM ENGIT FUN
2	Milestone B x = (√y) x (z)	1	• CHUA SOON LEE @LIEW SOON LEE and CHUA SOON NYEE • CHUA SOON DEE @ LIEW SOON DEE and CHUA SOON YEE @ LIEW SOON YEE	• CHUA SOON LEE @ LIEW SOON LEE and CHUA SOON NYEE • CHUA SOON DEE @ LIEW SOON DEE and CHUA SOON YEE @ LIEW SOON YEE

4.5 Sampling History of Current Certification Cycle

Audit Programme					
Name of the Independent Smallholder Group	**Year 1** 2021	**Year 2** **2022**	**Year 3** **2023**	**Year 4** **2024**	**Year 5** **2024**
	CHUA SOON LEE @ LIEW SOON LEE and CHUA SOON NYEE	CHUA SOON LEE @ LIEW SOON LEE and CHUA SOON NYEE	CHUA SOON LEE @ LIEW SOON LEE and CHUA SOON NYEE	CHUA SOON LEE @ LIEW SOON LEE and CHUA SOON NYEE	CHUA SOON LEE @ LIEW SOON LEE and CHUA SOON NYEE
	CHUA SOON DEE @ LIEW SOON DEE and	CHUA SOON DEE @ LIEW SOON DEE and	CHUA SOON DEE @ LIEW SOON DEE and	CHUA SOON DEE @ LIEW SOON DEE and	CHUA SOON DEE @ LIEW SOON DEE and

	CHUA SOON YEE @ LIEW SOON YEE	CHUA SOON YEE @ LIEW SOON YEE	CHUA SOON YEE @ LIEW SOON YEE	CHUA SOON YEE @ LIEW SOON YEE	CHUA SOON YEE @ LIEW SOON YEE
			LIM ENGIT FUN	LIM ENGIT FUN	LIM ENGIT FUN
					NORIZA ARIFFIN
Remarks: **To indicate the number of sampling for each audit. Only applicable for MS B audits.**					

4.6 Audit Team Leader and Audit Team Information

Audit Team Leader: ROZAIMEE BIN AB RAHMAN	
Requirements	**Description**
At least five (5) years of field experience in the palm oil sector, health and safety, or environmental management. These include experience in HCV and HCS assessment, social auditing or involvement in human rights activities;	Holds a B. Sc. of Agriculture from UPM. He had 7 years of working experience in the oil palm operation.
A supervised (by a qualified lead auditor) period of training in practical audits against the RSPO P&C and/or RSPO ISH standard, with a minimum of 15 days audit experience in at least three (3) audits;	Had attended training RSPO P&C standard and completed evaluation and qualified as lead auditor RSPO since 2016
Successfully completed a refresher course for RSPO endorsed P&C lead auditor course every three (3) years after the initial qualification as lead auditor	Successfully completed a refresher course for RSPO endorsed P&C lead auditor course in 2023

Audit Team Member(s):		
Requirements	**CAB Auditor Number**	**Description**
Possess a bachelor's degree or tertiary education in related disciplines, such as agriculture, environmental science or social sciences, etc;	Audit team Leader: ASI1AU6HF7 (RAR)	Holds a B. Sc. of Agriculture from UPM. He had 7 years of working experience in the oil palm operation.
	Audit team 1: ASI17IDGG4 (MZK)	Hold B. Sc. Forestry from Universiti Putra Malaysia (UPM)
	Audit team 2: ASI1GIVNPH (DA)	Hold a B. in Plantation Management from University Teknologi Mara (UiTM).

At least three (3) years of field experience in the palm oil sector, health and safety, or environmental management. These include experience in HCV and HCS assessment, social auditing or involvement in human rights activities	Audit team 1: ASI17IDGG4 (MZK)	He had more than 5 years of working experience in the oil palm operation and experience in HCV and HCS assessment auditing since 2015.
	Audit team 2: ASI1GIVNPH (DA)	Holds a B. Sc. in Agriculture from University Teknologi Malaysia (UiTM). He had more than 5 years of working experience in the oil palm operation.
Successfully completed an RSPO endorsed P&C lead auditor course	Audit team Leader: ASI1AU6HF7 (RAR)	Completed RSPO P&C lead auditor course in 2017 and refresher course in 2024
	Audit team 1: ASI17IDGG4 (MZK)	Completed RSPO P&C lead auditor course in 2015 by Wild Asia and refresher in 2024 by Checkmark Treaining
	Audit team 2: ASI1GIVNPH (DA)	Completed RSPO endorsed P&C lead auditor course in 2018 by Chemark Training. and refresher in 2024 by Checkmark Treaining
Successfully completed the 5-day lead auditor course for ISO 9001 or ISO 14001 or ISO 45001;.	Audit team Leader: ASI1AU6HF7 (RAR)	Successfully attended Lead Auditor Course for ISO 14001 and OHSAS 18001 in 2016 and ISO 9001 in 2018
	Audit team 1: ASI17IDGG4 (MZK)	Successfully attended 5-day lead auditor course for ISO 9001, ISO 14001 and ISO 45001 in 2015.
	Audit team 2: ASI1GIVNPH (DA)	Successfully attended Integrated Management System Lead Assessor Course in 2017.
Demonstrable understanding of the latest version of RSPO Certification Systems	Audit team Leader: ASI1AU6HF7 (RAR)	Can demonstrate of the latest version of RSPO Certification Systems
	Audit team 1: ASI17IDGG4 (MZK)	Can demonstrate of the latest version of RSPO Certification Systems
	Audit team 2: ASI1GIVNPH (DA)	Can demonstrate of the latest version of RSPO Certification Systems
For auditors auditing the ISH standard, auditors shall additionally be trained on the ISH standard either by the endorsed trainer or RSPO;	Audit team Leader: ASI1AU6HF7 (RAR)	Attend and passed training lead assessor for ISH by RSPO on year 2022
	Audit team 1: ASI17IDGG4 (MZK)	Attend and passed training lead assessor for ISH by RSPO on year 2023
	Audit team 2: ASI1GIVNPH (DA)	Attend and passed training lead assessor for ISH by RSPO on year 2023
A supervised (by a qualified auditor/lead auditor) period of training in practical audit against the RSPO P&C, with a minimum of 10 days of audit experience in at least two (2) audits.	Audit team 1: ASI17IDGG4 (MZK)	Had completed and pass evaluation of RSPO lead auditor since 2015.
	Audit team 2: ASI1GIVNPH (DA)	Had completed and pass evaluation of RSPO lead

		auditor since 2018.
Knowledgeable and experience of the local/regional laws	Audit team Leader: ASI1AU6HF7 (RAR)	Knowledgeable and experience of the local/regional laws
	Audit team 1: ASI17IDGG4 (MZK)	Knowledgeable and experience of the local/regional laws
	Audit team 2: ASI1GIVNPH (DA)	Knowledgeable and experience of the local/regional laws
Knowledgeable in Best Agricultural Practices, and Integrated Pest Management, pesticide and fertiliser use;	Audit team Leader: ASI1AU6HF7 (RAR)	Had more than 7 years of working experience in the oil palm operation
	Audit team 1: ASI17IDGG4 (MZK)	Had more than 5 years of working experience in the oil palm operation
	Audit team 2: ASI1GIVNPH (DA)	Had more than 5 years of working experience in the oil palm operation
Experience in health and safety auditing on the farm/plantation and in the palm oil mill, for example against the ISO 45001 Occupational Health and Safety Management standard;	Audit team Leader: ASI1AU6HF7 (RAR)	Had more than 5 years of working experience in the oil palm operation
	Audit team 1: ASI17IDGG4 (MZK)	Had more than 5 years of working experience in the oil palm operation
	Audit team 2: ASI1GIVNPH (DA)	Had more than 5 years of working experience in the oil palm operation
Experience in handling workers' welfare or social auditing experience, such as experience with the SA8000 or other international sustainability scheme that has the social auditing requirements. The auditor auditing the social requirements shall have successfully attended the internationally recognised social auditing standard training, such as the SA8000, Social Systems (SMETA) Auditor Training or social training recognised by RSPO;	Audit team Leader: ASI1AU6HF7 (RAR)	Attended SA 8000 training in 2018 and SMETA training in 2021 and more than 5 years of working experience in the oil palm operation and auditing social.
	Audit team 1: ASI17IDGG4 (MZK)	Attended SA 8000 training in 2018 and SMETA training in 2021 and more than 7 years of working experience in the oil palm operation and auditing social.
	Audit team 2: ASI1GIVNPH (DA)	Attended SA 8000 training in 2018 and SMETA training in 2021 and more than 5 years of working experience in the oil palm operation and auditing social.
Experience in handling of land rights, gender and indigenous peoples' issues;	Audit team Leader: ASI1AU6HF7 (RAR)	Had more than 5 years of working experience in the oil palm operation
	Audit team 1: ASI17IDGG4 (MZK)	Had more than 5 years of working experience in the oil palm operation
	Audit team 2: ASI1GIVNPH (DA)	Had more than 5 years of working experience in the oil palm operation
Experience in environmental and ecological auditing or assessments, such as experience with High Conservation Value (HCV)/High	Audit team Leader: ASI1AU6HF7 (RAR)	Had more than 5 years of working experience in the oil palm operation

Carbon Stock (HCS) assessments, organic agriculture or the ISO 14001 Environmental Management Systems standard;	Audit team 1: ASI17IDGG4 (MZK)	Had more than 5 years of working experience in the oil palm operation
	Audit team 2: ASI1GIVNPH (DA)	Had more than 5 years of working experience in the oil palm operation
Where applicable, knowledge on the ISH context	Audit team Leader: ASI1AU6HF7 (RAR)	Attend and passed training lead assessor for ISH by RSPO on year 2022
	Audit team 1: ASI17IDGG4 (MZK)	Attend and passed training lead assessor for ISH by RSPO on year 2023
	Audit team 2: ASI1GIVNPH (DA)	Attend and passed training lead assessor for ISH by RSPO on year 2023
Fluent in one of the main national languages	Audit team Leader: ASI1AU6HF7 (RAR)	Fluent in Malays and English
	Audit team 1: ASI17IDGG4 (MZK)	Fluent in Malays and English
	Audit team 2: ASI1GIVNPH (DA)	Fluent in Malays and English

5. Audit Findings & Result

Criterion / Indicator		Audit Findings	Audit Findings (Public Summary)	Compliance
A- ICS: Group entity and group management requirements				
A1: The Group demonstrates that they are legally formed.				
A1.1	A1.1 E The Group has appointed a group manager.		The new member has signed a contract with LKM Trading Group dated 16/10/2024. LKM Trading Group had appointed a Group Manager Mr. Chua Soon Lee has been appointed as LKM Trading Group Manager by the members (Chua Soon Nyee, Chua Soon Yee, Chua Soon Dee, Lim Engit Fun, and Noriza Ariffin) based on a letter dated 16/10/2024	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	A1.1 MS A Same as Eligibility		LKM Trading Group had appointed Mr. Chua Soon Lee has a LKM Trading Group Manager by the members (Chua Soon Nyee, Chua Soon Yee, Chua Soon Dee, Lim Engit Fun, and Noriza Ariffin) based on a letter dated 16/10/2024	
	A1.1 MS B Same as Eligibility		LKM Trading Group had appointed Mr. Chua Soon Lee has a LKM Trading Group Manager by the members (Chua Soon Nyee, Chua Soon Yee, Chua Soon Dee, Lim Engit Fun, and Noriza Ariffin) based on a letter dated 16/10/2024	

A1.2	A1.2 E The Group manager has evidence of legal identity.		LKM Trading is a legal entity which is a registered Malaysian company under trading (Licenses ID: LD/2017/8026) as per law. Sighted also MPOB Licenses for LKM Trading Group members phase E as per below: MPOB license no: 876426001014, valid until 31/03/2027	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	A1.2 MS A Same as Eligibility		LKM Trading is a legal entity which is a registered Malaysian company under trading (Licenses ID: LD/2017/8026) as per law. Sighted also MPOB Licenses for LKM Trading Group members MS A as per below: MPOB License: 416497901000 valid until 31/03/2028	
	A1.2 MS B Same as Eligibility		LKM Trading is a legal entity which is a registered Malaysian company under trading (Licenses ID: LD/2017/8026) as per law. Sighted also MPOB Licenses for LKM Trading Group members MSB as per below: • MPOB license no: 435135301000 valid until 31/05/2029. • MPOB license no: 435137301000 valid until 31/05/2029	

A1.3	A1.3 E The group has membership requirements.		The membership requirement, including the new member of E phase is based on the contract 'Undertake to Enter into This Contract Agreement' signed on 16/10/2024. The agreement or smallholder declaration has followed the Smallholder Declaration template in the RSPO ISH Standard Annex 2	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	A1.3 MS A Same as Eligibility.		LKM Trading has membership requirements with the member Lim Engit Fun based on the contract 'Undertake to Enter into This Contract Agreement' signed on dated 27 January 2023. The agreement or smallholder declaration has followed the Smallholder Declaration template in the RSPO ISH Standard Annex 2	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	A1.3 MS B Same as Eligibility		LKM Trading has membership requirements with the members 2 based on the contract 'Undertake to Enter into This Contract Agreement' signed on dated 27 January 2023. The agreement or smallholder declaration has followed the Smallholder Declaration template in the RSPO ISH Standard Annex 2.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
A1.4	A1.4 E All members have signed and acknowledged membership requirements.		The contract between the Group and the Producer, LKM Trading – herein referred to as the Group were verified during the audit. new member Noriza Ariffin herein referred to as the "Producer". The members signed an agreement with the Group Manager on 16/10/2024 and committed to achieving compliance with the RSPO standards and requirements, respectively.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	A1.4 MS A All members can demonstrate understanding of membership requirements.		The Group Manager has kept evidence that the nature and structure of the group have been communicated to all members of the Group appropriately on 18/09/2024 (attend by all group members). Compulsory training was conducted for year 2024 to covering all the requirements mentioned for all members, especially on RSPO certification, criteria for group membership, group members' documentation and plantation, agriculture practise, policies, safety and environment training, other obligation and others. Among of training conducted as per below: • Group policy & RSPO ISH standard • Grievances training • Environmental & safety & health training on • SW handling training • Fire drill training on • Manuring training • Sexual harassment training • GAP & price mechanism training on • PPE awareness training The requirement to confirm conditions or corrective actions issued by the certification body was described in the training.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	A1.4 MS B Same as Eligibility & Milestone A		The contract between the Group and the Producer, LKM Trading – herein referred to as the Group were verified during the audit. new member Noriza Ariffin herein referred to as the "Producer". The members signed an agreement with the Group Manager on 16/10/2024 and committed to achieving compliance with the RSPO standards and requirements, respectively.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
A2: The Group Manager is responsible for managing the Group for certification.				

A2.1	A2.1 E The group manager has planned for the implementation of the ICS		established an SOP and Flow chart for Internal Audit System dated 01/03/2019	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	A2.1 MS A The group manager can demonstrate compliance of the ICS by individual members		LKM Trading had established an SOP and Flow chart for Internal Audit System dated 01/03/2019. The internal audit was conducted on 05-06/09/2024 & 04-05/11/2024. A management review was conducted on 06/09/2024. The internal audit has been carried out by third parties from Hap Seng Plantation from Agronomist Department (Sustainability Team).	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	A2.1 MS B Same as Eligibility & Milestone A		LKM Trading had established an SOP and Flow chart for Internal Audit System dated 01/03/2019. The internal audit was conducted on 05-06/09/2024 & 04-05/11/2024. A management review was conducted on 06/09/2024. The internal audit has been carried out by third parties from Hap Seng Plantation from Agronomist Department (Sustainability Team).	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
A2.2	A2.2 E The group manager demonstrates understanding of the ISH Standard, group certification and related topics and has sufficient resources to manage the group		Based on the interview and evidence of implementation collected during a site visit, the audit team has verified that the Group Managers are able to demonstrate competence and knowledge of: ▪ RSPO Independent Smallholder Standard, 2019 ▪ RSPO Supply Chain Certification Standard ▪ Internal audit procedure and policies	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	A2.2 MS A The Group manager can demonstrate capacity to manage and operate group certification requirements		The Group Manager can demonstrate sufficient resources and capacity for managing group certification and performance assessment against this standard. Group Manager and collaboration with support smallholders programme by third parties from Hap Seng Plantation from Agronomist Department (Sustainability Team) were appointed and volunteered to monitor the performance of the members through field visits, internal audits and risk assessments for members.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	A2.2 MS B Same as Eligibility & Milestone A		The Group Manager can demonstrate sufficient resources and capacity for managing group certification and performance assessment against this standard. Group Manager and collaboration with support smallholders programme by third parties from Hap Seng Plantation from Agronomist Department (Sustainability Team) were appointed and volunteered to monitor the performance of the members through field visits, internal audits and risk assessments for members.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
A2.3	A2.3 E A group annual training plan is available covering the RSPO ISH, group management (which includes group objectives, structure, relevant procedures and the certification process) and other topics as outlined in the ISH Standard.		Training Plan titled “Schedule Monitoring Summary 2024” has been established by LKM Trading Group for the courses aimed at creating awareness and improving knowledge and competency. It covers all aspects of the RSPO ISH Standard, e.g: • Taklimat Polisi Syarikat & RSPO ISH Standard 2019, • Taklimat Prosedur Aduan, • Taklimat GAP, • Taklimat Sisa Buangan Terjadual (SW), • HCV Management Training, • Safety Training, • First Aid Training, Environmental Training and others	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	A2.3 MS A The group manager implements a phased approach to ensure members have progressively attended training on the ISH Standard, group management and other topics as outlined in the ISH Standard according to the group annual training plan.		Since there are 2 smallholders (MSB) and 1 smallholder (MSA) and 1 smallholders (phase E) in the group, the training was conducted as the Training Plan. A review of "Schedule Monitoring Summary 2024" found training has been conducted as planned, e.g. as per samples below: • Group policy & RSPO ISH standard date 15/02/2024 • Grievances training on 18/03/2024 • Environmental & safety & health training on 12/04/2024 • SW handling training on 04/11/2024 • Fire drill training on 14/10/2024 • Manuring training on 24/08/2024 • Sexual harassment training on 21/10/2024 • GAP & price mechanism training on 12/04/2024 • PPE awareness training on 23/07/2024 • GAP training on 18/03/2024 • Spraying training on 20/05/2024 • Safety training for harvester on 24/08/2024 • 1st aid training on 04/11/2024	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	A2.3 MS B All members attended training and can demonstrate understanding of the ISH Standard, group management and certification requirements including awareness on BMOs, HCV, environmental protection, social welfare of workers and business operations.		All members had attended training on date 18/09/2024. During site visit at 2 members (MSB) and 1 member (MSA) was sighted evidence as per below: • the good agriculture practices has been implemented such as – harvester were wearing completed and free of charge of PPE, frond stack located at interrow, standard ripeness FFB were harvested • HCV – riparian reserved located at block 2 at members (MSB) were sighted maintained natural grasses along the riparian reserved and palm were demarcated with red paint to ensure no chemical activities occur at the riparian reserved. • environmental protection – during site visit at line site members (MSB) were found all the domestic waste were disposed at dustbin and were collected by GM and disposed at LD landfill areas. All the members (phase E, MSA, & MSB) were not using chemical to control all the weeds. CUs only used rotor slashing to control all the weeds. • social welfare of workers – only 2 Members (MSB) has full time employees. Sighted an evidence housing had been provided to the employees with satisfaction living condition completed with treated water and electricity. GM also provided drinking water and food to them. • business operations – sighted communication or training provided to members by GM & support from Hap Seng Plantation Agronomist Département (Sustainability Team).	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

B - ICS: Policies and management				
B1: The group Internal Control System contains documented policies and procedures for operational management.				
B1.1	B1.1 E A group Internal Control System is available for operational management including procedures of expulsion and sanctions for members who fail to comply, and a procedure to conduct internal audits		Flowchart for Internal Audit System for LKM Trading' was established to monitor the performance of the management and controlling the compliance with the RSPO standard. Expulsion and sanctions for members who fail to comply had been stated inside contract by all in Item 3 (3.1 - Sanction, 3.2 - Warning, 3.3 - Suspension and 3.4 – Cancellation) titled 'LKM	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	B1.1 MS A The ICS is implemented and an internal audit is conducted for at least half of the group members and all audit findings are closed.		The ICS was implemented to all members. Sighted and verified from the internal audit checklist titled 'RSPO ISH 2019 Checklist For Documentation', issues no: 1, revision: 1, effective date 30/04/2021, reference no: RSPO P&C/ AGRO/002. The internal audit has been carried out by third parties from Hap Seng Plantation from Agronomist Department (Sustainability Team). 4 OFI has been raised to Lim Engit Fun. During site visit at member site was confirmed that all the OFI were closed satisfactory	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	B1.1 MS B The ICS is implemented and an annual internal audit of the group is conducted for all members and all audit findings are resolved.		The internal audit was conducted on 05-06/09/2024 & 04-05/11/2024. A management review was conducted on 06/09/2024. The internal audit has been carried out by third parties from Hap Seng Plantation from Agronomist Department (Sustainability Team). Zero NCR were raised to 2 members.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

B1.2	B1.2 E Basic information, farm information, production data, legal documentation of group members and signed Smallholder Declarations are available to the group manager		Basic information, farm information, production data, legal documentation of group members and signed Smallholder Declarations are available as listed below: • MPOB license no:876426001014, valid until 31/03/2027 • Land title: country lease, title no: 095336173 . Hectarage 31.84. • Previous year production data : 185.29mt • Contract agreement and smallholder declaration forms to joined LKM Trading Group on date 16/10/2024.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	B1.2 MS A Same as Eligibility		Basic information, farm information, production data, legal documentation of group members and signed Smallholder Declarations are available as listed below: Sighted also MPOB Licenses for LKM Trading Group members as per below: Lim Engit Fun, MPOB License: 416497901000 valid until 31/03/2028 LKM Trading is a legal entity which is a registered Malaysian company under trading (Licenses ID: LD/2017/8026) as per law. Sighted also MPOB Licenses for LKM Trading Group members MS A as per below: MPOB License: 416497901000 valid until 31/03/2028	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	B1.2 MS B Same as Eligibiity		Sighted also MPOB Licenses for LKM Trading Group members as per below:	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

			• Chua Soon Lee @ Liew Soon Lee & Chua Soon Nyee, MPOB license no: 435135301000 valid until 31/05/2029. Chua Soon Dee @ Liew Soon Dee & Chua Soon Yee @ Liew Soon Yee, MPOB license no: 435137301000 valid until 31/05/2029	

C- ICS: Group business planning				
C1: The group has a Business Plan prepared with the participation and contributions of all group members.				
C1.1	C1.1 E An annual group business plan is available, which includes: • Production and income forecasting based on historical records. • Plans for expansion.		LKM Trading Group had a documented Business Plan with projections until the financial year 2030. The budget provisions covered Production and income, FFB forecast, The production costs covered among others the following; a) Mature HA b) Immature HA c) FFB tons d) Yld/ha e) Cost/ton FFB f) Cost/Ha g) Total cost	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	C1.1 MS A The group business plan is implemented and reviewed at least annually.		LKM Trading Group had a documented Business Plan with projections until the financial year 2030. The budget provisions covered Production and income, FFB forecast, The production costs covered among others the following; • Mature HA • Immature HA • FFB tons • Yld/ha • Cost/ton FFB	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

			• Cost/Ha • Total cost	
	C1.1 MS B The group demonstrates financial stability and growth, and is able to support itself financially.		LKM Trading Group had a documented Business Plan with projections until the financial year 2030. The budget provisions covered Production and income, FFB forecast, The production costs covered among others the following; • Mature HA • Immature HA • FFB tons • Yld/ha • Cost/ton FFB • Cost/Ha • Total cost	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
C2: The ICS of the group is integrated with the group's management plan.				
C2.1	C2.1 E A group management plan is available which includes: ● Training/capacity building plans to improve productivity of group members. ● An approach to strengthen links within the supply chain. ● Plan for continuous improvement projects (i.e. on waste, soil, etc.), if any.		New member Management Plan 2024 was established and described in the Continuous Improvement Plan and training programed. The document was compiled by HSP Sustainability Executive, Group Manager and LKM clerk. LKM Trading was committed to implement best agricultural practices to improve productivity and performance of the farm, strengthen links within the supply chain	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	C2.1 MS A The group management plan is implemented and reviewed at least annually.		member Lim Engit Fun Management Plan 2024 was established and described in the Continuous Improvement Plan and training programed. The document was compiled by HSP Sustainability Executive, Group Manager and LKM clerk. LKM Trading was committed to implement best agricultural practices to improve productivity and performance of the farm, strengthen links within the supply chain	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	C2.1 MS B The Group Manager demonstrates the group's compliance with this ISH Standard.		LKM Trading Management Plan 2023/24 for Chua Soon Lee & Chua Soon Dee was established and described in the Continuous Improvement Plan. The document was compiled by HSP Sustainability Executive, Group Manager and LKM clerk. LKM Trading was committed to implementing best agricultural practices to improve productivity and performance of the farm, strengthen links within the supply chain.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

D ICS: Group trading system for certified volumes				
D1: The group has a procedure and system in place for the tracking of FFB.				
D1.1	D1.1 E Record sheets to track the annual production and sales of certified volumes, covering traceability of producers and/or traders are available.		New member has maintained the yearly accounting system to Record sheets to track the annual production and sales of FFB volumes, covering traceability of producers and deliveries FFB. Record titled as *"Records of Delivery and Sales of FFB at Tomanggong POM". Total FFB as per below:* • **Jan to December 2023:** 149.5 mt • **Jan to October 2024:** 154.3 mt	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	D1.1 MS A Group manager maintains annual production records and sales of certified volumes.		member Lim Engit Fun has maintained the yearly accounting system to Record sheets to track the annual production and sales of FFB volumes, covering traceability of producers and deliveries FFB. Record titled as *"Records of Delivery and Sales of FFB at Tomanggong POM". Total FFB as per below:* • **Jan to December 2023:** 612.29 mt • **Jan to October 2024:** 491.77 mt	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
	D1.1 MS B Group Manager maintains annual production records and sales of certified volumes of all FFB sources.		Both members was maintained the yearly accounting system to Record sheets to track the annual production and sales of certified volumes, covering traceability of producers and/or traders RSPO certified and deliveries FFB. Record titled as *"Records of Delivery and Sales of FFB at Jeroco/Bukit Mas"*. LKM also has maintained all their receipts of FFB sales in the file name LKM Trading Weighbridge ticket. **- Jan to December 2023:** • BPOM =557.017mt • JPOM2 = 18.234mt **- Jan to October 2024:** • BPOM = 447.316mt • JPOM2 = 20.042mt	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
D2: The group documents and implements a system for the tracking of FFB.				
D2.1	D2.1 MS A Group manager maintains annual production data and sales of certified volumes through Book and Claim for the group based on actual receipts for and sales by all members.		member Lim Engit Fun has maintained the yearly accounting system to Record sheets to track the annual production and sales of FFB volumes, covering traceability of producers and deliveries FFB. Record titled as *"Records of Delivery and Sales of FFB at Tomanggong POM*	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	D2.1 MS B Group Manager maintains annual production data and sales of certified volumes through physical or Book and Claim for the group based on actual receipts and sales for all members and 100% all certified volumes.		Both members has maintained the yearly accounting system to Record sheets to track the annual production and sales of certified volumes, covering traceability of producers and/or traders RSPO certified and deliveries FFB. Record titled as *"Records of Delivery and Sales of FFB at Jeroco/Bukit Mas".* LKM also has maintained all their receipts of FFB sales in the file name LKM Trading Weighbridge ticket and it can be confirmed is all 100% certified volume. FFB Statement Account for month January to December 2023and January to October 2024 daily records FFB Record sold to BPOM and JPOM	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
D3: The group has a procedure and system for premium distribution.				
D3.1	D3.1 E The group and group manager have agreed on how the premiums should be used and the agreement is recorded and communicated to the group members. Prices, premiums, and timing of premium payment are clearly communicated and transparent to al group members. Premiums disbursed to embers at all stages are recorded and the premiums are paid in a timely and convenient manner.		All members and group manager Mr. Chua Soon Lee have agreed on how the premiums should be used which is to cover the cost of RSPO Certification and the agreement is recorded in the contract between all of the members and communicated to the group members during the signage of contract Prices, premiums, and timing of premium payment are clearly communicated and transparent to all Group Member as evidence during interview through phone call due to all siblings of Group Manager currently in Singapore. Premium is disbursed to members at all stages are recorded and the premiums are paid in a timely and convenient manner, However, all of Groups Member are decided to use back Premium for RSPO Certification. The disbursement received by the LKM Trading from Hap Seng Tomanggong POM, Bukit Mas POM and Jeroco 2 POM	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

			are already recorded in the Letter FFB Statement of Account. For Group Member Premium is disbursed to members at all stages are recorded and the premiums are paid in a timely and convenient manner.	
	D3.1 MS A The disbursement of premiums, including price and timing of the disbursement to group members is clearly recorded.		All members and group manager Mr. Chua Soon Lee have agreed on how the premiums should be used which is to cover the cost of RSPO Certification and the agreement is recorded in the contract between all of the members and communicated to the group members during the signage of contract Prices, premiums, and timing of premium payment are clearly communicated and transparent to all Group Member as evidence during interview through phone call due to all siblings of Group Manager currently in Singapore. Premium is disbursed to members at all stages are recorded and the premiums are paid in a timely and convenient manner, However, all of Groups Member are decided to use back Premium for RSPO Certification. The disbursement received by the LKM Trading from Hap Seng Tomanggong POM, Bukit Mas POM and Jeroco 2 POM are already recorded in the Letter FFB Statement of Account. For Group Member Premium is disbursed to members at all stages are recorded and the premiums are paid in a timely and convenient manner.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion / Indicator		Audit Findings	Audit Findings (Public Summary	Compliance
Principle 1: Competitive, resilient, and sustainable sector				
Criterion 1.1: Smallholders establish a legal entity which has organisational capacity to comply with the RSPO Independent Smallholder Standard				
Eligibility (E)	Legally registered entities have documented evidence to include: 1. Legal formation (as per country requirements). 2. Fair and transparent decision making and governance. 3. Additional documents per requirements for Group Formation and Management. 4. Signed or thumb printed Smallholder Declaration from all smallholder member, reference Annex 2.		LKM Trading is a legal entity which is a registered Malaysian company under trading (Licenses ID: LD/2017/8026) as per law. It provides support and assistance to independent small oil palm producers which consist of smallholders. All members have signed an revised contract agreement and smallholder declaration with the Group Manager on 16/10/2024 for new members Noriza Binti Ariffin (new members) on committing to achieving compliance with the RSPO standards and requirements. Smallholder Declaration in Annex 2 or develop a new Smallholder Declaration based on the template in Annex 2. The agreement has followed the Smallholder Declaration template in the RSPO ISH Standard Annex 2. Smallholder Land Use Change Analysis (LUCA) for LKM Trading 1st Clarification, prepared on 19/08/2024 by Skymap Global (M) Sdn. Bhd. The 6 separate landholdings with non-compliant land clearing are required for compensation	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

			liability analysis. The total of all separate landholding with non-compliant land clearing is 52.39 ha. The raw NCLC is 33.29 ha and the FCL is 0 ha. No smallholder is area was planted with oil palm within riparian zone, steep slope and peatland. This, the total area needs to be remediated is 0 ha. Previous members and new members (E phase) have signed the revised Smallholder Declaration, on date 16/10/2024	
Milestone A (MS A)	MS A Group manager and group members and group members have an Internal Control System (ICS) Eligibility and MS A requirements (section 3.2 below) and compete training on oil palm pricing mechanisms, financial management, and best practices for smallholder organizations.		The MS A Group Manager and members maintain an Internal Control System (ICS) to ensure compliance with the Internal Audit Procedure dated 07/12/2020 and the requirements outlined in MS A (refer to Section 3.2 below). Key requirements include ensuring that no workers on smallholder farms are under the age of 15 or below the minimum age stipulated by local, state, or national laws, whichever is higher. Children are only permitted to assist on family farms, provided they do not perform dangerous, hazardous, or physically demanding tasks.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	Smallholder groups are operating in accordance to best management practices for groups, including:		The MS A Group Manager and members maintain an Internal Control System (ICS) to ensure compliance with the Internal Audit Procedure dated 07/12/2020 and the requirements outlined in MS A (refer to Section 3.2 below). Key requirements include ensuring that no workers on smallholder farms are under the age of 15 or below the minimum age stipulated by	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	• Fair and transparent decision making and governance; and • Sustainable financial management		local, state, or national laws, whichever is higher. Children are only permitted to assist on family farms, provided they do not perform dangerous, hazardous, or physically demanding tasks.	

Criterion 1.2: Smallholders have the capacity to effectively manage their farm.				
Eligibility (E)				
Milestone A (MS A)	MS A Smallholders compete training on farm business operations, monitoring and planning. The training includes capacity building on record keeping for production, including inputs and yields, transactions and variety.		Based on interviews and a review of records, including FFB monthly statements, inputs yields, transactions, delivery records, and sales documentation, it was verified that MS A Smallholders participated in comprehensive training on farm business operations, monitoring, and planning	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Smallholders are managing their farms effectively and maintain records of production and transaction data of all FFB sales.		LKM Trading has maintained the yearly accounting system to Record sheets to track the annual production and sales of certified volumes, covering traceability of producers and/or traders RSPO certified and deliveries FFB. Record titled as *"Records of Delivery and Sales of October 2024" at Jeroco 2 POM (JPOM2), Tomanggong POM (TPOM) and Bukit Mas POM (BPOM)".* LKM also has maintained all their receipts of FFB sales in	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

			the file name LKM Trading Weighbridge ticket.	
Criterion 1.3: Smallholders implement good agricultural practices) GAP) on their farms.				
Eligibility (E)	Smallholders commit to implementing good agricultural practices on their farms. Reference Smallholder Declaration, 1.1. E, Annex2)		New members has committed to implementing good agricultural practices on her farms. As a new member (E Phase), she has signed the Smallholder Declaration on 16 October 2024	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Smallholders complete training on Good Agricultural Practice (GAP)		All smallholders completed training on Good Agricultural Practices (GAP) on 18 September 2024. Based on field inspections conducted with, the implementation of GAP was confirmed to be in satisfactory condition. Key observations during the inspection included no unharvested bunches, good crop recovery, well-maintained palm circles, healthy palm canopy. These findings indicate a strong commitment to the principles of GAP by the smallholders, contributing to improved productivity and sustainable agricultural practices.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Smallholders have adopted GAP on their farms and tracking productivity through, but		All smallholders have fully adopted Good Agricultural Practices (GAP) on their farms and are systematically tracking productivity through agronomic consultations and expert recommendations provided by an agronomist from Hap Seng Plantations. This	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement

	limited tom records of FFB sales.		tracking includes, but is not limited to, comprehensive records of FFB sales, which serve as key indicators of farm performance and productivity.	☐ Not Applicable (justification required)

Principle 2: Ensure Legality, Respect for Land Rights and Community Wellbeing ***Comply with the law and respect communities' rights.***				
Criterion 2.1: Smallholders have legal or customary rights to use the land in accordance with national and local laws, and customary practice.				
Eligibility (E)	E Smallholders provide the coordinates or maps of their plots and evidence of ownership, or rights to use the land (Reference indicator 1.1 E, Annex 2).		The new member has the legal right to use the land in accordance with national and local laws, and customary practices. The coordinates or maps of their plots as with latitude 5°20'27.53" N and Longitude 118°31'30.31"E.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS B Smallholders can demonstrate legal ownership or native and/or customary rights to use the land or demonstrate that they are in the process of legislation of the right.		Smallholders have demonstrated legal ownership or native and/or customary rights to use the land or demonstrate that they are in the process of legalisation of that right. A it has been verified that the land has now been legitimately owned by LKM Trading since 1999. The audit team had confirmed that there were no land issues related to previous owners. The audit team has also interviewed relevant stakeholders such as the Kg Litang Head, and Hap Seng Representative during the last surveillance 4 audit (2024). From the interviews, it concluded that there was no evidence of any land dispute at LKM Trading. Sighted also land title for Lim Engit Fun it has been verified that the land has been	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

			legitimately owned by Lim Engit Fun since 1998, it has been confirmed through interviewed with representative Kampung Tidung 2 From the interviews, it concluded that there was no evidence of any land dispute at Lim Engit Fun.	
Milestone B (MS B)	MS B Smallholders plots are clearly and visibly demarcated and maintained, and the smallholders are operating within these boundaries.		Field verification during the audit of LKM Trading observed the boundary stones were maintained between the other smallholding farm and the neighbouring private oil palm estates. Red-white painted pole with a number has been seen available along LKM Trading boundaries. Field verification during the audit of Lim Engit Fun observed the boundary stones with number 951/845 were maintained between the other smallholding farm and the neighbouring private oil palm estates and neighbouring smallholders. Red-white painted pole with a number has been seen available along LKM Trading boundaries.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 2.2: Smallholders have not acquired lands from indigenous peoples, local communities or other users without their free, prior and informed consent, based on a simplified FPIC approach.

Eligibility (E)	For existing plots, smallholders can demonstrate that they have not acquired land without free, prior and informed consent of indigenous peoples, local communities to other users (Ref Indicator 1.1 E, Annex 2).		Land title for E phase member has been verified by the auditor and it was confirmed that that the land has been legitimately owned by member, it has been confirmed through interviewed with representative Kampung Tidung Darat From the interviews, it concluded that there was no evidence that they have not acquired land without free, prior and informed consent of indigenous peoples, local communities to other users at member.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Same as Eligibility		Land title for MS A member member has been verified by the auditor and it was confirmed that that the land has been legitimately owned by member, it has been confirmed through interviewed with representative Kampung Tidung Darat From the interviews, it concluded that there was no evidence that they have not acquired land without free, prior and informed consent of indigenous peoples, local communities to other users at member.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Same as Eligibility		Land title for MS B members has been verified by the auditor and it was confirmed that that the land has been legitimately owned by member, it has been confirmed through interviewed with representative Kampung Tidung Darat From the interviews, it concluded that there was no evidence that they have not acquired land without free, prior and informed consent of indigenous peoples, local communities to other users at members.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 2.3: The right to use the land is not disputed by indigenous peoples, local communities or other users.				

Eligibility (E)	2E Smallholders declare any existing disputes on the land commit to resolving said disputes and provide information on the current status of those disputes (if any). (Ref. Indicators 1.1 E, Annex 2)		There was no land dispute recorded at the current smallholders of LKM Trading. This was verified through stakeholders' consultation	☐ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A There is an absence of disputes among indigenous peoples, local communities or other users, regarding land, resource-use and access rights; or where there is a dispute, dispute resolution processes are implemented, and the process is accepted by all parties involved.		There was no land dispute recorded at the current smallholders of LKM Trading. This was verified through stakeholders' consultation	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	Same as Milestone A		There was no land dispute recorded at the current smallholders of LKM Trading. This was verified through stakeholders' consultation	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 2.4: The right to use the land is not disputed by indigenous peoples, local communities or other users.				

Eligibility (E)	E Smallholders plots are located outside of areas classified as national parks or protected areas as defined by national, regional or local law or as specified in National Interpretations (Ref 1.1 E, Annex 2).		E Phase member plots are located outside of areas classified as national parks or protected areas as defined by national, regional or local law, or as specified in National Interpretations. This was verified through coordinate 5°20'27.53" N and Longitude 118°31'30.31"E, using Satellite Image of Sentinel dated 18/11/2024. Assessor also has review the Smallholder LUCA for LKM Trading on 19th August 2024 by Skymap Global (M) Sdn Bhd	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Same as Eligibility		Site visit and document review of HCV area and Biodiversity assessment report with revision date 4 November 2024, observed smallholder plots are located outside of areas classified as national parks or protected areas as defined by national, regional, or local law, or as specified in National Interpretations	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Same as Eligibility		plots are located outside of areas classified as national parks or protected areas as defined by national, regional or local law, or as specified in National Interpretations. This was verified through coordinate 5°23'14.293" N, 118°42'37.431"E, using Satellite Image of Sentinel dated 12 Jan 2023	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 2.5: For new planting, smallholders do not clear or acquire any land without obtaining the free, prior and informed consent (FPIC), of indigenous people and/or local communities and/or other users, based on a simplified FPIC approach.

********Do any smallholders within the group have plans for new planting of oil palm? If none, SKIP.*

Eligibility (E)	E For new oil palm planting, smallholders commit not to clear or acquire land from indigenous people, local communities, or other users without free, prior and informed consent, based on a simplified FPIC approach (Reference 1.1E, Annex 2).		E phase member, There is a planting conducted after 2005, all the palm tree has been Planted on 2015, Assessor has verify the LUCA Assessment report dated 19th August 2024 by Skymap Global (M) Sdn Bhd and found that the Noriza binti Ariffin land is not acquire land from indigenous people, local communities, or other users without free, prior and informed consent, based on a simplified FPIC approach	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	***Do any smallholders within the group have plans for new planting of oil palm? If none, SKIP.* MS A Smallholders complete training on how to conduct a simplified FPIC approach.		No new planting	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	***Do any smallholders within the group have plans for new planting of oil palm? If none, SKIP.* MS B Based on a simplified FPIC approach, smallholders jointly agree on a plan with the affected indigenous peoples and/or other right holders, including vulnerable groups, for new oil palm developments, if these involve land-use change.		No new planting	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Principle 3: Respect human rights, including workers' rights and conditions ***Safeguard human rights and protect workers' rights, ensuring safe and decent working conditions.***				
Criterion 3.1: There is no use if forced labour.				
Eligibility (E)	E Smallholders commit to no use of forced labour and ensure that any use if forced labour on the farm is terminated at Eligibility. They provide information on the source of labour on the farm, including family, contract and hired labour. (Reference 1.1E, Annex 2).		smallholders are committed to avoiding the use of forced labor and ensuring its elimination on the farm at the time of eligibility, as verified through interviews with the smallholder. This commitment is further supported by the Sustainability Agriculture Policy dated 11/12/2020 and Smallholder Declaration under Annex 2 dated 16/10/2024. lack of documentation creates significant gaps in traceability, making it difficult to confirm compliance with the relevant indicator. Without clear records, there is no assurance that fair and ethical labour practices have been implemented. Furthermore, the absence of traceable payment records raises concerns about transparency and increases the potential risk of fraudulent practices or financial mismanagement. ***As a result, NCR was raised.***	☐ Conform ☒ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Milestone A (MS A)	MS A Smallholders complete training in free and fair labour and implement measures to ensure that all work is voluntary, and the following practices are prohibited: • Retention of identity documents including but not limited to passports; • Payment of recruitment fees by workers; • Contract substitution; • Involuntary overtime; • Lack of freedom of workers to resign; • Penalty for termination of employment; • Debt bondage; • Withholding wages.		It was verified that members employ a workforce of 9 individuals, including 7 foreign workers from Indonesia and the Philippines and 2 local workers. Interviews conducted with sampled foreign workers confirmed that identity documents, such as passports, are not retained, and workers are not required to pay recruitment fees. Furthermore, no evidence of contract substitution, involuntary overtime, restrictions on the freedom to resign, penalties for employment termination, debt bondage, or wage withholding was identified.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Workers on the farm, including their families, have unrestricted access to their identity documents, have freedom of movement and can. Declare that their employment is freely chosen.		It was confirmed that contract labor is engaged to perform essential tasks, including harvesting, transportation to the mill, and upkeep work. Workers on the farm, along with their families, have unrestricted access to their identity documents and enjoy full freedom of movement, both on and off the farm premises. They have also declared that their employment is freely chosen without coercion or undue pressure.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 3.2: Children are not employed or exploited. Work by children is acceptable on family farms, under adult supervision and when not interfering with education programmes. Children are not exposed to hazardous working conditions.				
Eligibility (E)	E Smallholders are aware of what defines child labour and ensure that any child labour in the farm operations is terminated at Eligibility. Awareness of child labour and commitment to no child labour includes: 1. Compliance with the minimum age of workers and as defined by local, state or national law. 2. Not exposing children to hazardous work. 3. Providing adult supervision of young people working on the farm. 4. Ensuring the practice of children's rights to education is unrestricted and respected. (Reference 1.1E, Annex 2).		Interviews with the E Smallholder, confirmed that they are well-informed about the definition of child labour and its implications. They actively monitor their operations to ensure compliance and are committed to terminating any instance of child labour immediately upon identification, aligning with legal and ethical standards.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Milestone A (MS A)	MS A Group managers and smallholders implement measures to protect children as follows: 1. There are no workers on smallholder farms under the age of 15 or under the minimum age defined by local, state or national law, whichever is higher. 2. Children are only permitted to help on family farms and are not permitted to perform dangerous, hazardous or heavy work. 3. If young workers are employed, their work is not mentally or physically harmful and does not interfere with their schooling, if applicable.		Based on the labour information statement and interviews with MS A Group managers and smallholders, measures are in place to protect children through contract agreements. There is no evidence of workers on the smallholder farms being under the age of 15 or below the minimum age set by local, state, or national law, whichever is higher. Children are only permitted to assist on family farms and are strictly prohibited from engaging in dangerous, hazardous, or heavy work. In cases where young workers are employed, their tasks are carefully managed to ensure they are not mentally or physically harmful and do not interfere with their schooling, if applicable. These practices align with the group's commitment to child protection and adherence to labour standards	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Same as Milestone A		Based on the labour information statement and interviews with MS A Group managers and smallholders, measures are in place to protect children through contract agreements. There is no evidence of workers on the smallholder farms being under the age of 15 or below the minimum age set by local, state, or national law, whichever is higher. Children are only permitted to assist on family farms and are strictly prohibited from engaging in dangerous, hazardous, or heavy work. In cases where young workers are employed,	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

			their tasks are carefully managed to ensure they are not mentally or physically harmful and do not interfere with their schooling, if applicable. These practices align with the group's commitment to child protection and adherence to labour standards	
Criterion 3.3: Workers' pay complies with minimum legal requirements, mandatory industry standards as defined by national law or collective bargaining, whichever takes priority in local regulations. *****Are there workers on the farm? If no, SKIP.***				
Eligibility (E)	E Smallholders commit to pay workers according to minimum legal requirements or mandatory industry standards (Reference 1.1E, Annex 2).		Based on pay condition documentation and an interview with one worker on E Smallholders' farm, it was confirmed that the worker has been paid in accordance with the minimum legal requirements or mandatory industry standards	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Workers receive payments as expected and agreed in accordance with at least the legal minimum wage rate (excluding overtime premiums) and without discrimination against vulnerable groups, including women.		Based on the verification of documentation and payment conditions for all 9 workers employed on MS A farms, as well as interviews with a sample of workers, it was confirmed that all employees receive payments as expected and agreed upon, in accordance with at least the legal minimum wage rate (excluding overtime premiums). The payment practices are consistent and do not discriminate against vulnerable groups, including women. The workers reported that their wages are fair, transparent, and aligned with both legal and industry standards	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Workers receive payments as expected and agreed in accordance with at least the legal minimum wage rate (excluding overtime premiums) and without discrimination		During interview with contract workers was confirm the payment received as per agreed payment.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	against vulnerable groups, including women.			
Criterion 3.4: Workers' understand their rights and freedom to file a complaint/grievance to group manager or relevant third parties, including RSPO. ****Are there workers on the farm? If no, SKIP.***				
Eligibility (E)	E Smallholders commit to respect the rights of rights of workers to file a complaint/grievance. (Reference 1.1E, Annex 2).		The smallholders is committed to respecting the rights of workers to file complaints or grievances through a formal grievance mechanism, as outlined in the procedures dated 04/01/2021. Based on the records and interview sessions, it was confirmed that no complaints have been filed to date, indicating that workers are either satisfied with the current practices as per Smallholder Declaration under Annex 2 dated 16/10/2024	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Smallholders complete training on workers' rights to file a complaint/grievance and communicate to workers the means to file a complaint/grievance.		The smallholders completed training on workers' rights to file complaints or grievances and communicated the process to workers on 19/02/2024, with the briefing conducted by GM. Based on interviews with a sample of both foreign and local workers, it was revealed that there have been no complaints or issues raised, indicating that workers are either content with the working conditions or have not encountered concerns that require formal grievance procedures.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Workers are aware of and have access for filing a complaint/grievance.		Based on the interview session with MS B, workers are aware of the grievance procedure and have clear access to the necessary channels for filing complaints. The process for raising concerns is well-communicated to workers, ensuring that they feel confident and supported in addressing any issues they may encounter. Additionally,	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

			the grievance mechanism is designed to be transparent, confidential, and accessible to all workers without fear of retaliation	

Criterion 3.5: Working Conditions and facilities are safe and meet minimum legal requirements.				
Eligibility (E)	Smallholders commit to providing safe working conditions and facilities (Reference 1.1. E, Annex 2).		During the interview with the new smallholder, he expressed a strong commitment to providing safe working conditions and necessary facilities for the workers as per Smallholder Declaration under Annex 2 dated 16/10/2024. This includes ensuring compliance with safety standards, offering adequate protective equipment, and maintaining a work environment that prioritizes the health and well-being of all employees.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Smallholders, workers, and family member complete training and aware of health and safety risks associated with farm work, (including that of pesticide use) and how to mitigate them.		Several training has been conducted and during interview was confirm that smallholders, their workers, and family members have participated in and successfully completed comprehensive health and safety training programs. These sessions provided critical awareness into farm operations, with a focus on the safe handling, storage, and application of pesticides, alongside proactive measures to identify and mitigate associated risks. The training also covered the proper use of personal protective equipment (PPE), emergency response procedures, and first aid techniques to enhance overall preparedness in managing potential hazards.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Milestone B (MS B)	MS B Workers, including smallholder family members, have access to safe working conditions and amenities that include: • Safe and adequate housing, where applicable • Access to basic first aid supplies • Health and safety equipment, including minimum personal protective equipment (PPE) if appropriate for the type of work • Adequate drinking water • Access to toilets		All workers, including smallholder family members, benefit from access to safe working conditions and essential amenities supported by comprehensive training programs. These sessions were designed to enhance understanding and identification of potential risks associated with farm activities, such as the safe handling, storage, and application of pesticides. Additionally, they emphasized the proper use of personal protective equipment (PPE), first aid measures, and emergency response procedures to address accidents or hazardous substance exposure. Participants were also made aware of the importance of maintaining hygiene through the provision of adequate drinking water and access to sanitary facilities such as toilets.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 3.6: There is no discrimination, harassment, or abuse on the farm. ****Are there workers on the farm? If no, SKIP***.				
Eligibility (E)	E Smallholders commit to no discrimination, harassment or abuse on the farm (Reference 1.1 E, Annex 2).		All smallholders have formally committed to sustaining principles of non-discrimination, zero tolerance for harassment, and the prevention of abuse on the farm, as outlined in the Smallholder Declaration under Annex 2, dated 16/10/2024. This commitment ensures equal treatment and a respectful working environment for all workers. During the assessment, no evidence of discrimination, harassment, or abuse was observed or reported on the farm.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Smallholders complete training on workplace discrimination, harassment and abuse and are aware of need for a safe workspace.		The smallholders conducted training on workplace discrimination, harassment, and abuse, emphasizing the importance of maintaining a safe workspace. Verified training conducted by MS A Smallholder on 19/02/2024. The session was facilitated by GM. Interviews with a sample of both foreign and local workers revealed no reported cases of workplace discrimination, harassment, or abuse. Furthermore, the workers demonstrated an understanding of the importance of a safe working environment and their human rights.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Workers freely express that they are working on a place that is free from discrimination, harassment or abuse.		During interviews, workers from MS B openly stated that they work in an environment free from discrimination, harassment, or abuse	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Principle 4: Protect, Conserve and enhance ecosystem and the environment ***Protect the environment, conserve biodiversity, enhance ecosystems and ensure sustainable management of natural resources.***				
Criterion 4.1: High Conservation Values (HCV's) on the smallholder plot or within the managed area and High Carbon Stock (HCS) forests identified after November 2019 using the simplified combined HCV-HCS approach, are managed to ensure that they are maintained and/or enhance.				
Eligibility (E)	E Smallholders commit to protect HCVs and HCS forests through the precautionary practices approach. (Reference 1.1E, Annex 2).		The new member signed the same contract agreement on 16 October 2024 and commit to ptotect protect HCVs and HCS forests	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Smallholders complete training on and are aware of: • The importance of maintaining and conserving HCVs and HCS forests; • Human-wildlife conflict; and • rare, threatened and endangered species and important ecosystems.		All Smallholders (MS A, MS B, E) complete training on and are aware of the importance of maintaining and conserving HCVs and HCS forests, human-wildlife conflict and mitigation efforts and RTE species and important ecosystems. A training session on "*Keselamatan dan Kesedaran Alam Sekitar, HCV (Riparian/Buffer Zone), HCS dan RTE"* was conducted on 18 September 2024,	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Smallholders implement precautionary practices and managed and maintain rare, threatened and endangered species, HCVs and HCS forests, where applicable.		LKM Trading continued to protect the water courses, including maintaining and restoring appropriate riparian buffer zones along all natural waterways. During site visits, it was observed that the boundaries of these riparian belts along through in or flowing nearby Sg. Litang Kecil where most of the small rivers were linked to Sg. Segama was demarcated with red paint around the palm trunk. Natural	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

			vegetation has colonized these riparian buffer belts as no weeding or fertilizer application was allowed. This buffer belt was also shown in the maps of the estates conserved. LKM Trading had adopted a water management plan to reserve 1 or 2 palms near the river as 5m by restricting agrochemicals application and is left undeveloped during replanting.	
Criterion 4.2: Where the existing smallholder plot has been planted and cleared after November 2005 or is on an area identified of HCS forests after November 2019 up to the eligibility period, a RaCP process appropriate for smallholders based on Land Use Change Analysis (LUCA) will be applicable (reference pre-amble),				
Eligibility (E)	E Smallholders provide information on all smallholder plots converted and planted with oil palm after 2005, through use of the simplified combined HCV-HCS approach for Smallholders. (Reference 1.1E, Annex 2).		plots are located outside of areas classified as national parks or protected areas as defined by national, regional or local law, or as specified in National Interpretations. This was verified through coordinate 5°20'27.53" N and Longitude 118°31'30.31"E, using Satellite Image of Sentinel dated 18/11/2024. Assessor also has review the Smallholder LUCA for LKM Trading on 19th August 2024 by Skymap Global (M) Sdn Bhd.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Group manager develop a plan to identify the maximum area for on-site remediation of HCVs lost since 2005 and HCS forests lost since November 2019, through a participatory process and the plan is submitted to RSPO.		The LKM Trading cleared the land in 2004, and planting activities in March 2005 as stated in the “Area Statement”. The Weighbridge Ticket sampled e.g., Ticket No:240615 dated 4/12/2023, ticket No:241439 dated 7/12/2023, Ticket No:243757 dated 18/12/2023, Ticket No:245754 dated 28/12/2023 indicated the "Location" as "2005." Furthermore, additional information was provided on "Field Lot," specifying "March 2005 (Block 1 or 2)."	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B An RSPO-approved plan to remediate for HCVs lost since 2005 and HCS forests lost since November 2019 is implemented.		The LKM Trading cleared the land in 2004, and planting activities in March 2005 as stated in the “Area Statement”. The current members of LKM Trading cleared the area in the year 2004. Therefore, this indicator is not applicable	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
Criterion 4.3: New planting of independent smallholders, since November 2019: · Do not replace any HCVs · Do not replace any HCS forests as defined by the simplified combined HCV-HCS approach · Are not on steep sloped (more than 25 degrees or as in the National Interpretation) · Are not on peat areas of any depth. ****Do any smallholders within the group have plans for new planting of oil palm? *If no, SKIP.***				
Eligibility (E)	E Smallholders provide information on all planned new plantings and commit that no new plantings are on HCV or HCS forests, on steep slopes (more than 25 degrees or as in the National Interpretation) or on peat. (Reference 1.1E, Annex 2).		The current members of LKM Trading cleared the area in the year 2004. Therefore, this indicator is not applicable.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Workers Before any land preparation commences, group members develop an integrated management plan through a participatory approach to maintain or enhance HCVs as well as HCS forests identified after November 2019, as identified by the simplified combined HCV and HCS approach, before any land preparation commences.		Auditors have verified through checking www.globalforestwatch.com, Sattelite Sentinel-2 L2A dated and also through a site visit to the LKM Trading. Based on the audit findings, it was confirmed that there were no new planting or new development of areas at LKM Trading. Hence, there was no need for planned new planting and commit to no new planting on HCVs or HCS forests, on steep slopes (more than 25 degrees or as in the National Interpretation) or peat (reference 1.1 E, Annex 2).	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Milestone B (MS B)	MS B Smallholders have an RSPO approved integrated management plan for their planned new plantings and share a notice of this plan with those involved in the participatory mapping before any land preparation commences.		Auditors have verified through checking the www.globalforestwatch.com, Google Maps and also through a site visit to the LKM Trading. Based on the audit, it was confirmed that there were no new planting or new development of areas at LKM Trading. Hence, there was no need for RSPO approved Integrated management plan for their planned new planting and share notice of this plan with those involved in the participatory mapping before any land preparation commences. All palms were 2004 year of planting and the next replanting at the earliest in only 2029.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.4: Where smallholder plots exist on peat, subsidence and degradation of peat soils is minimized by the use of Best Management Practices. *****Do any smallholders within the group have existing plots on peat? If no, SKIP.***				
Eligibility (E)	E group Manager confirms presence of peat on existing plots within the group and smallholders on peat commit to using best management practices (BMPs), and minimizing subsidence and degradation of peat soils. (Reference 1.1E, Annex 2).		There were no peat soils as per declaration made by new members and soil map of E Phase member. There were 1 types of soil as per below: • Tuaran Soil	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Smallholders complete training on best management practices (BMPs) for peat. The group has an action plan to minimize risk of fire, to apply BMPs for plantings on peat and manage water systems in the certification unit.		There was no peat soil at all members farms. Details of soils series of members as per below: LKM: Kinabatangan series, Kretam Series Lim Engit Fun: Dagat Soil, Kinabatangan soil	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Milestone B (MS B)	MS B Smallholders implement the group's action plan based on BMPs, including fire and water management, and monitoring of subsidence rate for existing planting on peat.		There were no peat soils as per declaration made by new members and soil map of Lim Engit Fun. There were 2 types of soil as per below: • Dagat Soil • Kinabatangan soil	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.5: Plots on peat are replanted only on areas with low risk of flooding or saline intrusion as demonstrated by a risk assessment. *****Do any smallholders within the group have plans for replanting plots that are located on peat? If no, SKIP.***				
Eligibility (E)	Smallholders commit to provide information on all plans for replanting and commit that replanting will only be in areas with low risk of flooding or saline intrusion (Reference 1.1. E, Annex 2).		Review on the soil map extracted from "The Soils of Sabah" and produced by the Agronomy Department of Hap Seng Plantations Berhad confirmed that there are no peat soil in E phase member. The property is made up of Tuaran soil series.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Smallholders with plots on peat complete training on identification of future risks of flooding or saline intrusion and alternate land development strategies.		Review on the soil map extracted from "The Soils of Sabah" kept by the Agronomy Department of Hap Seng Plantations Berhad confirmed that there are no peat soil in LKM Trading. This was also confirmed during the field visit. The property is made up of Kinabatangan and Kretam soil series. During the site visit (Block 02) at LKM at low laying area all planting palm were using mounding and platform to prevent palms from submerged in the low-lying area.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Milestone B (MS B)	MS B Prior to replanting on peat smallholders complete a risk assessment related to flooding or saline intrusion and, where there is high risk, present a plan that includes alternate land development strategies, preferencing alternative livelihood planning.		Review on the soil map extracted from "The Soils of Sabah" and produced by the Agronomy Department of Hap Seng Plantations Berhad confirmed that there are no peat soil in member. The property is made up of Kinabatangan and Dagat soil series.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.6: Fire is not used on the oil palm plot for preparing land or pest control, nor open fire for waste management on the farm.				
Eligibility (E)	E Smallholders commit to no burning for preparing land or for pest control, nor open fire for waste management. Group manager records evidence of prior burning of members joining the group (Reference 1.1 E, Annex 2).		E Phase member has committed to no burning for preparing land or for pest control, nor open fire for waste management. Member have signed the Smallholder Declaration, on date 16/10/2024 to assert that: commit to the following: ▪ No new planting on peat and replanting on peat only in areas with low risk of flooding and saline intrusion ▪ Use of best management practices for oil palm on peat ▪ No burning for preparing land or pest control	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Milestone A (MS A)	MS A There is no physical evidence of new burning (after eligibility) for land preparation for oil palm by smallholders. Smallholders complete training on and are aware of: • Alternatives to fire for land preparation and farm waste management (where appropriate possible) • Alternatives to fire for pest control • Fire prevention and how to respond to and manage fires in their plots.		At LKM, all palms were 2004 year of planting and the next replanting at the earliest in only 2030. In addition, LKM Trading had established and documented a Zero Burning Policy in its Sustainable Agriculture Policy. The policy dated July 2018 and signed by the Group Manager stated, "A strict Zero Burning Policy is practiced in relation to all new plantings, replanting or other developments". This includes no open fire for waste management and pest control. Waste forms on the estate is disposed via collection transported to Lahad Datu in small quantity.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Smallholders do not use fire or practice burning for land preparation, waste management or pest control on the farm. For pest control, fire may be used in exceptional circumstances i.e. where no other effective measures exist and with prior approval of relevant authority.		MS B member has committed to no burning for preparing land or for pest control, nor open fire for waste management. Member have signed the Smallholder Declaration, on date 16/10/2024 to assert that: commit to the following: ▪ No new planting on peat and replanting on peat only in areas with low risk of flooding and saline intrusion ▪ Use of best management practices for oil palm on peat ▪ No burning for preparing land or pest control	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.7: Riparian buffer zones are identified and managed to ensure they are maintained and/or enhanced.				

Eligibility (E)	E Group manager identifies riparian buffer zones within the group and smallholders commit to no new planting in riparian zones. (Reference 1.1 E, Annex 2).		the membership requirement, including the new member of E Phase is based on the contract 'Undertake to Enter into This Contract Agreement' signed on 16/10/2024, in Clause D, subclause 11. At new members was confirm during interview with owner) and review of goggle Maps and Maps prepared by Hap Seng Plantation – Agronomy Department on date 01/02/2023 no evidence of rivers passing through the estate.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone A (MS A)	MS A Smallholders complete training on and are aware of riparian buffer zone management, and the group has an action plan to maintain and/or enhance riparian buffer zones.		Workers already completed training on buffer zone awareness. Interviewed the workers, and noted that, all are aware of riparian buffer zone management. The LKM Trading had adopted the "HCV Area and Biodiversity Assessment Report" with a revision 5 on 4/11/2024 as an action plan to maintain and enhance riparian buffer zones by reserving 1 or 2 palms near the river as 5m by restricting agrochemicals application and is left undeveloped during replanting. During Site visit at Block 02 near the river Sungai Litang Kecil was sighted no evidence of chemical activities on the buffer zones areas and all palm along the buffer zones were demarcated with red and white color as a guidance to chemical operators such as manurer from encroach the areas.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Smallholders maintain and/or enhance riparian buffer zone areas.		There is a waterway Sg. Litang Kecil is within the area of Block 2 and is managed as a riparian zone. Natural vegetation has colonized these riparian buffer belts as no weeding or fertilizer application was allowed.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement

			This buffer belt was also shown in the maps of the estate and is being conserved. There was no construction of bunds/weirs/dams across the rivers of waterways passing through the estate.	☐ Not Applicable (justification required)
Criterion 4.8: Pesticides are used in ways that do not endanger health of workers, family, communities or the environment.				
Eligibility (E)	E Smallholders commit to phase out paraquat and pesticides categorized as WHO Class 1A or 1B and those listed by the Stockholm or Rotterdam Conventions by: • Immediately stopping purchasing of these pesticides • Phasing out use of remaining stock by MSA • Providing information for the group manager to keep record of pesticide purchase and use. (Reference 1.1 E, Annex 2).		New Smallholder Noriza Binti Ariffin has committed to phase out paraquat and pesticides categorised as WHO Class 1A or 1B and those listed by the Stockholm or Rotterdam Conventions. Noriza Binti Ariffin (E phase) have signed the Smallholder Declaration, on date 16/10/2024 to assert that: commit to the following: ▪ Minimise and control erosion. ▪ No chemical Class 1A or 1B has been used by new members. During interview and record buying, previous types of chemical usage as per below: Glyphosate, Ally	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Milestone A (MS A)	MS A Smallholders complete training on BMPs for pesticides including pesticides including pesticide usage, awareness on risks for pregnant and breastfeeding women and young workers; storage and disposal; paraquat and pesticides listed by WHI Class 1A or 1B, the Stockholm or Rotterdam Conventions (and in compliance with 3.5).		Pesticides had not been used in LKM Trading for the entire weeding and upkeep operations. • There was no evidence to show that LKM Trading had used pesticides to control weeds or pests. • There had been no pest attacks and only manual weeding was practiced managing weeds/field upkeep • There was no record to show that pesticides have been purchased for the estate operations.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B Smallholders implement BMPs for all pesticide use, including prohibiting use of pesticides by pregnant and breastfeeding women and young workers, and exclusion of paraquat and pesticides listed by WHI Class 1A or 1B, the Stockholm or Rotterdam Conventions, unless when authorized by relevant authorities for pest outbreaks.		Pesticides had not been used in LKM Trading for the entire weeding and upkeep operations. • There was no evidence to show that LKM Trading had used pesticides to control weeds or pests. • There had been no pest attacks and only manual weeding was practiced managing weeds/field upkeep There was no record to show that pesticides have been purchased for the estate operations	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.9: The group and smallholders manage pests, diseases, weeds and invasive introduced species using appropriate techniques, including but not limited to Integrated Pest Management (IPM) Techniques.				
Eligibility (E)	E N/A		NA	

Milestone A (MS A)	MS A Smallholders complete training on and are aware of BMPs, including, but not limited to safe chemical use, IPM, weed and invasive species management.		All members of LKM Trading has complete training on BMP and aware of the safe chemical usage, and currently they are practising zero usage of pesticide, The training was conducted as per below: • Company policies and RSPO ISH Standard • Good Agriculture practices training • HCV and buffer zones training • Environmental awareness training • Fire drill training IPM, BMP, GAP and invasive Species Training	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Milestone B (MS B)	MS B The group and smallholders maximise use of IPM approached to minimize use of pesticides and herbicides on their farm.		LKM Trading had a documented integrated pest management (IPM) system. The IPM technique includes the planting of beneficial plants i.e., as *Cassia cobanensis, Antigonan leptopus and Turnera sublate.* The establishment beneficial plant planting was sighted during the field visit such as soft grasses and nephrolepis biseratta were maintained in the field. The progression to meet the recommended ratio is continuing. There was also cultivation on the poly bags prior to the field transfer.	☒ Conform ☐ Major Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

6. Summary of Audit Findings

Principle	Major Nonconformities	Opportunity for Improvement	Total # findings
Principle 1: Optimize productivity, positive impacts, and resilience	0	0	0
Principle 2: Ensure Legality, Respect for Land Rights and Community Wellbeing	0	0	0
Principle 3: Respect human rights, including workers; rights and condition	1	0	0
Principle 4: Protect, conserve, and enhance ecosystem and the environment	0	0	0
Internal Control System	0	0	0
Total	1	0	0

7. Nonconformity(ies) Issue in This Audit

Indicator Number	3.1
Nonconformity Number	DA 01 2024
Nonconformity Category	☒ Major Nonconformity
Recurring Nonconformity Category	☐ Yes ☒ No
Date of Nonconformity Issued	21/11/2024
Nonconformity Issued To *(when more than one site/member)*:	
Deadline:	☒ 3 months from date of closing meeting ☐ 12 months from date of closing meeting
Mode of Nonconformity Closure	☐ Onsite ☒ Off-site
Standard Reference	RSPO ISH CERTIFICATION
Nonconformity Statement: Finding: No evidence of They provide information on the source of labour on the farm, including family, contract and hired labour.	
Evidence: Upon review, there is no evidence to demonstrate the availability of information regarding the source of labour, supporting documentation, or payment conditions. This includes critical documents such as contract agreements between the contractor and MS A Smallholders at Lim Engit Fun. In addition, there are no payment vouchers or receipts available to verify payments made to either workers or contractors. This lack of documentation creates significant gaps in traceability, making it difficult to confirm compliance with the relevant indicator. Without clear records, there is no assurance that fair and ethical labour practices have been implemented. Furthermore, the absence of traceable payment records raises concerns about transparency and increases the potential risk of fraudulent practices or financial mismanagement.	
Root Cause Analysis	The Certification Unit misunderstanding that the contract agreement and payment voucher are made available to the permanent workers only since one of the group member only have temporary workers.
Correction(s)	The Certification Unit has established the contract agreement and payment voucher (for month December 2024 and November 2024) to temporary workers.
Corrective Action Implemented *(including any evidence submitted)*	The Certification Unit will ensure the contract agreement and payment voucher are made available to the temporary workers and Group Manager will cross-check the labour

	documentation i.e., contract agreement and payment voucher. Sighted an evidence payment voucher and contract (agreed payment) for month November and December 2024 for 2 local employees.
Date of Response:	10/01/2025
Audit Team Conclusion *(including any evidence reviewed)*	Sighted an evidence payment voucher and contract (agreed payment for both parties for month November and December 2024 for 2 local employees

Add tables as necessary

8. Opportunity for Improvement (OFI) Issue in This Audit

Indicator Number	NA
Opportunity for Improvement Number	NA
Date of Opportunity for Improvement Issued	NA
Opportunity for Improvement Issued To *(when more than one site/member)*:	
Standard Reference	NA
Opportunity for Improvement Statement:	

Add tables as necessary

9. Non-conformity (ies) Raised in the Previous Audit

Indicator No	NCR No	Evidence Observed / NCR Raised	Auditee Response - Correction / Corrective Action	Verification of Correction/ Corrective Action	Conclusion/ Status
A2.3 MS B	RAR 01 2024	Objective evidence: during site visit at LKM (CHUA SOON LEE @ LIEW SOON LEE) line site area nearby the goat shelter areas was found domestic waste such as bottles, food waste, etc. was not managed accordingly and has been throw at the back of the areas.	Conduct waste management training again and strengthen the supervision mechanisms to ensure that waste management procedures are consistently followed and implemented, via regular inspections by the Manager	All members had attended training on date 18/09/2024 and during interview with 4 members were sighted all the members can demonstrate understanding of the ISH Standard, group management and certification requirements including awareness on BMOs, HCV, environmental protection, social welfare of workers and business operations. During site visit at 2 members (MSB) and 1 member (MSA) was sighted evidence as per below: • HCV – riparian reserved located at block 2 at members (MSB) were sighted maintained natural grasses along the riparian reserved and palm were demarcated with red paint to ensure no chemical activities occur at the riparian reserved. • environmental protection – during site visit at line site members (MSB) were found all the domestic waste were disposed at dustbin and were collected by GM and disposed at LD landfill areas. All the members (phase E, MSA, & MSB) were not using chemical to control all the weeds. CUs only used rotor slashing to control all the weeds.	Previous NCR was satisfactory closed.

10. Stakeholder Consultation

CB should ensure that all relevant stakeholders are consulted. The relevant stakeholders include but are not limited to statutory bodies, indigenous peoples, local communities (including women representatives, and displaced communities), workers and workers' organisations (including migrant workers), smallholders, and local and national NGOs.

Summary of stakeholder's comments and the CB's responses and findings are presented as per the table below:

10.1 For Audit Report

No	Consulted Stakeholders *Name of Stakeholders*	Date of Consultation/ Comment Received	Method of Consultation/Comment received	Feedback/Comments/Issue Raised Received from Stakeholders	CB's Responses

10.2 For Public Summary Report

No	Consulted Stakeholders *(Type of Stakeholders)*	Date of Consultation/ Comment Received	Method of Consultation/Comment received	Feedback/Comments/Issue Raised Received from Stakeholders	CB's Responses
1	Ketua Kampung of Kg. Litang, Kg Tidung Darat and Hap Seng Representative	19/11/2024	interview	No negative comment	NA
2	JKKP Cawangan Sandakan	01/10/2024	Public Notification	Recommend CU to conduct OSHWA at workplace monitoring twice per year	GM already conduct workplace inspection by quarterly basis
3	Neigboring smallholder Chua Son Lee	01/10/2024	Public Notification	No issues related to CU	NA
	Sampled workers: • Worker No CSY3 – (Philippines-Harvester) • Worker No CSL1 – (Philippines-Harvester) • Worker No CSL2 – (Philippines-GW)	19/11/2024	interview	No negative comment	NA

	• Worker No CSL4 – (Local – Lorry driver) • Worker No CSL5 – (Philippines-GW)				
5	Contractor: • Ixxxn Bin Jxxxli • Axxxy Jxxxxr	19/11/2024	interview	No negative comment	During interview was confirm payment made by CU were agreed by both parties. However, record verbal agreed rates and payment voucher not established, thus Major NCR has been raised.

11. Audit Conclusion & Recommendation

Audit Findings	
☐	No nonconformity recorded.
☒	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.
Recommendation	
☒	Certification (Eligibility – Pre-audit Assessment or Milestone A – Pre-audit Assessment or Milestone B - Initial Certification)
☒	Continue certification (Milestone B – Annual Surveillance Audit)
☒	Renewal for certification (Milestone B – Recertification)
☐	Not recommended for certification. Reason: (*Please provide the reason/justification)*

12. Acknowledgment of Internal Responsibility and Formal Sign-off Assessment Findings

Signing by the Management Unit
I, the undersigned, being the most senior management representative of the operation seeking or holding certification, agree with the contents and audit findings presented in this document. Furthermore, I confirm the following: - Acceptance of responsibility in execution of the instructions given. - That this company was made aware that the recommendation of the Audit Team is tentative; pending review and decision by the Certification Decision Maker assigned by the CB. - That during the closing meeting all agenda items were covered by the Audit Team Leader.

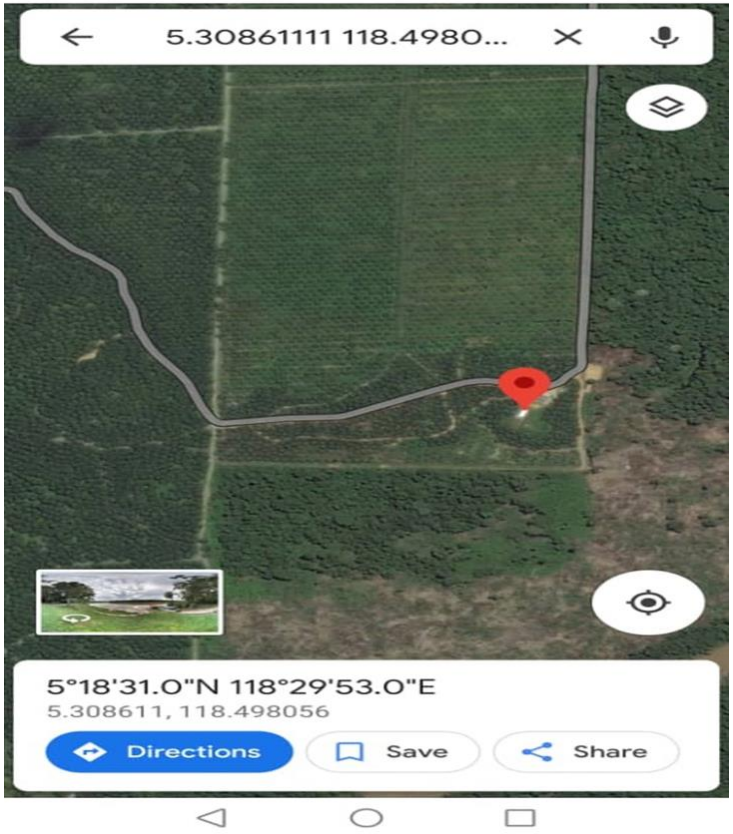
Acknowledge by:		
Name	CHUA SOON LEE@ LIEW SOON LEE	
Position	MANAGER LKM TRADING GROUP	
Date	13.03.2025	

Signing by the Audit Team Leader		
I, the undersigned, being the Audit Team Leader, confirm that this report accurately reflects the findings and proceedings of the closing meeting. Furthermore, I affirm that the summary of the findings presented in this report is a true and accurate representation of the actual findings of the Audit Team.		
Acknowledge by:		
Name	Rozaimee Bin Ab Rahman	
Position	Lead Auditor	
Date	17/2/2025	

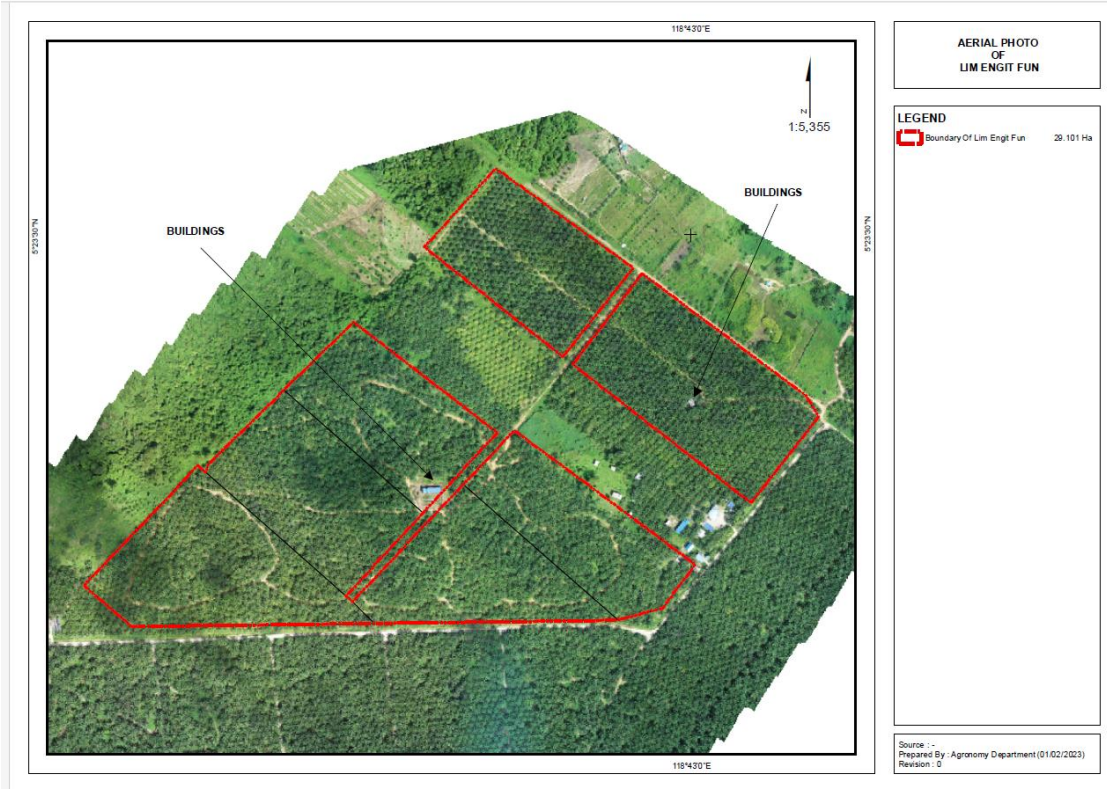
Signing by the Certification Decision Maker		
I, the undersigned, being the Certification Decision Maker, confirm that the information and conclusions contained in this report have been prepared in good faith and that the certification decision has been made based upon this information.		
Acknowledge by:		
Name	Kamini Sooriamoorthy	
Position	Section Head	
Date	14/3/2025	

13. Appendix

Appendix 1.1 Maps of Supply bases zoomed in on polygon



Maps CHUA SOON LEE @ LIEW SOON LEE and CHUA SOON NYEE (MSB) & CHUA SOON DEE @ LIEW SOON DEE and CHUA SOON YEE @ LIEW SOON YEE (MSB



Lim Engit Fun



NORIZA BINTI ARIFFIN

Appendix 1.2 Map of Supply Base zoomed out

