SIRIM QAS INTERNATIONAL	**SIRIM QAS INTERNATIONAL SDN. BHD.** Building 4, SIRIM Complex, No. 1 ,Persiaran Dato' Menteri, Section 2, 40700 Shah Alam, Selangor, Malaysia. **RSPO PUBLIC SUMMARY REPORT**	**File Ref. : EK91220001**

CLIENT : SYARIKAT KRETAM MILL SDN BHD CERTIFICATION UNIT

PARENT COMPANY : KRETAM HOLDINGS BERHAD

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

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

Certification Unit	Mill and Supply Base	GPS Location		Location
		Latitude	Longitude	
Syarikat Kretam Mill Sdn. Bhd.	Syarikat Kretam Mill	5° 39' 25" N	117° 50' 15" E	Off KM 45, Sandakan – Lahad Datu Highway, Sandakan, Sabah.
	Bode Estate	5° 38' 37" N	117° 49' 54" E	
	Masang Estate (2 Div.)	5° 39' 47" N	117° 51' 55" E	
	Bukit Sekong Estate (2 Div.)	5° 36' 12" N	117° 54' 09" E	Batu 60, Jalan Sukau, Kinabatangan.
	Sapagaya Estate	5° 34' 52" N	118° 01' 06" E	KM 82 Jalan Lahad Datu / Sandakan, Kinabatangan.
	Seraya Estate	5° 38' 39" N	117° 36' 5" E	Mile 50, Labuk Road, Segaliud-Lokan, 90200, Kinabatangan.

MAP : See Attachment 1

AUDIT DATE : 20th to 24th May 2024 **DURATION :** 19 auditor days

TYPE OF AUDIT : ■ **Annual Surveillance Audit No. 02** ☐ **Recertification Audit**

STANDARD: MYNI 2019 FOR RSPO PRINCIPLE & CRITERIA 2018

SCOPE OF CERTIFICATION : Production of Sustainable Crude Palm Oil and Palm Kernel Using Identity Preserved Supply Chain Model.

VALIDITY OF RSPO CERTIFICATE : 18/07/2022 – 17/07/2027 (RSPO-PC 00133)

The following attachments form part of this report:

Non-conformity Report(s) ■ List of additional site(s) ☐

Report by Audit Team Leader		**Acknowledgement by Client's Representative**	
Name	: **DZULFIQAR AZMI**	Name	: SPENCER JOSEPH
Signature	:	Signature	:
Date	: **26 / 08 / 2024**	Date	: 18.09.2024

SUMMARY OF AUDITS

~~Stage 2 audit~~ / Recertification audit				
On-site audit date :	28/03/2022-01/04/2022		No. of auditor days :	26 AD
Audit team :	TLA-Rohazimi Bin Mat Nawi A- Mohd Ab Raouf Asis, Dzulfiqar Azmi, Mohd Zulfakar Kamaruzaman, Rozaimee Ab Rahman, Mohd Nordin Abd Jalil			
No. of major NCR :	2	Indicator:6.2.4 & 7.8.2		Closing date : 29/6/2022
No. of minor NCR :	3	Indicator :7.3.3, 6.7.2 & 1.1.2		
Indicate the stakeholders interviewed during the on-site audit :	Employees / Workers organizations	Settlers	Villagers / Local communities	Suppliers
	/		/	/
	Contract workers	Local & National NGOs	Govt. agency / Statutory bodies	Independent growers / Smallholders
			/	
	Indigenous people	Contractor	Others (Please specify)	
	NA			
Supply base sampled :	Bode Estate, Masang Estate, Sapagaya Estate, Bukit Sekong Estate			
Justification of audit planning :	Total allocation of auditor days for Syarikat Kretam Mill CU were: Mill = 4 days (3 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 21 days each for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title			
Name of peer reviewer :	Harso Yuli Antena			
Report approved by :	Kamini Sooriamoorthy		Approval date : 18/07/2022	

Annual Surveillance Audit 1				
On-site audit date :	10 – 14 APRIL 2023		No. of auditor days :	19 Auditor days
Audit team :	Mohd Zulfakar Kamaruzaman, Dzulfiqar Azmi, Rozaimee Ab Rahman, Selvasingam T. Kandiah			
No. of major NCR :	2	Indicator: 3.8.11, 6.1.5		Closing date: 13/07/2023
No. of minor NCR :	4	Indicator : 2.2.2, 3.3.2, 7.3.1, 7.12.7		
Indicate by ticking the stakeholders interviewed during the on-site audit :	Employees / Workers organizations	Settlers	Villagers / Local communities	Suppliers
	/		/	
	Contract workers	Local & National NGOs	Govt. agency / Statutory bodies	Independent growers / Smallholders
				/
	Indigenous people	Contractor	Others (Please specify)	
	NA	/		
Supply base sampled :	Bode Estate, Masang Estate, Bukit Sekong Estate, Seraya Estate			
Changes since the last audit :	Added 1 new estate to certify as per Time Bound Plan which is Seraya Estate into the Certification Unit			
Justification of audit planning :	Total allocation of auditor days for Syarikat Kretam Mill CU were: Mill = 4 days (3 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems) Estate = 15 days each for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title			
Name of peer reviewer :	NA			
Report approved by :	Kamini Sooriamoorthy		Approval date : 18/07/2023	

<table>
<tr><th colspan="6">Annual Surveillance Audit 2</th></tr>
<tr><td>On-site audit date :</td><td colspan="2">20th – 24th May 2024</td><td>No. of auditor days :</td><td colspan="2">19 Auditor days</td></tr>
<tr><td>Audit team :</td><td colspan="5">Dzulfiqar Azmi (LA), Rozaimee Ab Rahman, Mohd Zulfakar Kamaruzaman, Rohazimi Mat Nawi.</td></tr>
<tr><td>No. of major NCR :</td><td>1</td><td colspan="3">Indicator: 3.3.2 (Upgraded)</td><td>Closing date: 23/08/2024</td></tr>
<tr><td>No. of minor NCR :</td><td>1</td><td colspan="4">Indicator: 7.8.1</td></tr>
<tr><td rowspan="8">Indicate by ticking the stakeholders interviewed during the on-site audit :</td><td colspan="2">Employees / Workers organizations</td><td>Settlers</td><td>Villagers / Local communities</td><td>Suppliers</td></tr>
<tr><td colspan="2">/</td><td></td><td>/</td><td></td></tr>
<tr><td colspan="2">Contract workers</td><td>Local & National NGOs</td><td>Govt. agency / Statutory bodies</td><td>Independent growers / Smallholders</td></tr>
<tr><td colspan="2"></td><td>/</td><td></td><td>/</td></tr>
<tr><td colspan="2">Indigenous people</td><td>Contractor</td><td colspan="2">Others (Please specify)</td></tr>
<tr><td colspan="2">NA</td><td>/</td><td></td><td></td></tr>
<tr><td colspan="5"></td></tr>
<tr><td colspan="5"></td></tr>
<tr><td>Supply base sampled :</td><td colspan="5">Bode Estate, Masang Estate, Bukit Sekong Estate, Sapagaya Estate.</td></tr>
<tr><td>Changes since the last audit :</td><td colspan="5">No changes.</td></tr>
<tr><td>Justification of audit planning :</td><td colspan="5">Total allocation of auditor days for Syarikat Kretam Mill CU were:
Mill = 4 days (3 days for safety and health, environment, mill best practices, GHG verification and Social at Mill) + (1 day for supply chain certification systems)
Estate = 15 days each for verification of safety and health, environment, good agriculture best practices, Social, HCV, TBP, Partial Certification and GHG verification plus the verification of Land History and Land Title</td></tr>
<tr><td>Name of peer reviewer :</td><td colspan="5">NA</td></tr>
<tr><td>Report approved by :</td><td colspan="3">Kamini Sooriamoorthy</td><td colspan="2">Approval date : 6/9/2024</td></tr>
</table>

SUMMARY OF INFORMATION

TABLE 1

	RA	ASA 1	ASA 2	ASA 3	ASA 4
***Projection Period / Reporting Period**	April 2022 – March 2023	April 2023 – March 2024	**May 2024 – April 2025		
Certified FFB Processed (MT)	202,558.00	204,050.00	204,289.00		
Production of Certified CPO (MT)	42,535.40	44,936.88	44,969.55		
Production of Certified PK (MT)	9,118.65	9,207.14	9,175.97		
Certified Areas (Ha)	10,567.66	*11,421.50	**11,511.60		
Planted Areas (Ha)	9,587.74	*10,303.60	**10,356.61		
Production Areas (Ha)	8,809.94	*9,452.06	8,827.11		
HCV Areas / Conservation Areas (Ha)	250.00	250.00	250.00		
REMARKS	ASA1: *Changes in planted and certified areas including Seraya Estate. ASA2: **Audit was conducted at the end of May 2024, the actual period covered during this reporting period was May 2023 to April 2024. **Additional of planted and certified area changes due to: i. Bode Estate: The total planted area increased by 11.50 hectares for oil palm replanting due to adjustments made after the GPS mapping survey conducted during replanting in 2023. ii. Bukit Sekong Estate: The planted area increased by 41.51 hectares to include the plantable reserve for replanting in 2024. This change in the latest declared area is consistent with the estate land title area. iii. Bukit Sekong Estate: The total certified area increased by 90.1 hectares, aligning with the latest hectarage statement as stated in the land title grant. ▪ Plantable reserved: 41.51 ha ▪ Others: 48.59 ha for land utilities, riparian reserve, unplantable.				

**There shall be no gap in the projection period/reporting period.*

TABLE 2

	PO	PK
****Last years certified volume (MT)**	44,936.88	9,207.14
Last years actual certified sold (MT)	41,586.90	8,372.43
Last years actual sold under other schemes (MT)	0.00	0.00
Last years sold conventional (MT)	0.00	0.00
Last year actual sold CSPO credits (where applicable)	0.00	0.00
New year certified volume (MT)	44,969.55	9,175.97

Table of contents

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

List of Attachment

Attachment 1	:	Map of CU	14
Attachment 2	:	RSPO Audit Plan	15
Attachment 3		RSPO P&C Audit Checklist and Findings	22
Attachment 4	:	Details of Non-conformities and Corrective Actions Taken	106
Attachment 5	:	Status of Non-conformities Previously Identified	108
Attachment 6	:	Time-bound Plan	112
Attachment 7	:	List of Stakeholders (for Stage 2/Recertification Audit only)	N/A

1.0 AUDIT PROCESS

1.1 Certification Body

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

SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & ISO 45001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and re-accredited by ASI on 3 October 2019 (accredited 2014).

1.2 Qualification of audit team

Member of the Audit Team	Role/area of RSPO requirements	Qualifications
Dzulfiqar Azmi	Lead Auditor / Social Internal, Time Bound Plan, Metrics Template	He holds a B.SC. (Hons) in Plantation Technology and Management from Mara Technological University (UiTM). He had more than 6 years of working experience in the oil palm operation. He was qualified in the auditing line with experience in Sustainability, EMS, Supply Chain, MSPO and RSPO audit since 2018. He is a qualified RSPO and MSPO Lead Auditor from 2020.
Rohazimi Mat Nawi	Auditor / Safety, Environment	Hold B. Sc (Hons) Chemical Gas Engineering from Universiti Teknologi Malaysia. He has been in the Plantations Industry with various companies having served in Palm Oil Mill. He was qualified in the auditing line with experienced in Sustainability, QMS, EMS, OHSMS and Supply Chain audit since 2015.
Mohd Zulfakar Kamaruzaman	Auditor / Social External, HCV, Supply Chain	Holds a B.Sc. Forestry from UPM. He had 5 years of working experience in the oil palm operation. He is a qualified RSPO P&C, RSPO Supply Chain and MSPO Lead Auditor.
Rozaimee Ab Rahman	Auditor Good Agricultural Practices	Holds a B.Sc. in Agriculture from University Putra Malaysia. He had more than 5 years of working experience in the oil palm operation. He is a qualified RSPO P&C, MSPO and RSPO SC Lead Auditor.

1.3 Audit methodology

The audit covered the Syarikat Kretam Mill palm oil mill and four (4) of its supply base. The sampling methodology applies for supply base with higher than four estates. The sampling shall be conducted in conformance with the requirement specified in the RSPO Certification Systems Document, Nov 2020. The Syarikat Kretam Mill and supply base covered during the audit are Bode Estate, Masang Estate, Bukit Sekong Estate and Sapagaya Estate. The audit included an on-site audit to the estates and mill facilities to verify the implementation of the requirement of the certification.

Interviews with the CU's management, check roll employees, contractor employees, contractors, independent smallholders, local communities, and other relevant stakeholders were also conducted during the audit. No negatives or issues were raised during the stakeholders' consultation, indicating a positive outcome and general satisfaction with the companies plans and implementations.

1.4 Stakeholder Consultation

SIRIM QAS International had initiated the stakeholder consultation by during the on-site audit. In general, there was no negative comments made against this Certification Unit. In summary, the stakeholders interviewed during the audit and the evidence from the stakeholder consultation carried out were as tabulated below:

Stakeholders interviewed	Evidence from stakeholder consultation
1) Employees / Workers Organizations (local / foreign / Orang Asli workers / male & female)	Based on interviews conducted with 99 sampled workers, including both local and Indonesian workers, encompassing both male and female employees engaged in various work scopes. a. Daily-rated and piece-rated workers confirmed that they receive a minimum of RM1,500 per month, with salaries disbursed before the 7th of each month. b. Workers work 6 days a week with one rest day (Sunday). They work 8 hours with a minimum of 30 minutes' break in between. c. Any overtime work is mutually agreed between workers and management, and that there is no element of forcing. d. Foreign workers are not subjected to any recruitment fee. Foreign workers kept their own passports and will only return the passport to office for renewal. e. Workers are generally satisfied with the way complaints lodged are acted upon. Delays in house repairs, if any, are usually due to the need to order repair parts. f. Workers, including foreign workers get to appoint their own representatives. There is no interference of influence exerted by the employer. g. For newly arrived foreign workers who did not understand Bahasa or English, translations are provided during briefings.
2) Settlers	Not applicable.
3) Villagers / Local communities (including women representatives, displaced communities)	Interview with representatives from Kg Batu 8, Kg Berjaya 1, Kg Berjaya 2, Kg Buang Sayang, Kg Danau Ria, Kg Lot M, Kg Nusa Jaya, Kg Sri Manis, Kg Sri Tanjung, Kg Sungai Rotan, and Kg Rantau Abang, confirmed no evidence of any land dispute at Silimpopon CU and no issues with the estate and mill management.
4) Suppliers	Not applicable.
5) Contract workers (local / foreign / Orang Asli workers / male & female)	Not applicable.
6) Local & national NGOs	Based on interviews conducted with three sampled CLC (Community Learning Center) teachers representing the Indonesian consulate, it was revealed that there are no issues with the management, and a positive relationship is maintained with the estate management.
7) Government agencies / Statutory	Not applicable.

bodies	
8) Independent growers / Smallholders	Kretam Holdings Berhad has consults with interested smallholders (irrespective of type) including women in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification. Noted that Syarikat Kretam Mill Sdn Bhd CU has invited nearby smallholder to promote on RSPO certification collaboration with Wild Asia, Sighted the letter and Training has been send to Surrounding Smallholder dated 24/2/23.
9) Indigenous people	Not applicable.
10) Contractor	Contractors interviewed for each unit in the CU are as follows: ▪ Road Maintenance at Masang Estate ▪ Supply All Labour and Machineries for Road's repair/Brideges/Drains & etc at Sapagaya Estate ▪ Oil Palm Replanting for Felling, Chipping, Terracing and Subsequent Works Etc. at Bode Estate Evidence of legal due diligence carried out includes getting the vendors to comply with rules relating to labour and human rights, company ethics and management practices, and would comply with all laws and regulations relating to anti-bribery, fraud and corruption.
11) Previous land owner (if any)	Not applicable.
12) Others (please specify)	Not applicable.

1.5 Audit plan : Refer to Attachment 2

1.6 Date of next audit : The next surveillance audit will be conducted within 12 months but not sooner than 9 months from this audit. (For RA, the next RA will be conducted at least 4 months prior to expiry date of the certificate)

2.0 SCOPE OF CERTIFICATION AUDIT

2.1 Description of the certification unit

Syarikat Kretam Mill Sdn. Bhd. and its supply bases, owned by Kretam Holdings Berhad (KHB), are located at Bode Estate, Sandakan, Sabah, Malaysia. The company was transferred to SIRIM QAS on 21 May 2020. KHB is a plantation organization with operations in three regions: Sandakan, Tawau, and Lahad Datu, Sabah, Malaysia. There are three mills, one in each region, as well as a refinery in the Sandakan region.

The supply bases for Syarikat Kretam Mill Sdn. Bhd. consists of five estates: Bode, Sapagaya, Bukit Sekong, Masang, and Seraya. The palm oil mill operates with a processing capacity of 60 MT FFB/hr.

The CU holds ISCC certification in addition to RSPO P&C, Supply Chain, and MSPO certifications.

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

The FFB is sourced from company owned estates that are certified Details of the FFB actual and projected contribution from each source to the mill are shown in the following tables.

Table 1: Actual FFB production by the supply base for the last reporting period (May 2023 – April 2024)

Estates	FFB Production	
	Tonnes	Percentage (%)
Masang	51,615.43	28.16
Bode	44,207.62	24.12
Sapagaya	64,104.14	34.97
Bukit Sekong	20,631.94	11.26
Abedon (Crop Deviation) certified with SIRIM.	2,730.93	1.49
Overall Total FFB Production	**183,290.06**	**100.00**

**Seraya Estate sent their crops about 12,878.78 mt to Berkat Setia Mill or Atlantica Mill because of lower transportation costs and their closer proximity compared to Syarikat Kretam Mill, which is further away. Sending the FFB to the nearest Palm Oil Mill is a more feasible option.*

Table 2: Projected FFB production by supply base for the next reporting period (May 2024 – April 2025)

Estates	FFB Production	
	Tonnes	Percentage (%)
Masang	58,900	28.83
Bode	45,257	22.15
Sapagaya	67,713	33.15
Bukit Sekong	19,032	9.32
Seraya	13,387	6.55
Overall Total FFB Production	**204,289.00**	**100.00**

Table 3: Actual FFB received and CPO & PK dispatch by the Mill for the last reporting period (May 2023 – April 2024)

RSPO Supply Chain Model: IP	Total (MT)
FFB Received	183,290.06
FFB Processed	183,290.06
CPO Production	43,405.36
PK Production	8,653.28
CPO delivered as RSPO certified	41,586.90
CPO delivered under other schemes (MT) - ISCC	0.00
PK delivered as RSPO certified	8,372.43
PK delivered under other schemes (MT)	0.00
PK delivered as non-RSPO certified	0.00
Credits traded thru Book & Claim	0.00

Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period (May 2024 – April 2025)

RSPO Supply Chain Model: IP	Total (MT)
FFB Received	204,289.00
FFB Processed	204,289.00
CPO Production	44,969.55
PK Production	9,175.97

Remarks: OER % for certified production slightly higher, projected at 22.00% due to budget allocated by top management.

Table 5 Planted and certified area of the CU

Estate	Planted (ha)	Certified (ha)
Bode Estate	2,814.92	3,472.82
Masang Estate	2,923.46	3,178.62
Bukit Sekong Estate	867.81	956.96
Sepagaya Estate	2,998.18	3,049.77
Seraya Estate	752.24	853.43
Total	**10,356.61**	**11,511.60**

.

Remarks: Additional of planted and certified area due to;

iv. Bode Estate: The total planted area increased by 11.50 hectares for oil palm replanting due to adjustments made after the GPS mapping survey conducted during replanting in 2023.

v. Bukit Sekong Estate: The planted area increased by 41.51 hectares to include the plantable reserve for replanting in 2024. This change in the latest declared area is consistent with the estate land title area.

vi. Bukit Sekong Estate: The total certified area increased by 90.1 hectares, aligning with the latest hectarage statement as stated in the land title grant.

- Plantable reserved: 41.51 ha
- Others: 48.59 ha for land utilities, riparian reserve, unplantable.

Table 6 Planting profile for Syarikat Kretam Mill CU

Estate	Year of planting	Mature >3 years (Ha)	Immature < 3 years(Ha)	Planted area	% of planted area mature	% of planted area immature
Bode Estate	2001	196.47	0.00	196.47		
	2004	249.04	0.00	249.04		
	2005	214.64	0.00	214.64		
	2006	246.34	0.00	246.34		
	2007	158.03	0.00	158.03		
	2008	90.90	0.00	90.90		
	2009	78.14	0.00	78.14		
	2012	89.35	0.00	89.35		
	2016	123.94	0.00	123.94		
	2017	101.63	0.00	101.63		
	2018	201.72	0.00	201.72		
	2019	40.46	0.00	40.46		
	2021	126.05	0.00	126.05		
	2022	0.00	159.88	159.88		
	2023	0.00	354.44	354.44		
	2024	0.00	383.89	383.89		
Sub. Total		**1,916.71**	**898.21**	**2,814.92**	**68.09**	**31.91**
Bukit Sekong Estate	2012	185.70	0.00	185.70		
	2015	160.38	0.00	160.38		
	2016	224.86	0.00	224.86		
	2017	195.76	0.00	195.76		
	2024	0.00	101.11	101.11		
Sub. Total		**766.70**	**101.11**	**867.81**	**88.35**	**11.65**
Seraya Estate	2009	11.24	0.00	11.24		
	2010	61.60	0.00	61.60		
	2011	194.85	0.00	194.85		
	2015	102.24	0.00	102.24		
	2016	121.60	0.00	121.60		
	2018	125.55	0.00	125.55		
	2019	62.32	0.00	62.32		
	2023	0.00	72.84	72.84		
Sub. Total		**679.40**	**72.84**	**752.24**	**90.32**	**9.68**
Masang Estate	2001	171.03	0.00	171.03		
	2002	37.97	0.00	37.97		
	2004	237.81	0.00	237.81		
	2005	247.14	0.00	247.14		
	2007	215.63	0.00	215.63		
	2010	299.69	0.00	299.69		

	2011	384.70	0.00	384.70		
	2012	238.48	0.00	238.48		
	2013	324.68	0.00	324.68		
	2014	131.45	0.00	131.45		
	2015	80.55	0.00	80.55		
	2018	145.61	0.00	145.61		
	2019	130.46	0.00	130.46		
	2021	24.14	0.00	24.14		
	2022	0.00	10.51	10.51		
	2023	0.00	122.45	122.45		
	2024	0.00	121.16	121.16		
Sub. Total		**2,669.34**	**254.12**	**2,923.46**	**91.31**	**8.69**
Sapagaya Estate	2001	445.24	0.00	445.24		
	2003	135.71	0.00	135.71		
	2004	193.79	0.00	193.79		
	2005	232.01	0.00	232.01		
	2006	286.66	0.00	286.66		
	2007	288.20	0.00	288.20		
	2008	275.74	0.00	275.74		
	2009	294.25	0.00	294.25		
	2010	252.47	0.00	252.47		
	2011	197.99	0.00	197.99		
	2012	192.90	0.00	192.90		
	2023	0.00	203.22	203.22		
Sub. Total		**2,794.96**	**203.22**	**2,998.18**	**93.22**	**6.78**
Grand Total		**8,827.11**	**1,529.50**	**10,356.61**	**85.23**	**14.77**

2.3 Organizational Information/Contact Person(s)

The details of the contact person are as below:

Name	:	Spencer Joseph
Position	:	Assistant Manager HR & Sustainability
Address	:	Kretam Holdings Berhad, Block 44, Lebuh Tiga, Pusat Bandar Sandakan, 90000 Sandakan, Sabah.
Phone no.	:	014-6744861 (H/P), 089218999 (HQ)
Fax no.	:	08925777
Email	:	spencer@kretam.com

3.0 AUDIT FINDINGS

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

Additional of planted and certified area changes due to:

i. Bode Estate: The total planted area increased by 11.50 hectares for oil palm replanting due to adjustments made after the GPS mapping survey conducted during replanting in 2023.
ii. Bukit Sekong Estate: The planted area increased by 41.51 hectares to include the plantable reserve for replanting in 2024. This change in the latest declared area is consistent with the estate land title area.
iii. Bukit Sekong Estate: The total certified area increased by 90.1 hectares, aligning with the latest hectarage statement as stated in the land title grant.
    a. Plantable reserved: 41.51 ha
    b. Others: 48.59 ha for land utilities, riparian reserve, unplantable.

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

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

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

_____

_____

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

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

iii. Are there associated smallholders (including scheme smallholders) in the CU ☐ Yes ■ No

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

If no, please state reasons _____

_____

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

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

No changes so far.

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

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

3.5 Complaint received from stakeholder (if any)

During the audit period, we observed that no grievances were raised by stakeholders.

4.0 DETAILS OF NON-CONFORMITY REPORT

4.1 For P&C (Details checklist refer to Attachment 4) :

Total no. of minor NCR(s) List : 7.8.1

Total no. of major NCR(s) List : 3.3.2 (Upgraded)

4.2 For SC (Details checklist refer to Attachment 4) :

Total no. of major NCR(s) List : Not applicable.

5.0 AUDIT CONCLUSION

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

6.0 RECOMMENDATION

☐ No NCR recorded. Recommended to continue certification.

■ Minor NCR(s) recorded. Corrective action plan has been accepted. Verification of the NCR(s) to be carried out in the next audit.
Note: Minor NCRs raised in the audit which are not addressed in the subsequent audit shall be upgraded to major NCRs .

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

■ Recommended to continue certification.

☐ Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided but not fully accepted by the audit team. NCR(s)…… have not been satisfactorily closed out within 90 days of the audit. Recommended for suspension of the certificate.
Note: Major NCRs which are not addressed within a further 90 days shall result in the certificate being withdrawn.

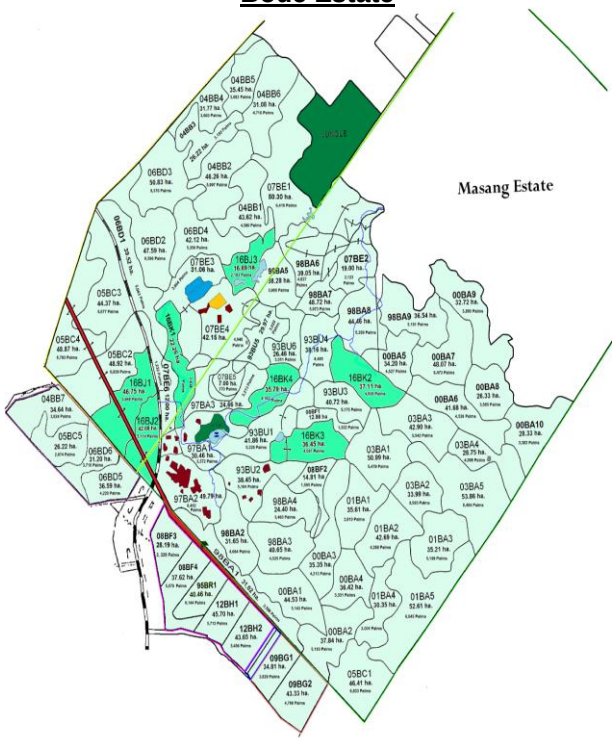
7.0 IT IS CONFIRMED THAT ALL CORRECTIVE ACTIONS TAKEN ON MAJOR NON-CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED, ACCEPTED AND VERIFIED AND ALL CORRECTIVE ACTIONS PLANS PROVIDED ON MINOR NON CONFORMITIES HAVE BEEN SATISFACTORILY REVIEWED AND ACCEPTED. RECOMMENDED FOR CONTINUATION OF RSPO P & C CERTIFICATION.

Audit Team Leader :	DZULFIQAR AZMI		23/08/2024
	(Name)	(Signature)	(Date)

Attachment 1 - Map

Maps of Syarikat Kretam Mill and its supply base.

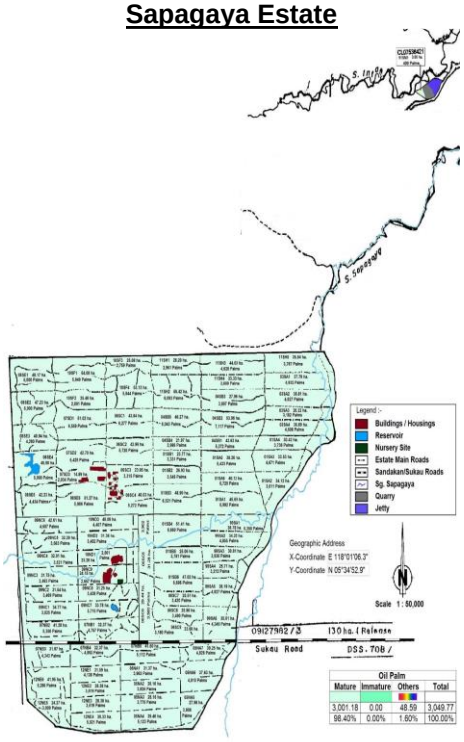
Bode Estate



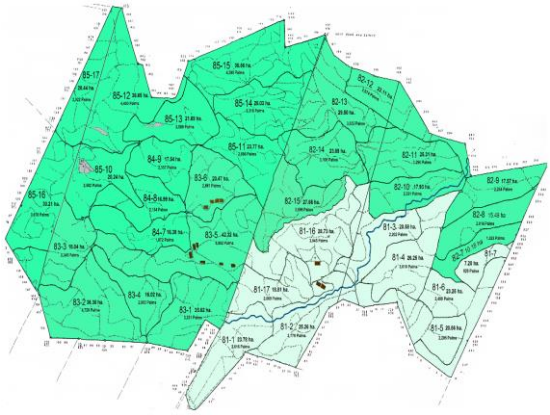
Masang Estate



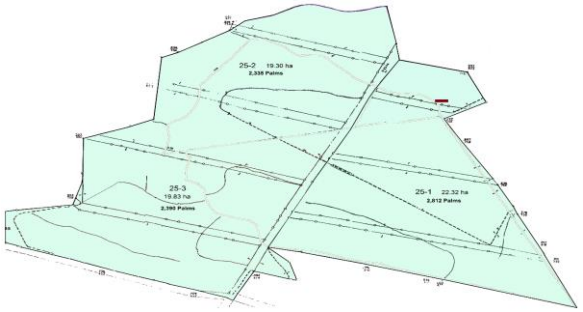
Sapagaya Estate



Bukit Sekong Estate



Seraya Estate



Attachment 2 – Audit Plan

1. Objectives

The objectives of the audit are as follows:

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

2. Date of assessment : 20th to 24th May 2024

3. Site of assessment **:** Syarikat Kretam Mill Sdn. Bhd. CU:

1) Syarikat Kretam Mill
2) Bode Estate
3) Masang Estate
4) Sapagaya Estate
5) Bukit Sekong Estate

4.

5. Reference Standard:

a. MYNI 2019 of RSPO P&C 2018 / RSPO Independent Smallholder Standard, Nov 2019 / RSPO Management System Requirements and Guidance for Group Certification of FFB Production, March2018
b. RSPO Certification System Documents
c. Company's audit criteria including Company's Manual/Procedures

6. Assessment Team

Lead Auditor : Dzulfiqar Azmi (Social Internal, TPB, Metric Template)

Auditor :

1) Rohazimi Mat Nawi (Safety, Environment)
2) Mohd Zulfakar Kamaruzaman (Social External, HCV,SCCS)
3) Rozaimee Ab Rahman (Good Agriculture Pratices)

Observer : N.A.

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

7. Audit Method

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

8. Audit Findings

Audit findings shall be classified as major and/or minor. Major nonconformities shall be addressed within 90 days or else the certificate shall be suspended.

If the major nonconformities are still not addressed within another 90 days, the certificate shall be terminated. If there are five or more major non-compliances within one Principle found during the audit, immediate suspension of RSPO certification shall be recommended.

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

9. Confidentiality Requirements

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

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

10. Working Language : English and Bahasa Malaysia

11. Reporting

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

12. Facilities Required

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

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

The RSPO 2018 Principles and Criteria (P&C) Metrics Template outlines a set of strategic outcome-based metrics directly related to the RSPO P&C and aligned with the RSPO Theory of Change. This Metrics Template takes effect on June 1, 2021, and all audits against the 2018 P&C or the relevant National Interpretation conducted from that date onwards shall prepare and submit this Metrics Template for review by the audit team during the audit. Kindly submit the Metrics Template (version 2.0) to the Lead Auditor for verification.

14. Assessment Programme Details : As below

Day-1: 20/05/2024 (Monday)

<table>
<tr><th>Time</th><th colspan="4">Activities / areas to be visited</th><th>Auditee</th></tr>
<tr><td>9.00 am</td><td colspan="4">Opening Meeting for Syarikat Kretam Mill Sdn. Bhd. CU. Audit team introduction and briefing on assessment objectives, scope, methodology, criteria and programmes by SIRIM QAS Audit Team Leader. Briefing on the organization background and implementation of RSPO at CU (including actions taken to address previous audit findings) by company Management Representative.</td><td>All CU & Management Representative</td></tr>
<tr><td>9.30 am</td><td colspan="4">Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at Masang Estate.</td><td>Management Representative</td></tr>
<tr><td rowspan="3">9.45 am</td><td colspan="4">To assign each audit team members – site and the P&C requirements</td><td></td></tr>
<tr><td>Dzul
Masang Estate</td><td>Rohazimi
Masang Estate</td><td>Zulfakar
Masang Estate</td><td>Rozaimee
Masang Estate</td><td></td></tr>
<tr><td></td><td>Coverage of assessment: P1 – P7 (Social Internal)
▪ Facilities provided at housing inspection, mosque/surau, community center, School/CLC, Humana/Crèche, provision shop & etc.
▪ Site inspection/interview at production area – Harvesting operation at block 10ME4 (division 1) and spraying operation at block 11P08 (division 2).
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans.
▪ Interview with Union/workers representatives.
▪ Interview with gender committee, worker representative, contractors' workers, supplier, etc.
▪ Workers Issues & welfare

Other areas identified during the assessment.</td><td>Coverage of assessment: P1 = P7 (Safety & Environment)
▪ Facilities at workplace inspection (water treatment plant, diesel genset, clinic, stores, workshop, landfill area & etc.
▪ Waste management including disposal site
▪ Aspects/impacts of estate management
▪ Pollution mitigating plans
▪ River system and Effluent Treatment/Discharge
▪ Safety & Health practice – witness activities at site
▪ Hazard identification and Risk Management

Other areas identified during the assessment.</td><td>Coverage of assessment: P1 – P7 (Social External & HCV)
▪ Interview with external stakeholders i.e. contractors, local communities, government agencies, NGO, smallholders, etc.
▪ Site visit at HCV area, Mill/Estate Boundary, adjacent and neighboring land use.
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans.
▪ Local sustainable development
▪ Support smallholder inclusion
▪ Complaints and grievances
▪ External stakeholders' issues & welfare
▪ HCV/RTE and action plan
▪ Buffer/Riparian Zones

Other areas identified during the assessment.</td><td>Coverage of assessment: P1 – P7 (GAP)
▪ Site inspection/interview at production area –Harvesting operation at block 04MD4 (division 1) and block 01MA (division 1).
▪ Safety & Health practice – witness activities at site
▪ Good agriculture practices implementation
▪ Controlled/open burning.
▪ Chemical management

Other areas identified during the assessment.</td><td></td></tr>
<tr><td>12.30 pm</td><td colspan="4">LUNCH BREAK & ZUHUR PRAYER</td><td></td></tr>
<tr><td>1.30 pm</td><td colspan="4">Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records</td><td></td></tr>
<tr><td>5.00 pm</td><td colspan="4">Audit team discussion / Interim closing / End of Day 1 audit</td><td></td></tr>
<tr><td>9.00pm</td><td colspan="4">Discussion LA and teams on potential NCRs</td><td></td></tr>
</table>

Day-2: 21/05/2024 (Tuesday)

<table>
<tr><th>Time</th><th colspan="4">Activities / areas to be visited</th><th>Auditee</th></tr>
<tr><td>9.00 am</td><td colspan="4">Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at Sapagaya Estate</td><td>Management Representative</td></tr>
<tr><td></td><td colspan="5">To assign each audit team members – site and the P&C requirements</td></tr>
<tr><td></td><td>Dzul
Sapagaya Estate</td><td>Rohazimi
Sapagaya Estate</td><td>Zulfakar
Sapagaya Estate</td><td colspan="2">Rozaimee
Sapagaya Estate</td></tr>
<tr><td></td><td>Coverage of assessment: P1 – P7 (Social Internal)
▪ Facilities provided at housing inspection, mosque/surau, community center, School/CLC, Humana/Crèche, provision shop & etc.
▪ Site inspection/interview at production area – Harvesting at Block 08SE6 in division 2 and Manuring operation at block 06SC4 in division 2.
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans.
▪ Interview with Union/workers representatives.
▪ Interview with gender committee, worker representative, contractors' workers, supplier, etc.
▪ Workers Issues & welfare

Other areas identified during the assessment.</td><td>Coverage of assessment: P1 = P7 (Safety & Environment)
▪ Facilities at workplace inspection (water treatment plant, diesel genset, clinic, stores, workshop, landfill area & etc.
▪ Site inspection/interview at production area – harvesting, spraying, manuring, OP nursery, replanting area, peat area & etc.
▪ Waste management including disposal site
▪ Aspects/impacts of estate management
▪ Pollution mitigating plans
▪ River system and Effluent Treatment/Discharge
▪ Safety & Health practice – witness activities at site
▪ Hazard identification and Risk Management

Other areas identified during the assessment.</td><td>Coverage of assessment: P1 – P7 (Social External & HCV)
▪ Interview with external stakeholders i.e. contractors, local communities, government agencies, NGO, smallholders, etc.
▪ Site visit at HCV area, Mill/Estate Boundary, adjacent and neighboring land use.
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans.
▪ Local sustainable development
▪ Support smallholder inclusion
▪ Complaints and grievances
▪ External stakeholders' issues & welfare
▪ HCV/RTE and action plan
▪ Buffer/Riparian Zones

Other areas identified during the assessment.</td><td colspan="2">Coverage of assessment: P1 – P7 (GAP)
▪ Site inspection/interview at production area – Spraying Operation at block 10ND2 in division 3, Harvesting at block)9NC1/2 in division 3.
▪ Safety & Health practice – witness activities at site
▪ Good agriculture practices implementation
▪ Controlled/open burning.
▪ Chemical management

Other areas identified during the assessment.</td></tr>
<tr><td>12.30 pm</td><td colspan="5">LUNCH BREAK & ZUHUR PRAYER</td></tr>
<tr><td>1.30 pm</td><td colspan="5">Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records</td></tr>
<tr><td>5.00 pm</td><td colspan="5">Audit team discussion / Interim closing / End of Day 2 audit</td></tr>
<tr><td>9.00pm</td><td colspan="5">Discussion LA and teams on potential NCRs</td></tr>
</table>

Day-3: 22/05/2024 (Wednesday)

<table>
<tr><th>Time</th><th colspan="4">Activities / areas to be visited</th><th>Auditee</th></tr>
<tr><td>9.00 am</td><td colspan="4">Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at Bukit Sekong Estate</td><td>Management Representative</td></tr>
<tr><td></td><td colspan="5">To assign each audit team members – site and the P&C requirements</td></tr>
<tr><td></td><td>Dzul
Bukit Sekong Estate</td><td>Rohazimi
Bukit Sekong Estate</td><td>Zulfakar
Bukit Sekong Estate</td><td colspan="2">Rozaimee
Bukit Sekong Estate</td></tr>
<tr><td></td><td>Coverage of assessment: P1 – P7 (Social Internal)
▪ Facilities provided at housing inspection, mosque/surau, community center, School/CLC, Humana/Crèche, provision shop & etc.
▪ Site inspection/interview at production area – Harvesting at Block 15XB3 and Manuring operation at 17XD5.
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans.
▪ Interview with Union/workers representatives.
▪ Interview with gender committee, worker representative, contractors' workers, supplier, etc.
▪ Workers Issues & welfare

Other areas identified during the assessment.</td><td>Coverage of assessment: P1 = P7 (Safety & Environment)
▪ Facilities at workplace inspection (water treatment plant, diesel genset, clinic, stores, workshop, landfill area & etc.
▪ Site inspection/interview at production area – harvesting, spraying, manuring, OP nursery, replanting area, peat area & etc.
▪ Waste management including disposal site
▪ Aspects/impacts of estate management
▪ Pollution mitigating plans
▪ River system and Effluent Treatment/Discharge
▪ Safety & Health practice – witness activities at site
▪ Hazard identification and Risk Management

Other areas identified during the assessment.</td><td>Coverage of assessment: P1 – P7 (Social External & HCV)
▪ Interview with external stakeholders i.e. contractors, local communities, government agencies, NGO, smallholders, etc.
▪ Site visit at HCV area, Mill/Estate Boundary, adjacent and neighboring land use.
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans.
▪ Local sustainable development
▪ Support smallholder inclusion
▪ Complaints and grievances
▪ External stakeholders' issues & welfare
▪ HCV/RTE and action plan
▪ Buffer/Riparian Zones

Other areas identified during the assessment.</td><td colspan="2">Coverage of assessment: P1 – P7 (GAP)
▪ Site inspection/interview at production area – Harvesting operation at block 16XC2, Spraying operation at Block 16XC5.
▪ Safety & Health practice – witness activities at site
▪ Good agriculture practices implementation
▪ Controlled/open burning.
▪ Chemical management

Other areas identified during the assessment.</td></tr>
<tr><td>12.30 pm</td><td colspan="5">LUNCH BREAK & ZUHUR PRAYER</td></tr>
<tr><td>1.30 pm</td><td colspan="5">Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records</td></tr>
<tr><td>5.00 pm</td><td colspan="5">Audit team discussion / Interim closing / End of Day 3 audit</td></tr>
<tr><td>9.00pm</td><td colspan="5">Discussion LA and teams on potential NCRs</td></tr>
</table>

Day-4: 23/05/2024 (Thursday)

<table>
<tr><th>Time</th><th colspan="4">Activities / areas to be visited</th><th>Auditee</th></tr>
<tr><td>9.00 am</td><td colspan="4">Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at Bode Estate</td><td>Management Representative</td></tr>
<tr><td rowspan="3"></td><td colspan="4">To assign each audit team members – site and the P&C requirements</td><td></td></tr>
<tr><td>Dzul
Bode Estate</td><td>Rohazimi
Bode Estate</td><td>Zulfakar
Bode Estate</td><td>Rozaimee
Bode Estate</td><td></td></tr>
<tr><td>Coverage of assessment: P1 – P7 (Social Internal)
▪ Facilities provided at housing inspection, mosque/surau, community center, School/CLC, Humana/Crèche, provision shop & etc.
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans.
▪ Interview with Union/workers representatives.
▪ Interview with gender committee, worker representative, contractors' workers, supplier, etc.
▪ Workers Issues & welfare

Other areas identified during the assessment.</td><td>Coverage of assessment: P1 = P7 (Safety & Environment)
▪ Facilities at workplace inspection (water treatment plant, diesel genset, clinic, stores, workshop, landfill area & etc.
▪ Site inspection/interview at production area – harvesting, spraying, manuring, OP nursery, replanting area, peat area & etc.
▪ Waste management including disposal site
▪ Aspects/impacts of estate management
▪ Pollution mitigating plans
▪ River system and Effluent Treatment/Discharge
▪ Safety & Health practice – witness activities at site
▪ Hazard identification and Risk Management

Other areas identified during the assessment.</td><td>Coverage of assessment: P1 – P7 (Social External & HCV)
▪ Interview with external stakeholders i.e. contractors, local communities, government agencies, NGO, smallholders, etc.
▪ Site visit at HCV area, Mill/Estate Boundary, adjacent and neighboring land use.
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment, and management plans.
▪ Local sustainable development
▪ Support smallholder inclusion
▪ Complaints and grievances
▪ External stakeholders' issues & welfare
▪ HCV/RTE and action plan
▪ Buffer/Riparian Zones

Other areas identified during the assessment.</td><td>Coverage of assessment: P1 – P7 (GAP)
▪ Site inspection/interview at production area – Harvesting operation at Block 06BD1 in division 3 & Block 09BG1 in division 2, Manuring operation at Block 19BM1, Spraying operation at block 08BF3.
▪ Safety & Health practice – witness activities at site
▪ Good agriculture practices implementation
▪ Controlled/open burning.
▪ Chemical management

Other areas identified during the assessment.</td><td></td></tr>
<tr><td>12.30 pm</td><td colspan="4">LUNCH BREAK & ZUHUR PRAYER</td><td></td></tr>
<tr><td>1.30 pm</td><td colspan="4">Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records</td><td></td></tr>
<tr><td>5.00 pm</td><td colspan="4">Audit team discussion / Interim closing / End of Day 4 audit</td><td></td></tr>
<tr><td>9.00pm</td><td colspan="4">Discussion LA and teams on potential NCRs</td><td></td></tr>
</table>

Day-5: 24/05/2024 (Friday)

<table>
<tr><th>Time</th><th colspan="3">Activities / areas to be visited</th><th>Auditee</th></tr>
<tr><td>9.00 am</td><td colspan="3">Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at Syarikat Kretam Mill</td><td>Management Representative</td></tr>
<tr><td rowspan="3"></td><td colspan="4">To assign each audit team members – site and the P&C requirements</td></tr>
<tr><td>Dzul
Syarikat Kretam Mill</td><td>Rohazimi
Syarikat Kretam Mill</td><td colspan="2">Zulfakar
Syarikat Kretam Mill</td></tr>
<tr><td>Coverage of assessment: P1 – P7 (Social – Internal)
▪ Facilities provided at line site inspection (i.e. workers/staff housing, mosque/surau, community center, School/CLC, Humana/Crèche, provision shop & etc.
▪ Interview with mill workers – female, male, various nationality, various job scope, contractor workers, check roll workers.
▪ Discussion with relevant management (CSR, community affairs) and view documentation such as SIA, assessment and management plans.
▪ Interview with Union/workers representatives.
▪ Interview with gender committee, worker representative, contractors, supplier, etc
▪ Workers Issues & welfare

Other areas identified during the assessment.</td><td>Coverage of assessment: P1 = P7 (Safety & Environment)
▪ Facilities at workplace inspection (worker quarters, water treatment plant, laboratory, clinic, stores, workshop, landfill area & etc.
▪ Site inspection/interview at production area – FFB loading ramp, boiler, sterilizer, biogas, laboratory, & etc.
▪ Mill Best Practice implementation
▪ Waste management including disposal site
▪ Aspects/impacts of mill management
▪ Pollution mitigating plans
▪ River system and Effluent Treatment/Discharge
▪ Controlled/open burning
▪ Safety & Health practice – witness activities at site
▪ Hazard identification and Risk Management
▪ Chemical management

Other areas identified during the assessment.</td><td colspan="2">Site visit and assessment on Supply Chain Implementation including the:
▪ Model used, General Chain of Custody, System Requirements for the supply chain, Purchasing and goods in, Outsourcing activity, Sales and goods out, Processing, Claims.
Coverage of assessment: P1 – P7 (Social – External)
▪ Interview with external stakeholders i.e. local communities, government agencies, NGO, smallholders, etc.
▪ Site visit at Mill/Estate Boundary, adjacent and neighbouring land use.
▪ Local sustainable development
▪ Support smallholder inclusion
▪ Complaints and grievances
▪ External stakeholders issues & welfare
▪ Training and skill development programs
▪ Continuous improvement

Other areas identified during the assessment.</td></tr>
<tr><td>12.00 pm</td><td colspan="4">LUNCH BREAK & FRIDAY PRAYER</td></tr>
<tr><td>2.00 pm</td><td colspan="4">Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records</td></tr>
<tr><td>3.30 pm</td><td colspan="4">Discussion and acceptance on assessment findings with Management Representative and visited site Plantation / Scheme Manager</td></tr>
<tr><td>5.00 pm</td><td colspan="4">Closing meeting at the CU / End of audit</td></tr>
</table>

Note: This audit plan is subject to change whenever necessary, and the Client's representative will be informed of any.

Attachment 3

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

Principle 1: Behave ethically and transparently

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

Clause	Indicators	Comply Yes/No	Findings
1.1 The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.	1.1.1 (C) Documents that are specified in the RSPO P&C are made available to the public.	YES	The Syarikat Kretam Mill Sdn. Bhd. CU – Sandakan Region (KHB Sandakan Region CU) continued to implement the procedure for responding to any communication as outlined in their Estate/Mill Sustainability Department documents. The records of communication were identified and maintained in different files depending on the stakeholder. Among the records reviewed were correspondences with the authorities and employees. The CU continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans and the procedure for complaints and grievances are available through Kretam Holdings Berhad website at http://www.kretam.com/. Request Forms were available for stakeholders or interested parties to obtain information related to RSPO. Records of visits by Government agencies were also established. Sandakan Region CU also continued to implement the procedure for responding to any communication as outlined in their RSPO System procedure – RSPO Indicator 1.1.4 for Internal Communications & External Communication. The procedure required the appointed person-in-charge to respond to all communication within a specified time frame. Action needs to be taken to fulfil the request or for deciding. All communications are to be registered. Adequate information covering environmental, social and legal issues which are relevant to RSPO Criteria and relevant to stakeholders is shared for effective participation and decision making. Requests for information from the Regulatory Department such as DOE, DOSH, MPOB or buyers during compliance visit were attended. Besides, KHB also published Annual Report 2024 which incorporating upstream and downstream information.
	1.1.2 Information is provided in appropriate languages and accessible to relevant stakeholders.	YES	Information available in appropriate languages (English/Bahasa) and accessible to relevant stakeholders through sample meeting latest conducted at The CU. The records of communication were identified and maintained in different files depending on the

Clause	Indicators	Comply Yes/No	Findings
	AUDITORS' GUIDE: *Appropriate language means apart from Bahasa Malaysia & English, information needs to be made available in languages deem suitable to ensure ALL stakeholders understand the content/information.*		stakeholder. Among the records reviewed were correspondences with the authorities and employees. The CU continued to use the internet for disseminating public information. Information relating to land titles, safety and health plans, pollution prevention plans and the procedure for complaints and grievances are available through Kretam Holdings Berhad website at http://www.kretam.com/. Sighted the latest external stakeholders' communications for the CU was conducted 11/08/2023 attended by 64 external stakeholders and 18 internal stakeholders. The consultation involved relevant stakeholders. The stakeholders were briefed on all the RSPO principles and criteria. Evidence of the above stakeholder consultation conducted is available and the stakeholder feedback were recorded in the SIA and EIA plan. So far, no negative impacts have been observed during the stakeholder's feedback or meeting.
	1.1.3 (C) Records of requests for information and responses are maintained.	YES	Records of requests for information and responses are maintained. Information requests and responses implemented based on Communication Procedure to handle communication for internal and external stakeholders. External Communication Form and Communication Record were used for records including authority visits books. Communication with authorities such as DOSH, DOE and Labour Department were maintained. For FY 2023 and 2024 as at todate, there is no record requested by external stakeholders so far. The latest communications sighted in these records, Buku Aduan, was request for repairs at employee housing. Management documents relating to environment, social and legal issues, were available to the public except for those prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes. The CU has provided relevant information (environmental, social and/or legal) as requested by the relevant stakeholder during the annual stakeholder communications.
	1.1.4 (C) Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by nominated representative. *AUDITORS' GUIDE:* *1) Do the stakeholders include Orang Asli or indigenous people? Refer to AUDITORS' GUIDE IN REPORTING ORANG ASLI MATTERS at the end of this checklist.* *2) Make sure relevant consultation and communication are properly documented and available for review during audit. The process*	YES	Consultation and Communication Procedures are documented in KHB-HR-P08 of KHB Holdings Berhad Group, Revision No. 1, Effective Date of 1st August 2018 with approval by the Director. The procedure has detailed the process of handling complaints from stakeholders and the time frame for external communication to be dealt with. The time frame to provide feedback is within two weeks of the date of receipt for communication and within one week of the completion of the investigation. The procedures are documented and disclosed to respective stakeholders. These documents are also available on the Company's website at www.kertam.com/index.php/rspo and displayed on notice boards at the office and the muster ground. The procedure has detailed the process of handling social issues raised by the stakeholders and resolving them in an effective, timely and appropriate manner. Other external and internal communication procedures developed by Kretam Holdings

Clause	Indicators	Comply Yes/No	Findings
	description shall be clear for reference. *3) Obtain information on how relevant procedures were circulated to employees and the awareness process i.e.* *a) Type of contract – daily rate or piece rate. Overtime?* *b) Mechanism for handling of complaint from internal/external stakeholders.* *c) Workers understanding and awareness.* *d) Other workers samples including Orang Asli (if any), contract workers, foreign contract workers.*		Berhad are available and were sighted at the audited sites. Among them include: - Complaint and Grievance Procedure KHB-HR-P05 dated 01/09/2020. - Sexual Harassment Complaint Procedure KHB-HR-P06 dated 01/06/2017. - Information Procedure (Transparency Procedure) KHB-HR-P07 dated 01/06/2015. - Consultation and Communication Procedures KHB-HR-P08 dated 01/08/2018. - FPIC Procedure; and Notices and posters / pamphlets displayed on notice boards at the office and the muster ground were also used as a means of internal communication. Regular morning briefings were used by the management to communicate policies, procedures, rules and regulations and other information to its employees. Online platform can be accessed via fill up the form @ https://www.kretam.com/index.php/contact-us.
	1.1.5 There is a current list of contact and details of stakeholders and their nominated representatives. *AUDITORS' GUIDE:* *Stakeholders listing shall include internal parties such as workers leader, women leader, religion head, ethnic leader etc.*	YES	Stakeholder list FY 2024 was established in both mill and estate. Stakeholders such as internal stakeholder i.e., workers representative from joint consecutive committee, workers leader, women leader, ethnic leader, and external stakeholders i.e., local communities, government authorities, contractors, suppliers, FFB suppliers and NGOs were included in the list. Nominated representative with contact number and address was sighted.
1.2 The unit of certification commits to ethical conduct in all business operations and transactions.	1.2.1 A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.	YES	Policy for ethical conduct is available via Code of Conduct & Human Rights Policy signed by Chief Executive Officer (CEO) on 1 March 2020. Among others, this Policy calls for: • Respect fair conduct of business. • Prohibit of all forms of corruption, bribery and fraudulent use of funds and resources. • Proper disclosure of information in accordance with applicable regulations. • Protection of confidential information. The policy is available on the website at www.kretam.com. Based on documentation review, observations during audit and interviews conducted with sampled workers and contractors, the CU has successfully demonstrated that its Code of Conduct & Human Rights Policy is being implemented.
	1.2.2 A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.	YES	The system to monitor compliance and the implementation of the policy and overall ethical business practice was executed via annual internal audit and contract agreement. All purchases are centralized at the Company's HQ in Sandakan, where quotation, order, and suppliers are determined. The Mill and Estates have no direct contact with suppliers and buyers. Tender awards to be decided by tender committee and refer to Contractor Management Flowchart procedure dated 01/06/2017 to ensure independence and transparency; and vendor COBC developed to outline the standards of behavior required by KHB vendors which includes expectation to uphold human rights. The Vendor COBC applies to all its suppliers, consultants, agents, contractors /service providers who have direct dealings with the Group. All vendors are required to declare their compliance

Clause	Indicators	Comply Yes/No	Findings
			through the Contract Agreement which includes a declaration to eradicate all forms of exploitation, including but not limited to modern day slavery and human trafficking.

Principle 2: Operate legally and respect rights

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

Clause	Indicators	Comply Yes/No	Findings
2.1 There is compliance with all applicable local, national and ratified international laws and regulations.	2.1.1 (C) The unit of certification complies with applicable legal requirements. *AUDITORS' GUIDE:* *1) Relevant legal requirement might differs between states in Malaysia i.e. peninsular, Sabah & Sarawak.* *2) Give focus on social related legal requirement such as Sabah Labour Ordinance, Child Rights & Protection, Human Rights, Immigration Act, Passport Act, etc.* *3) Please note on the process of the following during audit (where applicable):* *i) foreign workers legalization (Program Pemutihan),* *ii) foreign workers recruiting through agent and quota basis vs walk-in application* *iii) Immigration permit renewal process.*	YES	Syarikat Kretam Mill Sdn. Bhd. CU continued to comply with all applicable legal requirements. Sighted among the sample compliance were as per below: *Masang Estate* ▪ MPOB License valid until 30/09/2024 ▪ MPOB License valid until 31/07/2024 ▪ MPOB License (Nursery) valid until 30/06/2025 ▪ Air compressor permit valid until 09/05/2024 – Application for inspection done via myKKP dated 29/4/202 and still in process status inside myKKP system waiting inspection date schedule. ▪ Diesel Permit for 12200 liter valid until 27/12/2024 ▪ Petrol Permit for 800 Liter/Day valid until 27/12/2024 ▪ Lesen untuk menggaji perkerja bukan pemastautin –valid until 17/03/2025 ▪ Lesen berniaga valid until 31/12/2024 ▪ Lesen bagi perpasangan persendirian license valid until 11/07/2024 ▪ Lesen bagi perpasangan persendirian license valid until 10/12/2024. *Sapagaya Estate* ▪ MPOB License valid until 30/11/2024. ▪ MPOB License (Nursery) valid until 30/09/2024 ▪ Air compressor permit valid until 7/8/2024 ▪ Diesel Permit valid until 1/8/2024 ▪ Lesen untuk menggaji perkerja bukan pemastautin –valid until 21/04/2025 ▪ Lesen berniaga No. Siri 470854 valid until 31/12/2024 ▪ Lesen bagi perpasangan persendirian license valid until 04/09/2024 ▪ Lesen bagi perpasangan persendirian license until 30/12/2024

Clause	Indicators	Comply Yes/No	Findings
			Bukit Sekong Estate ▪ MPOB License valid until 30/11/2024 ▪ Air compressor permit valid until 09/05/2024 Application for inspection done via myKKP dated 29/4/2024 and still in process status inside myKKP system waiting inspection date schedule. ▪ Diesel Permit valid until 28/09/2024 ▪ Petrol Permit valid until 20/09/2024 ▪ Lesen untuk menggaji pekerja bukan pemastautin –valid 24.07.2024 ▪ Lesen berniaga valid until 31/12/2024 ▪ Lesen bagi perpasangan persendirian license valid until 21/08/2024.(Sukau Division) ▪ Lesen bagi perpasangan persendirian license valid until 14/08/2024.(Labour Line) ▪ Lesen bagi perpasangan persendirian license valid until 05/12/2024.(Office) ▪ Lesen bagi perpasangan persendirian license valid until 14/08/2024.(Labour Line) ▪ Lesen bagi perpasangan persendirian license valid until 05/12/2024.(Manager House) ▪ Lesen bagi perpasangan persendirian license valid until 26/04/2025.(Water Treatment Plant) *Bode Estate* ▪ MPOB License valid until 30/11/2024 for seller and transport FFB ▪ MPOB License valid until 30/11/2024 for seller and transport FFB ▪ MPOB License valid until 30/09/2024 for nursery ▪ Air compressor permit expired on 07/08/2024 ▪ Diesel Permit valid until 28/09/2024 ▪ Petrol Permit valid until 28/09/2024 ▪ Lesen untuk menggaji perkerja bukan pemastautin –valid 25.07.2024 ▪ Lesen berniaga valid until 31/12/2024 ▪ Lesen bagi perpasangan persendirian license valid until 22/06/2024. *Kretam Palm Oil Mill* • DOE license valid until 30/06/2024 under prescribed premise. • JTK Permit to hired foreign workers valid until 21/04/2025. • JTK permit to for overtime valid until 31/03/2026 FOR 120 hours-sighted. • Diesel permit valid until 28/09/2024 • Petrol permit valid until 28/09/2024 • Fire certificate, cert valid until 8/1/2025. • MPOB license (340,000 Tons), valid until 30/11/2024 • Suruhan jaya tenaga license valid until 23/10/2024

Clause	Indicators	Comply Yes/No	Findings
			Air monitoring • Stack Dust Emission Monitoring – was conducted on 18/10/2023 (chimney no3). The results dust particulate for boiler no 3 were below the permissible limit of 150 mg/m3. • Continuous emission monitoring system (CEMS) was installed, and data transmit to DOE online. CEMS Weekly checking logbook was established to ensure equipment in good condition by electrical chargemen. <u>Factory and Machinery Act 1967</u> i) *Person in Charge Regulation 1970 – The competent persons records were seen accordingly for Enginner -Steam Cert Grade 1 and 2, Engine Driver & Boilerman Grade 1 and 2, CepSwam, CepPOME Competent Persons, Authorised Gas Tester and Standby Persons.* <u>The Factories and Machinery (Notification, Certificate of Fitness and Inspection), Regulations, 1970 Regulation 10(2)</u> CF for - Sterilizer 1 valid until 14/05/2025 - Sterilizer 2 valid until 14/05/2025 - Water softener valid until 09/05/2025 - Vacuum dryer valid until 09/05/2025 - Air receiver valid until 09/05/2025 - Dandang valid until 09/05/2025 Sighted letter from DOSH SB/CFLJTS/24/00538 dated 29/2/2024 for items had approved for extension for 3 months until 9/8/2024. Permit for special approval of foreign worker quota for the plantation sector dated 28/08/2023 from State Home Affairs and Research Office under Chief Minister's Department. The approved quota number = 50 workers of foreign workers.
	2.1.2 A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.	YES	The CU continued to implement and maintain the established documented system for identifying, accessing, tracking and monitoring compliance with the legal requirements that were applicable to them. Each estate and mill had its own List of related laws, regulations and guideline and were evaluated individually annually for compliance. The legal registers were updated by the person in-charge and approved by the respective managers. The HR & Sustainability Department is responsible for tracking changes and the information was disseminated to all its plantations and Mill department. Among the applicable legal and included in the legal register are Pesticides Act 1974 and Regulations, Environmental Quality Act 1974 and Regulations, Factories and Machinery Act 1967 and Regulations, Occupational Safety and Health Act 1994, Industrial Relations Act 1967, Children and Young Persons (Amendment) Act 2010, MPOB Regulations (Licensing) 2005. Various

Clause	Indicators	Comply Yes/No	Findings
			sources were referred in obtaining information about the updates of legal requirements. This includes checking with the industrial association (e.g., MPOA, EMPA, SECA, etc.), attending seminar/conference, buying of the law books, government agencies websites, etc. The list laws and regulations were updated on 15/11/2022.
	2.1.3 Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.	YES	In Syarikat Kretam Mill Sdn Bhd CU legal boundaries were clearly demarcated and visibly maintained. During the site review, physical markers were visibly maintained at Bukit Sekong, Masang Estates and it was observed that there was no planting beyond these legal boundaries. The boundary of the Oil Palm Mill was Chain link Fence. The perimeter boundary of the estate was visibly maintained with wooden posts along the boundary, especially the ones that adjacent to other private estate. Legal boundaries of the 3 Estates had been identified and marked with post painted red and white. On Bukit Sekong Estate there were 13 markers with co-ordinates along its boundaries. and the neighbouring properties. On Masang Estate the neighbouring properties were 10 which were mainly smallholders whereas 1 is a Forest Reserve and 1 is a plantation company. Bode Estate – the neighbouring properties are estates.
2.2 All contractors providing operational services and supplying labour and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.	2.2.1 A list of contracted parties is maintained.	YES	Review of the contract agreement issued to suppliers and contractors contain a clause requiring compliance with applicable legal requirements, which stated in General Terms and Conditions. Evidence of legal due diligence were sighted as follows: 1) Oil Palm Replanting and Subsequent Upkeep Works at Masang Estate – agreement dated 15/08/2023 for replanting work of 74.60 ha. 2) Road Maintenance at Masang Estate – agreement dated 16/12/2023. 3) Transporting Oil Palm Fresh Fruit Bunches at Sapagaya Estate– agreement dated 01/01/2024. 4) To Supply All Labour and Machineries for Road's repair/Bridges/Drains & etc at Sapagaya Estate– agreement dated 01/01/2024. 5) To Supply All Labour and Machinery for Repair and Maintenance Main Road, Sub Road, Fixing Culvert, Repairing Drain and Lavelling Stone in Bukit Sekong Estate – agreement dated 15/12/2023. 6) Oil Palm Replanting for Felling, Chipping, Terracing and Subsequent Works Etc. at Bode Estate – agreement dated 03/04/2023. 7) Oil Palm Replanting and Subsequent Upkeep Works in Bode Estate– agreement dated 13/06/2023. 8) To Supply All Labour and Machineries for Road Maintenance in Bode Estate – agreement dated 15/12/2023. Stated in the agreement, the contracts contain clauses specifying no child, forced or

Clause	Indicators	Comply Yes/No	Findings
			trafficked labour [stated in clause 2.4 and 3.2], agree to be bound by the Company's anti-bribery and anti-corruption policy [clause 2.6], and to comply with all statutes, ordinance, and other laws [clause 2.3, and 3.1].
	2.2.2 All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/accredited) for migrant workers, service providers and labour contractors, is available.	YES	Contract agreements issued to suppliers and contractors contain clauses requiring compliance with legal requirements and disallowing child, forced, and trafficked labor. These clauses ensure that all parties involved adhere to ethical labor practices and prevent exploitation. A sample contract agreement between the estate and contractors was signed and acknowledged by both parties, demonstrating a mutual commitment to these standards. Furthermore, a thorough review of the contractor's workers' pays slips and employment agreements, along with a site visit, was conducted. This comprehensive review process confirmed that no young workers were being employed by the contractors, ensuring compliance with labor laws and safeguarding the rights of all workers involved. KHB Sandakan Region has engaged three (3) recruitment agencies, for the Philippines Indonesia workers and Myanmar workers respectively. The contract agreements dated 20/12/2023, 01/11/2023, reviewed include specific clauses ensuring compliance with relevant legal requirements. These clauses are designed to be verifiable by third parties, indicating a commitment to transparency and accountability in recruitment practices. Moreover, evidence of legal due diligence was provided, demonstrating the organization's proactive approach to ensuring ethical recruitment practices. ***As a result, the previous Minor NCR was satisfactorily closed.***
	2.2.3 All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.	YES	All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection. 1) Oil Palm Replanting and Subsequent Upkeep Works at Masang Estate – agreement dated 15/08/2023 for replanting work of 74.60 ha. 2) Road Maintenance at Masang Estate – agreement dated 16/12/2023. 3) Transporting Oil Palm Fresh Fruit Bunches at Sapagaya Estate – agreement dated 01/01/2024. 4) To Supply All Labour and Machineries for Road's repair/Bridges/Drains & etc at Sapagaya Estate– agreement dated 01/01/2024. 5) To Supply All Labour and Machinery for Repair and Maintenance Main Road, Sub Road, Fixing Culvert, Repairing Drain and Lavelling Stone in Bukit Sekong Estate– agreement dated 15/12/2023. 6) Oil Palm Replanting for Felling, Chipping, Terracing and Subsequent Works Etc. at Bode Estate– agreement dated 03/04/2023. 7) Oil Palm Replanting and Subsequent Upkeep Works in Bode Estate – agreement dated 13/06/2023. 8) To Supply All Labour and Machineries for Road Maintenance in Bode Estate – agreement dated 15/12/2023.

Clause	Indicators	Comply Yes/No	Findings
2.3 All FFB supplies from outside the unit of certification are from legal sources.	2.3.1 (C) For all directly sourced FFB, the mill requires: • Information on geo-location of FFB origins. • Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder • One or more supporting documents for claims • Valid MPOB license	YES	Not applicable. No FFB supply from outside. All owned FFB as production.
	2.3.2 For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1.	YES	Not applicable. No FFB supply from outside. All owned FFB as production.

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

Implement plans, procedures and systems for continuous improvement.

Clause	Indicators	Comply Yes/No	Findings
3.1 There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.	3.1.1 (C) A business or management plan (minimum three years) is documented that includes, where applicable, a jointly developed business case for Scheme Smallholders.	YES	Syarikat Kretam Mill Sdn Bhd CU continued to have a business plans prepared annually with a projection for year 2022 until 2028 called " long term plan & financial projection". The business plans acted as a guide towards sustainable business planning for the future. The components of the business plan are presented in a budget format comprising of the following. • Financial projection 2022-2028 • Long term management plans- OPEX & CAPEX 2022-2028 • Oil palm mature – budget & projection cost 2022-2028 • Proposed oil palm replanting 2022-2028 • Oil palm replanting cost 2022-2028 • Estate general charges - years projection operation 2022-2028 • Capital expenditure budget & projection plans 2022-2028. The business plan and budget were available and kept in soft copy. The documents were

Clause	Indicators	Comply Yes/No	Findings
			categorised as confidential. Information in the documents were sighted and briefed by the Estates/Mill Managers. Generally, the estates and mill business plan were towards maintaining sustainable business for the next 5 years. On the Estates the budget provisions covered activities for upkeep, cultivation, harvesting & evacuation, welfare, capital expenditure, RSPO compliance etc. The budget included projections on yield per hectare, and total cost of production per Mt and per hectare for Bukit Sekong Estate, Masang Estate, Sepagaya Estate and Bode Estate. **Bukit Sekong Estate**
	3.1.2 An annual replanting programme projected for a minimum of five years with yearly review, is available.	YES	Syarikat Kretam Mill Sdn Bhd Cu continued to maintain replanting programs. The replanting programs until FY 2024-2028 were sighted. The programme was reviewed once a year and is incorporated in their annual financial budget.
	3.1.3 The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken. *AUDITORS' GUIDE:* *1) Check the management review agenda. Confirm that the meeting has discussed and addressed all the required.* *2) Should there be any internal audit carried out internally, check on the findings, the closure and the completeness of actions taken to address the internal audit findings.*	YES	Syarikat Kretam Mill Sdn Bhd CU continued to conduct management review meetings: The latest being: • Masang Estate on date 13/05/2024 • Sapagaya Estate on date 26/04/2024 • Bukit Sekong Estate on date 24/04/2024 • Bode Estate on date 13/05/2024. Among the management review agenda discussed were: 1. Results of internal audits 2. Customer (internal/external) feedback 3. Process performance and product conformity 4. Status of preventive and corrective actions 5. Follow-up actions from management reviews 6. Changes that could affect the management system 7. Recommendations for improvement Management has transparently addressed the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of RSPO.
3.2 The unit of certification regularly monitors and reviews their economic, social and environmental performance and	3.2.1 (C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.	YES	Continuous Improvement Plans 2024/2025 were available at all the operating units and verified as below: *POM (Environmental):* 1) To reduced stack emission to DOE required limit – ESP system implemented. 2) To reduced and minimise GHG's emission – developed specific plan and implemented. 3) Effluent discharge – performance monitoring system and CEPPOMETS competency. 4) EFB leachate prevention system – EFB leachate collection sump to trap the spillage and pump it to effluent pond.

Clause	Indicators	Comply Yes/No	Findings
develops and implements action plans that allow demonstrable continuous improvement in key operations.			5) Reduce wastewater – reuse sterilizer condensate for screw press dilution. 6) Desludging of POME ponds – increase capacity and hydraulic retention time of ponding system. 7) Reduce usage of Shovel to feed the fibre into the boiler – boiler fuel fibre feeding system. *Estate* (Environmental): 1) To reduce chemical usage in pest management by practicing of biological control method. 2) To maintain riparian buffer zones. 3) To implement the tree planting project throughout the estate. 4) To maintain the quality of water supply by upgrading in the treatment efficiency. To conduct continuous education to employees, contractor and smallholders on the need to reduce burning and to ensure domestic rubbish is segregated and correctly placed. Among the commitment to continuous improvement on the main social issues are: 1) To provide/sharing knowledge on RSPO/MSPO to the local stakeholder. 2) Provide good access especially road condition to the local communities. 3) Construction of Mosque at labour quarters 4) Increase CSR contributions to local communities based on consultation. 5) Continuous monitoring of stray dogs and live poultry at residential area. 6) To centralize all possible housing and amenities to facilitate easy management and welfare. 7) To provide items such as mattress, bed, fan, wardrobe and pillow to employee's quarters. 8) Continuous implementation of providing free education for worker's children, childcare facilities and medical care.
	3.2.2 As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template. *AUDITORS' GUIDE:* *Review the metrics template and ensure details reported are consistent with details in this report.*	YES	The monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template before the audit started. The auditor already verified and checked the data and figure given was match with their database system.
3.3 Operating procedures are	3.3.1 (C) Standard Operating Procedures (SOPs) for the unit of certification are in place.	YES	The CU had SOPs for each of the processes and continued to be implemented. Brief versions of the SOPs were displayed at the appropriate locations. Copies of the documented SOPs were presented to the audit team. Generally, it was observed that activities being implemented involved

Clause	Indicators	Comply Yes/No	Findings
appropriately documented, consistently implemented and monitored.	*AUDITORS' GUIDE:* *Apart from operational procedures to the mill & plantation, ask for procedures on how the company manage their foreign workers and workers recruitment through contractors as these issues were considered as high-risk i.e. recruitment process, training, benefits, probation, payment of wages, renewal and management of permit/passport etc.*		safety and health, environment, quality, employees, etc. In general, the practices in the CU had been carried out as per the Plantations / Mill standard operating manuals and procedures (SOP - General) and SOP – Safety and health, SOP corrective action, handling incoming material / product, processing FFB, power and steam generation, quality and efficiency, handling of waste, chemical handling, preventive maintenance, handling CPO & PK, Handling incoming good (store), production planning working, safety & health, document handling responsibility, control of non-conforming materials / product procedure, supply chain certification manual, general chain of custody, RSPO supply chain module, internal audit procedure, RSPO it platform, outsource procedure, and identification & traceability. The documents include all aspects of the operation in the estates and mill, which is from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and dispatch of CPO, PK and PKO as well as security of the CU. For the estates, on top of the Head Research Environment Protection Department, sustainability department, technical guidelines such as the SOP – general & SOP – safety & health were also referred. Contents of the manual were disseminated to the workers through morning roll call and training. The manual was kept in the administration office for reference. Employment procedures for recruitment, selection, hiring, are documented and verified. For locals, the procedures are in SOP on Recruitment and Selection Procedure (SKM/SDK-OHS-07). The procedure details out the process of hiring (application form, screening, interview, requisition approval from HR Manager/Estate Manager, medical check-up and issuance of letter of offer). This procedure was confirmed by a Mill Manager at the Kretam Mill CU verified through the worker's personal file. For foreign worker, the employment procedures are provided in Recruitment of foreign worker Procedure dated 1 March 2020. Employment procedures for retirement and termination are available in the local workers' employment contracts and also there is SOP on that. Similarly, foreign workers' contracts also contain provision for mutual termination. The CU also maintained existing documented Standard Operating Procedures (SOPs). Among the SOP are: • For Estate – SOP General – 5th April 2022– have 60 SOP i.e. Estate Weighbridge, New Building Construction, Working Hours, IPM, Boundary Marking, FPIC, etc. • For Estate – SOP Safety & health – have 30 SOP i.e. Harvesting, Buffalo Cart Manual, Rat Baiting, Tractor Driver, Fire Drill, Emergency Situation, etc. • For Estate – Planting Manual -July 2015 • For POM – Quality Management System SOP – Ramp, Oil Clarification Station, Nut Station, mechanical preventive, etc.

Clause	Indicators	Comply Yes/No	Findings
			• For POM – OHS SOP – Mechanical Infrastructure Maintenance, Electrical Infrastructure Maintenance, Road Safety, etc. The following were the Manuals: • Planting Manual – had 20 chapters (Subjects) from Nursery Practices to Estate Road system • Company Policy (Main & Sub Policy) – a total of 15 policies. • Human Resource Procedures – Recruitments & Selection Procedure, Recruitment of foreign workers procedure, Workers and Staff employment. • OSH Manual for POM • Safety and Health Risk Assessment dated 17/03/2023 for 60 Estate Operations- Bkt Sekong
	3.3.2 A mechanism to check consistent implementation of procedures is in place.	NO	Syarikat Kretam Mill Sdn Bhd CU had in place the mechanism to check consistent implementation of procedures. The mechanism of ensuring consistent implementation was by: • Periodic reporting from estates • On site visits, inspections, and discussions with relevant personnel • Assessments and audits like Internal Audits, SEM visits and by RSPO Audits • Consultation with RSPO team & management. The Estates had lists of SOPs and monitored good agricultural practices as per SOPs by on-site visits, inspections and discussions with relevant personnel and by conducting assessments and audits like Internal Audits (Bukit Sekong on 22/04/2024, Sepagaya Estate on 23/04/2024, Seraya Estate on 24/04/2024, Masang Estate on 08/05/2024, Bode Estate on 09/05/2024, Kretam POM on 26/04/2024). Visit from external parties to check consistent implementation on SOP and legal compliance • Agronomists visit at Bode & Masang Estate on date 22-25/04/2024. • Gorventment agency visit i.e MPOB audit on date 20/02/2024, KKM visit on date 14/02/2024 & 03/01/2024, Jabatan Perlabuhan dan Dermaga Sabah on date 03/01/2024 – at Masang Estate. • MPOB visit at Sepagaya Estate on date 21/02/2024 to conduct audit MPOB COPN P2. • DOSH visit at Sapagaya Estate to conduct annual machinery inspection on date 08/05/2023. • Dosh visit on date 10/02/2023 at Bukit Sekong Estate to conduct annual machinery inspection – results in good condition. • Visit from Pejabat Kesihatan Kawasan Kinabatangan on date 07/09/2023 to conduct immunisation to all children at CU. • Visit from Jabatan Kesihatan Negeri Sabah at Bode Estate on date 03/01/2024 to conduct inspection on estate clinic- results from inspection was satisfactory. • DOSH visit to conduct annual machinery inspection on date 08/05/2023.- results machinery in

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td></td><td></td><td>good condition.

During site visit at estate operation and was verified the consistent implementation of safety procedures was in place for the spraying, harvesting, manuring activities for all the relevant estates -
Masang Estate, Sepagaya Estate, Bukit Sekong Estate & Bode Estate

(Safety procedure Implementation), employees wearing appropriate PPE such as:
harvester: gloves, google, wellington boots & safety helmet
sprayer and manuring: respirator mask, nitrile gloves, google, wellington boots, straw hat, and apron
Mill operator – Safety boots, earmuff, safety vest, helmet, cotton glove
Water treatment Plant Operator - Safety boots, earmuff, safety vest, helmet, cotton glove, dust mask
The organization had established control measures based on the OHS hierarchy. Sighted full sets of SOPs for Safety and Health (Total of 44 SOPS) during the audit. Sampled of SOPs sighted were:<table><tr><td>Doc No</td><td>Subject</td></tr><tr><td>KHB/G/SOP-26/S&H-04</td><td>Harvester</td></tr><tr><td>KHB/G/SOP-26/S&H-07</td><td>Using Sharp Tool at Height</td></tr><tr><td>KHB/G/SOP-26/S&H-09</td><td>Sprayer</td></tr><tr><td>KHB/G/SOP-26/S&H-13</td><td>Tractor Driver</td></tr><tr><td>KHB/G/SOP-26/S&H-23</td><td>Fixing tyre and rim</td></tr><tr><td>KHB/G/SOP-26/S&H-25</td><td>Chemical Spillage</td></tr></table>
The previous issues were satisfactorily closed. However, during this surveillance audit, it was identified that the mechanism for checking the consistent implementation of the social impact assessment plan was not effectively executed.

Based on interviews at Masang Estate with the Community Learning Center (CLC) Teacher, several workers (especially parents who paid the transport charge), and (the person who provides transport services), it was confirmed that there is a transport charge of RM25 per month for workers to transport students from their houses to the CLC. This finding is not in line with their social impact assessment plan which stated that transport charges would be covered for the workers. As a result, Major (Upgraded) NCR DA 01 2024 was raised.</td></tr>
<tr><td></td><td>3.3.3 Records of monitoring and any actions taken are maintained and available.</td><td>YES</td><td>Records of monitoring and the actions taken by estates in Syarikat Kretam Mill Sdn Bhd CU continued to be maintained. This was to ensure that the established procedures were consistently implemented.</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
	<u>AUDITORS' GUIDE:</u> *1) Records are essential evidence for implementation.* *2) Some records related to migrant workers employment were;* *a) the monitoring of fees that migrant workers pay before they depart from their home country,* *b) demand letters,* *c) MoUs and agreements between recruitment agents the CH and the consulates/embassies for the migrant workers.* *3) The company should provide relevant records as evidence on how they manage and monitor their contractors' compliance against the RSPO requirements e.g. legality of the workers, appropriate license, employment contract, insurance and wages, for the workers employed thru the contractors.* *4) Records of new workers recruitment process, training, benefits, probation, renewal of permit/passport shall be sampled and reviewed.*		Among the monitoring records sighted were: •Harvesting Interval record. Interval observed varies around 10 to 15 days. •FFB quality is monitored through infield FFB grading conducted by the management on daily basis. •Progress report of application of fertilizers. The work progress was generally on schedule. •Work Program Sheets, Field cost books, Bin cards, Monthly Progress & Report Account, rainfall data, etc. There was a system of having routine General Manager visits, Agronomist visit respectively to the estate and other audits by KHB Sustainability Department, to ensure compliance against Company policies and procedures in relation to operations, finance, safety, health and welfare requirements. The Regional Head also performed unscheduled visits to the CUs. Performances are tabled and discussed in the monthly meetings. In addition, a visit by an agronomist was made yearly. The report focusing on rainfall, yield [performing and underperforming], palm nutrition status, field observation agronomic matters and fertilizer recommendation has been included in the report. All the reports of monitoring were available at estate and mill office for references. Third party visit/inspection was also done as part legal compliance monitoring.
3.4 A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in	3.4.1 (C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/outgrower scheme, is documented.	YES	There was no new planting in the CU. Environmental Aspect and Impact Assessment (EAI) and Social Impact Assessment (SIA) was conducted internally considering activities associated to estate operations. Thus, this indicator is not applicable.
	3.4.2 For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.	YES	The Social Impact Assessment (SIA) Report dated June/July 2015, which pertains to Sandakan Region, was verified. The assessment took place from June to July 2015 for Kretam Mill, Masang Estate, Bode Estate, Sapagaya Estate, Bukit Sekong Estate and Seraya Estate. The SIA was conducted by the lead assessor, from Head of Research and Environment Protection Manager. Internal and external stakeholders were consulted in June to July 2015 during the

Clause	Indicators	Comply Yes/No	Findings
ongoing operations.	*AUDITORS' GUIDE:* *1) To ensure adequate stakeholder involvement", auditors can look for evidence that the CH considers internal/external input i.e. union minutes, JCC meetings, workers complaint log book and any other sources apart from stakeholder meeting as the sources of stakeholders input and to demonstrate their involvement.* *2) Do the stakeholders include Orang Asli or indigenous people? Refer to AUDITORS' GUIDE IN REPORTING ORANG ASLI MATTERS at the end of this checklist.* *3)To ensure participation of internal stakeholder like workers are with appropriate representatives – all races, job scopes, male & female etc.* *4) To ensure that replanting activities and workers involved sampled.* *5) To ensure available positive impacts were identified, included, and promoted into the SEIA by the CH.* *6) To ensure negative impacts were identified and mitigated appropriately.* *7) Mechanism to monitor the plans established shall be evident.*		assessment. The SIA was reviewed on 31/03/2022 by HR & Sustainability Department. The SIA was carried out in the palm oil mill and all four estates, involving internal stakeholders, local communities, neighboring plantations, government agencies, NGOs, and other relevant parties whose participation and contribution were vital to the assessment. The findings of the assessments, along with recommendations for social impact management and mitigation, are presented in this report. The SIA also includes the baseline socio-economic data of all estates, the social profile, as well as their stakeholders. The report also contains background information on the estates, labour policies, grievance procedures (internal and external), sexual harassment policies, facilities and amenities offered by the estates, and the social impact assessment procedures and results. Secondary data collection, including document review and file checking, was also conducted. The report includes both positive and negative impacts, such as access and use rights, economic livelihood and working conditions, subsistence activities, cultural and religious values, health and education facilities, and other community values, resulting from changes such as improved transport/communication or the arrival of a substantial migrant labour force, along with its recommendations. The SIA addendum for the replanting operation was carried out on 16/08/2022 in Masang Estate, 16/09/2022 in Sapagaya Estate, and 16/06/2023 in Bode Estate. It involved the participation of affected stakeholders, such as employees, contractor employees, neighboring communities (including those living downstream), contractors, and suppliers. The assessment identified both positive and negative impacts of the planned replanting. Positive impacts include job and business opportunities, and the ability of local communities to learn and emulate sustainable practices implemented by the company/plantation. Negative impacts include the movement of heavy machinery causing dusty road conditions, road damage, and road safety issues, as well as infestations of rhinoceros beetles and bagworms on neighbors' crops and fruit trees. Environmental aspect impact assessment (EAIA) which covers form upstream activities such as FFB reception until downstream processes was sighted during assessment. For KHB Sandakan Region CU, the latest environment aspect impact assessment was reviewed on 26/03/2024 covering all activities involved by participatory from Environment Management Team. The main purpose of this assessment was to evaluate and analyse the operations impact on soil, water, and air associated with the organization activities. At the estates, field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal, landfill management, clinical wastes, road maintenance, wildlife, and land conservation activities. The mitigation measures were continued to be implemented to minimize the negative impacts. The EAIA review process had included stakeholders' consultation with regards to environmental aspects, impacts, and pollution control,

Clause	Indicators	Comply Yes/No	Findings
			and ERT, HCV and land usage issues. The reviews done involved respective Managers, Assistants and Sustainability Team with external and internal stakeholders such as worker's representative, Govt. agencies, neighboring estates, local villagers, suppliers and contractors. So far, no issues related to environmental has been highlighted during stakeholders' communication.
	3.4.3 (C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way. *AUDITORS' GUIDE:* *1) Please check any changes that may trigger the renewal of the SEIA assessment i.e., change of stakeholders' composition, current situation and condition in comparison with the baseline year.* *2) Review the update between the current version vs the previous version. To compare detailed changes. Record both document version no. for purpose of reference.*	YES	The social management action plans are being reviewed and updated on an annual basis at the CU. This takes into account inputs from external stakeholder meetings, JCC meetings, OSH Committee meetings, as well as Gender Committee meetings. Among the social issues for management and monitoring were human right implementation, complaint channel, old wooden housing condition, CLC issues, etc. The SIA review process had included stakeholders' consultation with regards to social issues. The reviews carried out involved respective Managers, Assistants and Sustainability Team with external stakeholders such as from Govt. agencies, neighboring estates or smallholders, local communities, suppliers and contractors. The latest external stakeholders' consultation minutes meeting was held on 11/08/2023 in Sandakan Region CU. Evidence of the stakeholder consultations conducted is available, and the stakeholder feedback was recorded in the SIA Time Bound Plan. Environmental management Plan (EMP) for Syarikat Kretam Mill has been updated and reviewed on 26/03/2024 regarding all activities. The EMP specific impacts identified include smoke emissions, noise levels, POME, EFB management, Biogas System. Data were collected and analysed for compliance with relevant regulations and further actions needed were documented and implemented. There are no significant changes from the current EMP established practice. Due to no changes identified in the mill and estate operation, therefore no timetable for any change is required. The environmental management and monitoring plans were developed based on the impact identified in the EAIA. The environmental management plan is reviewed and updated regularly in a participatory way. Those activities evaluated as significant were then monitored using the management control and mitigation measure established for each activity where the significant impacts occurred. The management has periodically reviewed the implementation and effectiveness of the established program. During mill visit, the EMP was used as guide and no discrepancy found. The person in charge and the control required were properly recorded in the management plan. At all estates, field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal, landfill management, road maintenance, wildlife and land conservation activities. The mitigation measures were continued to be implemented to minimize the negative impacts. So far, no issues related to environmental has been highlighted during stakeholders' consultation.

Clause	Indicators	Comply Yes/No	Findings
3.5 A system for managing human resources is in place.	3.5.1 Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable. *<u>AUDITORS' GUIDE:</u>* *1)Appropriate language is used for the employment procedures – Bahasa Malaysia, English and language understood by all workers or their representative.* *2)Workers – local/ foreign/ contractors/ Orang Asli/ male & female.* *3)Get confirmation from workers (as stated above) that they understand the employment procedures content.*	YES	KHB has developed employment procedures for recruitment, selection, hiring, promotion, retirement, and termination. The procedure was documented and made available to the workers and their representatives where applicable. ▪ Recruitment and Selection Procedure dated 01/03/2019 rev. 4 ▪ Recruitment of Foreign Worker Procedure dated 01/03/2020 rev. 4 ▪ Foreign Worker Resignation & Termination Procedure dated 18/01/2019 rev. 0 The recruitment process was clearly stated in the procedure where the recruitment was based age, medical fitness and etc. There is no discrimination based on religion, gender, nationality and etc during their recruitment. The recruitment process is based on skills, capabilities, medical fitness necessary and etc. KHB also has implemented Social Policy dated 01/07/2022 and Foreign Worker Policy dated 01/04/2019 and signed by CEO of KHB, where the management is committed to contributing to a better society includes respecting, upholding & no-exploitation of fundamental human rights, providing safe and healthy workplaces and protecting workers' welfare and engaging and empowering communities. However, KHB needs to enhance its Recruitment of Foreign Worker Procedure to ensure that the process for recruiting new workers from Myanmar is clearly described and includes a comprehensive guide for adhering to due diligence processes. The procedure needs to adopt ethical recruitment standards, such as those set by the International Labour Organization (ILO), to ensure fair treatment of workers, transparency in recruitment processes, and prevention of exploitation. – *OFI*
	3.5.2 Employment procedures are implemented, and records are maintained.	YES	Based on the Standard Operating Procedure, sighted clear procedure on walk in process and timeline for the working pass application. In addition, observed also clear procedure or mechanism to ensure zero recruitment fees has been emphasized in the Foreign Worker Policy dated 01/04/2019. Based on interviews with sampled new workers engaged, confirmed they are aware of the flowchart walk in job application procedure and all the cost of recruitment fees are borne by the estate management. Based on the files sighted, KHB Sandakan Region CU are able to demonstrate the implementation of the employment procedures, and records are maintained. Records for Malaysian workers include job application form, resume, copies of relevant certificates, NRIC and medical reports. For foreign workers, records include copies of passports, work permits, personal file and medical report. The company maintains records of all appointments and processes leading to the appointments.
3.6 An occupational health and safety (H&S) plan is	3.6.1 (C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.	YES	The organization had established Master list of Safety and Health Risk Assessment with latest updated on 14/03/2024 for 62 activities and location. Sighted that the identification of coverage of HIRARC on the activities included: Harvesting | Pruning

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td rowspan="2">documented, effectively communicated and implemented.</td><td><u>AUDITORS' GUIDE:</u>
1) Apart from updating the HIRARC based on accident/incidence repot, auditor needs to further enhance this activity to ensure details in the HIRARC is appropriate.
2) As for reporting, review the correctness and effectiveness of details in the HIRARC.</td><td></td><td>
<table>
<tr><td>Pest and disease</td><td>Covid 19</td></tr>
<tr><td>Rat Baiting</td><td>Replanting</td></tr>
<tr><td>Manuring</td><td>Water sampling activities</td></tr>
<tr><td>Nursery</td><td>FFB crop via bin system</td></tr>
<tr><td>Water treatment</td><td>Road maintenance</td></tr>
<tr><td>Chemical store</td><td>Workshop including tire pumping activities</td></tr>
<tr><td>Field Work</td><td>Riding Motorcycle</td></tr>
</table>

New assessment been added for field work up keeping task date 21/11/2023.

HIRARC for the mill with latest review made on (has been reviewed on 15/7/2023 to include new activity for maintenance department) and on 13/09/2023 to include new activity for maintenance & inspection. The significant and routine activities for mill and estates were adequately covered with details as follows;

Kretam Mill
<table>
<tr><td></td><td colspan="3">Areas/Activities</td></tr>
<tr><td>1</td><td>Reception Station–Wbridge/Ramp</td><td>9</td><td>Engine Room</td></tr>
<tr><td>2</td><td>Fruit Handling</td><td>10</td><td>Product storage /Despatch</td></tr>
<tr><td>3</td><td>Sterilizer</td><td>11</td><td>Laboratory</td></tr>
<tr><td>4</td><td>Threshing</td><td>12</td><td>Water treatment</td></tr>
<tr><td>5</td><td>Clarification / Oil Room</td><td>13</td><td>Effluent Treatment Pond</td></tr>
<tr><td>6</td><td>Boiler House</td><td>14</td><td>Biogas plant</td></tr>
<tr><td>7</td><td>Weighbridge</td><td>15</td><td>Workshop</td></tr>
<tr><td>8</td><td>Housing</td><td>16</td><td>Pandemic Covid 19</td></tr>
</table>
</td></tr>
<tr><td>3.6.2 (C) The effectiveness of the H&S plan to address health and safety risks to people are monitored.</td><td>YES</td><td>The effectiveness of the H&S plan to address health and safety risks to people are monitored. H&S plan for Mill to address health and safety risks to people was monitored as per below:
Masang Estate
▪ CHRA for estate has been conducted on 12/08/2021 by competent assessor DOSH registration. The assessments has been carried out for 6 work units such as genset operator, manuring operator, process operator, sprayer operator, store operator, and workshop operator.
▪ The medical surveillance was carried out on 29/08/2023 for 3 genset operator, 23 manuring operators, 38 sprayers, 3 storekeepers, 1 water treatment plant operator, 4 workshop operator. Report indicated all employees were reported to be fit to handle chemicals
▪ Initial noise risk assessment has been conducted on 19/08/2020. The assessment has been carried out at work units such as tractor driver, workshop operator, and grass cutter operator. Results from the assessment indicated operator as above categories need to place on an audiometric testing program (baseline & annually).
▪ Audiometric tests are carried out annually. The last audiogram was conducted on 23/12/2023 for 23 workers. Results from the assessment were all the workers having "normal audiogram result.
▪ Workplace inspection conducted quarterly with latest inspection conducted on 23/3/2024. This inspection was done by appointed personnel from the same estate.</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
			▪ OSHWA self-assessment conducted on 5/9/2023 with mark 100% *Sapagaya Estate* ▪ CHRA for estate has been conducted on 29/10/2021. The assessments has been carried out for 6 work units such as genset operator, manuring operator, process operator, sprayer operator, store operator, and workshop operator. ▪ The medical surveillance was carried out on 30/08/2023 for 3 genset operator, 29 manuring operators, 27 sprayers, 6 storekeepers, 2 water treatment plant operator, 5 workshop operator. Report indicated all employees were reported to be fit to handle chemicals ▪ Initial noise risk assessment has been conducted on 21/08/2020. The assessment has been carried out at work units such as tractor driver, workshop operator, Genset operator and grass cutter operator. Results from the assessment indicated operator as above categories need to place on an audiometric testing program (baseline & annually). ▪ Audiometric tests are carried out annually. The last audiogram was conducted on 29/12/2023 for 20 workers. Results from the assessment were all the workers having “normal audiogram result. ▪ Workplace inspection conducted quarterly with latest inspection conducted on 18/5/2024. This inspection was done by appointed personnel from the same estate. ▪ OSHWA self-assessment conducted on 6/9/2023 with mark 100% *Bukit Sekong Estate* ▪ CHRA for estate has been conducted on 24/07/2023. The assessments has been carried out for 6 work units such as genset operator, manuring operator, process operator, sprayer operator, store operator, and workshop operator. ▪ The medical surveillance was carried out on 30/09/2023 for 2 genset operator, 17 manuring & spraying operators, 1 storekeeper, 1 water treatment plant operator, 1 workshop operator. Report indicated all employees were reported to be fit to handle chemicals ▪ Initial noise risk assessment has been conducted on 21/08/2020. The assessment has been carried out at work units such as tractor driver, workshop operator, and grass cutter operator. Results from the assessment indicated operator as above categories need to place on an audiometric testing program (baseline & annually). ▪ Audiometric tests are carried out annually. The last audiogram was conducted on 29/12/2023 for 23 workers. Results from the assessment were all the workers having “normal audiogram result. ▪ Workplace inspection conducted quarterly with latest inspection conducted on 29/12/2023. This inspection was done by appointed personnel from same estate. ▪ OSHWA self-assessment conducted on 6/9/2023 with mark 100% *Bode Estate* H&S plan for estate to address health and safety risks to people was monitored as per below: ▪ CHRA for estate has been conducted on 15/02/2023. The assessments have been carried out for 6 work units such as genset operator, manuring operator, process operator, sprayer operator, store operator, and workshop operator.

Clause	Indicators	Comply Yes/No	Findings
			▪ The medical surveillance was carried out on 29/08/2023 for 1 genset operator, 28 manuring operators, 30 sprayers, 3 storekeepers, 1 water treatment plant operator, 9 workshop operator. Report indicated all employees were reported to be fit to Handle chemicals, dust and hexane. ▪ Initial noise risk assessment has been conducted on 19/08/2020. The assessment has been carried out at work units such as tractor driver, workshop operator, and grass cutter operator. Results from the assessment indicated operator as above categories need to place on an audiometric testing program (baseline & annually). ▪ Audiometric tests are carried out annually. The last audiogram was conducted on 23/12/2023 for 34 workers. Results from the assessment were all the workers having "normal audiogram result. ▪ OSHWA self-assessment conducted on 5/9/2023 with mark 100% ▪ Workplace inspection conducted quarterly with latest inspection conducted on 21/03/2023. This inspection was done by appointed personnel from same estate. *Kretam Mill* ▪ CHRA for Kretam POM has been conducted on 01/11/2020. The assessments have been carried out for 11 work units such as lab operator, decanter plant, electrical fitters, vehicle workshop, boiler, chemical store, general store, kernel plant, oil room, mechanical fitters, and polishing plants. ▪ As per the recommendation from the CHRA, the biological monitoring (hexane) and health surveillance need to conduct for lab operator, welding & foremen operator (manganese exposure). ▪ The medical surveillance was carried out on 07/03/2024 for a total of 35 workers/staff from Biogas,Boiler, General workers,workshop, lab and kernel plant. The report concludes that all sample workers are fit to work. ▪ In addition, medical surveillance for confined space area has been conducted on 07/03/2024 for 10 workers/staff. The report concludes that all sample workers are fit to work. ▪ Workplace inspection conducted quarterly with latest inspection conducted on 20/05/2024. This inspection was done by appointed personnel from the same mill. ▪ OSHWA self-assessment conducted on 31/12/2023 with mark 100% ▪ Confined space work permit dated 11/1/2024 during Cleaning of Sterilizer No 2 using Gas Alert Max XT 11 (valid calibration until 30/5/2024) and task completed with permit closed by Entry Supervisor.
3.7 All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately	3.7.1 (C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and outgrowers, taking into account gender-specific needs, and which covers applicable aspects of the	YES	A documented training program that took into account gender-specific needs, and which covered applicable aspects of the RSPO P&C was available on all estates and POM. The program was accessible to all staff, workers, Scheme Smallholders and outgrowers, taking. A training need identification matrix has been established with target dates for the training identified. The training program includes: ▪ Harvesting & Pruning ▪ Buffalo Cart Manual

Clause	Indicators	Comply Yes/No	Findings
trained.	RSPO P&C, in a form they understand, and which includes assessments of training. *AUDITORS' GUIDE:* *Sample training for everyone – staffs, workers, contractors.*		▪ Storage & Management of Chemical Substance in Store ▪ Sprayer ▪ Water Catchment ▪ Accident Procedure ▪ Scheduled waste management ▪ PPE Used Training ▪ Health Training (First Aid) ▪ POM training ▪ Machinery Training ▪ OSH Act & Regulations 1994 ▪ PPE Training & Demonstration ▪ Use & Standard Exposure of Chemical Hazardous to Health (USECHH) 2000 ▪ Accident Investigation Techniques ▪ Emergency Respond Plan Training (e.g. Chemical spill, poisoning, Fire. Lightening) ▪ First Aid Training ▪ Scheduled waste management. ▪ Safe Work Procedure for All Stations
	3.7.2 Records of training are maintained, where appropriate on an individual basis.	YES	The training which had been conducted been sighted as below: Masang Estate • PPE used training on 19/01/2024. • Chemical handling training on 21/02/2024. • Harvesting and pruning training on 15/03/2024 • Environmental training on 15/11/2023. • HCV induction training on 19/05/2023. Sapagaya Estate • Firefighting training on 09/12/2023 • PPE awareness training on 17/11/2023 • Empty chemical container disposal training on 03/10/2023 • Buffer zone restriction training on 17/02/2024. • RSPO awareness training on 07/05/2024. Bukit Sekong Estate • Buffer zones training on 11/01/2024 • Waste disposal handling training on 14/02/2024. • 1st aid training on 15/02/2024 • Minimum wages awareness training on 13/12/2023 • PPE awareness training on 15/08/2023 • ERP training on 09/11/2023

Clause	Indicators	Comply Yes/No	Findings
			Bode Estate • Complaint and grievance training on 10/01/2024. • Training for harvester on 15/01/2024 • Training for sprayer on 17/01/2024 • Training for manuring on 22/01/2024 & 21/02/2024 • 1st aid training on 17/05/2024 • PPE awareness training on 18/09/2023 & 29/12/2023 • Earthquake drill training on 12/10/2023.
	3.7.3 Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.	YES	Training on Supply Chain requirements has been conducted on 1/2/24. The training has been conducted by Engineer to maintenance engineer, assistant mill engineer, admin supervisor, shift supervisor, grader, laboratory assistant, and weighbridge operator. The intention on this training was to create awareness on understanding on supply chain requirement. Training to contractors has been carried out on 27/1/24 and 29/1/24.

SUPPLY CHAIN REQUIREMENTS FOR MILLS

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.1	Identity Preserved Module A mill is deemed to be IP is the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO P&C, or against a Group Certification Scheme Certification for the CPO mills is necessary to verify the volumes and sourced of certified FFB entering the mill, the implementation of any processing control as and volume sales of RSPO certified products. If a mill process certified and uncertified FFB without physically separating them, the inly MB Module is applicable.	YES	Kretam Mill sourced for their FFB only from estates under the same CU which involve, Bode Estate, Masang Estate, Sepagaya Estate, and Bukit Sekong Estate. There is a Diversion crop from other certification units Abedon Estate (certified by Intertek), So the Mill is IP mill. For this Year 2023 there is 1 New Estate will be included in this mill, which is Seraya Estate, the mill will accept the FFB once this site has been certified.
3.8.2	Mass balance Module A mill is deemed to be MB is the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base.	YES	Not applicable since the mill was used Identity Preserved Model

<table>
<tr><th>Ref. in RSPO SCCS</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td>3.8.3</td><td>The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.</td><td>YES</td><td>As in table 3 & 4 in this report.</td></tr>
<tr><td>3.8.4</td><td>The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation
(RSPO IT platform).</td><td>YES</td><td>The previous estimated tonnage of CPO and PK products has been recorded in the RSPO IT platform, supply chain certificate and public summary audit report as accordingly. Refer to Table 4 of this report.

Mill had registered through RSPO IT Platform with Member ID as per below:
<table>
<tr><td>License ID</td><td>CB136085 (Active)</td></tr>
<tr><td>Member Name</td><td>Syarikat Kretam Mill - Kretam Mill</td></tr>
<tr><td>Member ID</td><td>RSPO_PO1000003496</td></tr>
<tr><td>RSPO Membership Number</td><td>1-0189-15-000-00 (KRETAM HOLDINGS BERHAD)</td></tr>
<tr><td>Type of Business</td><td>Oil mill</td></tr>
<tr><td>Issued On</td><td>26-07-2022</td></tr>
<tr><td>Issued By</td><td>SIRIM QAS International Sdn. Bhd.</td></tr>
<tr><td>Start Date</td><td>18-08-2023</td></tr>
<tr><td>End Date</td><td>17-07-2024</td></tr>
<tr><td>Certificate Holder Type</td><td>Multi-Site</td></tr>
<tr><td>Number of Sites</td><td>4</td></tr>
<tr><td>Total Certified Area (Ha)</td><td>10567.66</td></tr>
</table></td></tr>
<tr><td>3.8.5</td><td>The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following:
• Complete and up to date procedures covering the implementation of all the elements of the supply chain model requirements.</td><td>YES</td><td>Syarikat Kretam Mill POM Organizational, management systems and the operational systems, documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard.

Sighted SKMPOM has updated and change the name of documented procedure named RSPO Supply Chain Certification Manual Revision 2 dated 1/09/2020 (SCCS-001). Among the documented requirements related to Mill</td></tr>
</table>

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	• Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records). • Identification of the role of the person having overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the organisation's procedures for the implementation of this standard. The site shall have documented procedures for receiving and processing certified and non-certified FFBs.		Supply Chain definition, purchasing FFB, arrived of FFB, received of FFB processing of FFB, overproduction, product sales, dispatch product, record keeping. Syarikat Kretam Mill POM also established a SOP General Chain of Custody doc no SCCS-002 "RSPO Supply Chain Module" doc no: SCCS-003, Internal Audit procedure (SCCS -004), RSPO guidelines on communication and claims,(SCCS-005), RSPO IT platform procedure (SCCS-006), storage and handling of sustainable product procedure date (SCCS-007), outsourcing activities (CPO & PK) (SCCS-008), FFB diversion procedure (SCCS-009), and control of non-conforming materials/products or documentation date (SCCS-010). Mill Manager have overall responsible and authority over the implementation of RSPO supply chain requirement in RSPO Sykt Kretam Mill POM. Sighted appointment letter to Mill engineer, sustainability executive, admin office, weighbridge clerks, Grader, supervisor, laboratory assistant, on date 13/02/2023. Sighted latest training SCCS & traceability has been conducted on 1/2/24. The training has been conducted by Engineer to maintenance engineer, assistant mill engineer, admin supervisor, shift supervisor, grader, laboratory assistant, and weighbridge operator. The intention on this training was to create awareness on understanding on supply chain requirement. Training to contractors has been carried out on 27/1/24 and 29/1/24 also.
3.8.6	The site shall have a written procedure to conduct annual internal audit to determine whether the organisation; • Conforms to the requirements in the RSPO Supply Chain Certification Standard and the RSPO Market Communications and Claims Documents. • Effectively implements and maintains the standard requirements within its organisation. • Any non-conformities found as part of the internal audit shall be issued corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The organisation shall be able to maintain the internal audit records and reports.	YES	Procedure to conduct annual internal audit has established Under title 'internal Audit Procedure" revision 2 date 10/02/2020 (document no: SCCS-004). The purpose of this procedure is to provide guidelines to conduct internal audit for RSPO SCCS & other similar standards. Audit checklist also been established using RSPO Supply Chain Certification Standard to cover all the elements and indicator, sighted latest SCCS Internal Audit report has been carried out on 26/04/2024 by Sustainability Executive– SDK Region. Coverage of audit sufficient & comprehensive to cater for the new standard. No nonconformity has been raised during the internal audit. Management review has been conducted on 17/05/2024 and has covered input that could affect the management system and also include the output

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
			review on improvement in the effectiveness of the SCCS system and its process, customer feedback, process performance and product conformity, status preventive and corrective action, follow up action, changes on management system, recommendation, improvement on management system, and other resources needed.
3.8.7	The site shall verify and document the tonnage and sources of certified and the tonnage of non-certified FFBs received. The site shall inform the CB immediately if there is a projected overproduction of certified tonnage. The site shall have a mechanism in place for handling non-conforming oil palm products and/or documents. *AUDITORS' GUIDE:* • *Obtain list of all suppliers and list of purchase orders/invoices/ documentation issued between the mill and the suppliers.* • *Check for agreement/contracts signed with suppliers (if necessary).* • *Sampling of purchase orders/invoices shall be done on a random basis and the minimum number of samples selected shall be based on the square root formula for each supplier.* • *Ensure the purchase orders/invoices have the correct supplier's information.*	YES	Syarikat Kretam Mill POM had continued to receive certified FFB from own Estate which is Bode Estate, Masang Estate, Sepagaya Estate, Seraya Estate and Bukit Sekong Estate. There is a Diversion crop from other certification units Abedon Estate (certified by Intertek). Sighted sample FFB consignment note for the month of March 2022 – March 2023. Among the information available on the FFB consignment note are estate name, delivery date, no of FFB bunches, FFB weight, quantity, unique identification number. Monitoring records titled as "RSPO Identity Preserved Model Inventory - Monthly Input" has recorded the tonnage of certified FFB and its supplying estate. Verified through Kretam Mill POM weighing system called 'RSPO Identity Preserved Model Inventory - Monthly Input and random sample of weighbridge ticket from. Among the information available i.e. Weighbridge ticket for FFB received from certified Own Estate and Certified Following are parts of the verified incoming documents from estates which found to be in line with SKMPOM internal procedure as well as standard requirements. All the information is adequately presented and traceable. Internal crop of same CU showed evidence of FFB delivery note. The DO includes information on the driver's name, tonnage and vehicle number, weighbridge ticket number and RSPO ID.
3.8.8	Sales and Goods Out The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single-documents or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documentation and specification documentation): a) The name and address of buyer; b) The name and address of the seller c) The leading or shipment/delivery date;	YES	The procedure in handling of sale and delivery was sighted and found adequate. Sales activities usually handled by Sales and Marketing Department (HQ) on behalf of Syarikat Kretam Mill POM. From March 2022 – March 2023, Syarikat Kretam Mill POM POM had delivered 32,048.50MT of CSPO to buyers. For CSPK total 8115.73mt to 3 buyers. Sample of deliveries document were sighted during the audit and it was found all related information were adequate. Syarikat Kretam Mill POM RSPO certificate number and product name together with model used were stated in the delivery documents. **CSPO** • Transport through Kretam Mill for quantity 32.06mt dated on 15/3/24

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	d) The date on which the documents were issued; e) RSPO certificate number; f) A description of the product, including the applicable supply chain model (IP or MB or the approved abbreviations); g) The quantity of the products delivered; h) Any related transport documentation A unique identification number		were sighted and found to be in good order. These documents have clearly stated the product name and model of the supply chain system [CPO IP]. • Transported for quantity delivered is 32.04 mt, dated on 26/2/2024, were sighted and found to be in good order. These documents have clearly stated the product name and model of the supply chain system [CPO IP]. • Transported quantity delivered is 31.89 mt, dated on 29/12/2023, were sighted and found to be in good order. These documents have clearly stated the product name and model of the supply chain system [CPO IP]. **CSPK** • Transported on 7/3/2024 issued by Kretam POM for quantity delivered is 24.94 mt, were sighted and found to be in good order. These documents have clearly stated the product name and model of the supply chain system [CSPK IP]. • Transported on 8/01/2024 issued by Kretam POM for quantity delivered is 32.53 mt, were sighted and found to be in good order. These documents have clearly stated the product name and model of the supply chain system [CSPK IP].
3.8.9	Outsourcing Activities (i) The mill shall not outsource its milling activities. In cases where the mill outsourced activities to independent third parties (e.g. subcontractors for storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO SC Certification. (ii) The mill shall ensure the following: a) The mill has legal ownership of all input material to be included in outsourced processes b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that CB has access to the outsourcing contractor or operation if an audit is deemed necessary. c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly	YES	a) There are 3 outsource company CPO and PK transporter dated 03/08/2020 and Bhd contract dated 25/11/2022. b) There was a contract document between Kretam POM and the transporters. Access to the outsourcing contractor or operation if an audit was stated in the contract – index's no 7.1 c) There were explicit procedures for the outsourced process. "outsourcing activities (CPO&PK) – SCCS – 008 revision 1, date 10/02/2020. d) Inspection was carried out by Lab Supervisor or lab attendant as additional effort to ensure no contamination.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	accredited CBs to the respective operations, systems, and all information, when this is announced in advance.		
3.8.10	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	YES	Syarikat Kretam Mill POM has outsourced the transportation of certified CPO and certified PK. An agreement covering the outsources activity was sighted. During the stakeholder meeting representatives from 3 contractors attended the meeting. It has been noted that the meeting highlighted the information on the implementation of RSPO standard. There is also addendum stated that the transporter shall comply with 'to ensure that certification bodies (CBs) have access to the outsourcing contractor or operation if an audit is deemed necessary'.
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	YES	During this ASA 2 Assessment there is no new contractor has been appointed by the POM, Sighted during document verification, the suppliers has been maintained as a CPO and PK contractor. **Thus Past Major NCR MZK 01 23 has been successfully closed.**
3.8.12	The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements.	YES	Sighted CPO and PK delivery note, weighbridge ticket, production data, internal audit and management review records were found up-to-date.
	Retention times for all records and reports shall be a minimum of two (2) years and shall comply with legal and regulatory requirements and be able to confirm the certified status of raw materials or products held in stock.	YES	All records related to RSPO SC were maintained minimum for 2 years. Sample CPO dispatch note since Jan 2019 until to date was available and well maintained.
	iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.	YES	Sales activities usually handled by Sales and Marketing Department Department (HQ) on behalf of Kretam POM. Personnel updated the RSPO IT platform system upon confirmed contract. Mill receive copy of transaction input to the system on monthly basis based on contract summary (buyer weight being put in). Samples of shipping announcement had been verified during the audit. A randomly selected weighbridge tickets issued during March 2023 – April 2024 by SKMPOM for delivery of RSPO-certified CPO were verified and found to have indicated all the required information including the status of the products.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
			With respect to the delivery of PK, randomly selected weighbridge tickets issued by SKMPOM during the months of March 2023 – April 2024 were verified. All weighbridge tickets issued had indicated the status of the products. RSPO Records for Oil Mills had been updated on real time basis by relevant personnel and had included the receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK. Their LAK weighing system also being referred for real-time transaction details as well as daily/ monthly summary of their material movements (FFB, CPO, PK, others).
	iv) For Mass Balance Module, the mill: a. shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b. All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock).	YES	Not applicable since mill used Identity Preserved Model.
3.8.13	Extraction rate The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.	YES	Based on nature of their processing activities, Syarikat Kretam Mill POM's conversion factor shall be based on their oil extraction rate (OER) and kernel extraction rate (KER). These rates being monitored on daily basis as part of their process performance evaluation and consolidated at month end. The trending is as followed.
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	YES	
3.8.15	Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage	YES	Syarikat Kretam Mill POM shall only receive the RSPO certified FFB which are from Syarikat Kretam Mill CU own estates – same CU. Monitoring records titled as "Daily quality and production report, document no: SKM/SDK-QSP-20/A01, revision 4, date 14/06/2016" has recorded the tonnage of certified FFB, CPO produced, Kernel produced, contract, delivered, diesel and water consumption,

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	to strive for 100% separation.		storage, and quality. Verified through L.A.K weighing system (weighbridge system) and random sample of weighbridge tickets, being found that no external FFB intake has been processed. (only received FFB and processed at MB mill – Abedon Mill), hence no downgrade required. Consecutively, it is confirmed that RSPO certified CSPO & CSPK product is from the certified sources. As for transport, dedicated tankers had been allocated by service provider to prevent cross contamination.
3.8.16	Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform	YES	The procedure in handling of sales and delivery was sighted and found adequate. Sales activities are usually handled by the Sales and Marketing Department (HQ) on behalf of Kretam POM. Personnel updated the RSPO IT platform system upon confirmed contract. The registration of transaction being carried out by Kretam Trading Department using the RSPO Member ID of RSPO -_PO1000003496. Mill receives copy of transaction input to the system on monthly basis based on contract summary (buyer weight being put in). The samples of shipping announcement had been verified during the audit. Sighted the transaction, there is no Remove transaction in the Syarikat Kretam Mill CU RSPO IT Platform as all crop has been sold as RSPO.
3.8.17	Claims The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims. *<u>AUDITORS' GUIDE:</u>* *SC auditors, kindly check the application of RSPO Trademark and RSPO Logo, to be in accordance with that specified as General Corporate Communications and Product-Specific Communications of RSPO Rules on Market Communications and Claims, 2022 (wherever applicable).*	YES	Relevant information on product claim (including applicable Supply Chain model and certificate number) being correctly indicated in the relevant outgoing paperwork. Syarikat Kretam Mill POM has not use RSPO corporate logo as well as trademark logo.

Principle 4: Respect community and human rights and deliver benefits

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

Clause	Indicators	Comply Yes/No	Findings
4.1 The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders.	4.1.1 (C) A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders, is documented and communicated to all levels of the workforce, operations, FFB suppliers and local communities and prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.	YES	Kretam Mill CU has a Policy to protect human rights is contained in Code of Conduct & Human Rights Policy signed by the CEO. The policy frameworks provide for protection for HRD and Whistleblowers and states that no reprisals would be taken against whistleblowers and HRDs. Similarly, the Whistleblowing Policy dated 1 Jun 2020 also aims to protect whistleblowers from reprisals or victimisation. Need further verification during onsite audit. All levels of the workforce at Mill had been briefed on the Human Rights policies during training on 2/2/24. For contractor Mill PIC was explained on 27/1/24 during Awareness Briefing for ISCC, RSPO, MSPO, OSH & SCC for contractor. New workers were also briefed on the policies during the first reporting of duty. All the estates and the mill adopt the Code of Conduct & Human Right Policy, which, among others, respects human rights and will not be complicit in human rights infringement, prohibits retaliation against Human Rights Defenders. Based on records available, communication of these Policies were given at the Bukit Sekong Estate on 5/1/24 to all workers, For Sepagaya Estate Briefing has been conduct 5/2/24, at Masang Estate on 13/3/23, 14/2/24 and at Bode Estate on 29/2/24. And 11/8/23 (for all external stakeholder during stakeholder meeting) During audit interviews, there is between good understanding among all levels of workforce and local communities of what HRD is and the prohibition against retaliation towards HRDs
	4.1.2 The unit of certification does not instigate violence or use any form of harassment in their operations.	YES	As observed during the audit, and in interviews held with local communities and workers, there is no evidence of instigation of violence, harassment or use of mercenaries or paramilitaries in any of the operations at Kretam Mill CU.
4.2 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all	4.2.1 (C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.	YES	The system used by the Syarikat Kretam Mill CU in resolving disputes exists in the procedure called “Procedure on Complaint & Grievances” KHB-HR-P05 dated 1/8/2018. This SOP is open to all stakeholders, internal workers, NGO’s, Third party etc. The system was open to all aggrieved parties as evidenced by the existence. There is also procedure name ‘Whistle blowing Policy’ dated 1 June 2020 to ensuring anonymity of complainants, community spokespersons and whistleblowers and Code of Conduct & Human Right Policy” dated 1/3/2020 ensuring anonymity HRD. All complaints (workers and stakeholders) were to be recorded in the “Grievance/Complaint” forms. “House repair” book was also available for house repair

Clause	Indicators	Comply Yes/No	Findings
affected parties.			requests. The books were accessible to all aggrieved parties, internal as well as external. An examination of the books showed that all the complaints were from internal stakeholders and related to house repairs. There were no complaints from external stakeholders. The CU maintained affirms that its dispute system is open to any affected parties. Relevant policy and procedures were observed maintained available for sighted. Anonymity of complainants and whistle-blower's will not be revealed to third parties were requested as explained in the job description and the employment contract. The anonymity of complainants and whistleblowers was maintained as stated in the Kretam Holding Berhad Group's Social Policy which was signed by the Chief Executive Officer. communication of these Policies and SOP were given at the POM training on 2/2/24. For contractor Mill PIC has explained on 27/1/24 during Awareness Briefing for ISCC, RSPO, MSPO, OSH & SCC for contractor, Bukit Sekong Estate on 5/1/24 to all workers, For Sepagaya Estate Briefing has been conduct 5/2/24, at Masang Estate on 13/3/23, 14/2/24 and at Bode Estate on 5/1/24
	4.2.2 Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties. *AUDITORS' GUIDE:* *1)Appropriate language is made available – Bahasa Malaysia, English and language understood by all workers or their representative.* *2)Workers – local/ foreign/ contractors/ Orang Asli, ALL.* *3)Get confirmation from workers (as stated above) and other affected stakeholders sampled during the audit that they understand the procedures content – complaint/grievance.*	YES	Procedures are in place to ensure affected parties understand the Dispute and Resolution Procedures. For illiterate parties, verbal explanation is given in an easy-to-understand language accompanied by pictorial explanations, and where relevant, flowcharts. If necessary, senior foreign workers who could speak and understand the Bahasa Malaysia act as translators to their other colleagues, especially the newly arrived ones. Based on interview with stakeholders at the following: All contracts sampled for Palm Oil Mill and estate contractors such as work supply labor contractors, machinery for road repair contractors. Found the system was understood by the affected parties. The procedure for complaint/grievance resolution was explained to all workers and external stakeholders through management/workers/stakeholders meeting. Sighted document for POM showed briefing the procedure was held on 2/2/24 for workers. For contractor Mill PIC was explained on 27/1/24 during Awareness Briefing for ISCC, RSPO, MSPO, OSH & SCC for contractor. For foreign workers, the procedure was explained during the initial report for duty with the assistance of translators. For Estate Bukit Sekong Estate on 5/1/24 to all workers, For Sepagaya Estate Briefing has been conduct 5/2/24, at Masang Estate on 13/3/23, 14/2/24, Bode Estate on 5/1/24 and 11/8/23 (for all external stakeholder during stakeholder meeting)

Clause	Indicators	Comply Yes/No	Findings
	4.2.3 The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.	YES	Kretam Mill CU keeps parties to a grievance informed of its progress, with agreed timeframe and the outcome is available and communicated to relevant stakeholders as evidenced by Training at 27/1/24 (External Stakeholder) and 2/2/24(Internal Stakeholder) at Kretam Mill POM for Estate workers at Bukit Sekong Estate on 5/4/24, for Sepagaya Estate Briefing has been conduct 5/2/24 at Masang Estate on 13/3/23, 14/2/24, at Bode Estate on 5/1/24 and 11/8/23 (for external stakeholder during stakeholder meeting)
	4.2.4 The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.	YES	The system used by the Kretam Mill CU in resolving disputes exists in the procedure called “Procedure on Complaint & Grievances” KHB-HR-P05 dated 1/8/2018. This SOP is open to all stakeholders, internal workers, NGO’s, Third party etc. The system was open to all aggrieved parties as evidenced by the existence. There is also procedure name ‘Whistle blowing Policy’ dated 1 June 2020 to ensuring anonymity of complainants, community spokespersons and whistleblowers and Code of Conduct & Human Right Policy” dated 1/3/2020 ensuring anonymity HRD. All complaints (workers and stakeholders) were to be recorded in the “Grievance/Complaint” forms. “House repair” book was also available for house repair requests. The books were accessible to all aggrieved parties, internal as well as external. An examination of the books showed that all the complaints were from internal stakeholders and related to house repairs. There were no complaints from external stakeholders. Nevertheless, a review of the Kretam Holdings Berhad conflict resolution mechanism found it includes an option for observers as well as the option of a third-party representation. Specifically, it does include the option for complainant access to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator. The procedure dated 9/2/18 sighted records of training of this procedure has been communicated to relevant stakeholders as evidenced by Training on 27/1/24 (External Stakeholder) and 2/2/24(Internal Stakeholder) for Estate workers at Bukit Sekong Estate on 5/4/24, for Sepagaya Estate Briefing has been conduct 5/2/24, at Masang Estate on 13/3/23, 14/2/24, at Bode Estate on 5/1/24 and 11/8/23 (for external stakeholder during stakeholder meeting)
4.3 The unit of certification contributes to local sustainable development as agreed by local communities.	4.3.1 Contributions to community development that are based on the results of consultation with local communities are demonstrated. *<u>AUDITORS’ GUIDE:</u>* *1)Do the stakeholders include Orang Asli or indigenous people? Refer to AUDITORS’ GUIDE IN REPORTING ORANG ASLI MATTERS at the end of this checklist.* *2)To check records on communication & consultation*	YES	Syarikat Kretam Mill CU is able to demonstrate that contributions to community development have been made based on consultation results with the local communities. This was confirmed during audit interview with the local communities. Other contributions to the local community developments based on consultation include villagers’ access to free medical treatment at the estate clinic, and job opportunities. Other than that, estates also give contribution to nearby school such as: Sapagaya, Masang and Bode Estate. The POM has contributed Bus Running Expenses to workers for transport of workers,

Clause	Indicators	Comply Yes/No	Findings
	between the CU and the local communities.		transport children to school, contributed maintenance paints and contribution to schools. Other contributions to the local community developments based on consultation include villagers' access to free medical treatment at the estate clinic, and job opportunities. Also 20% of workers are from Surrounding villagers.
4.4 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	4.4.1 (C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents related to the history of land tenure and/or the actual legal or customary use of the land are available. *AUDITORS' GUIDE:* *Do the stakeholders include Orang Asli or indigenous people? Refer to AUDITORS' GUIDE IN REPORTING ORANG ASLI MATTERS at the end of this checklist.*	YES	It has been verified that Kretam Mill CU purchased the land of Bode Estate, Bode Division from the Colony of North Borneo (Sabah Government) on March 3, 1953, as a Country Lease. Interviews with surrounding villagers confirmed that they do not have any issues regarding this transaction. There are also two divisions in Bode Estate, namely Capakaya Division, which is partially 281.93 ha of the whole Bode Estate. The land in Capakaya Division is legitimately owned by Syarikat Kretam Plantation Sdn Bhd, originally purchased from Capakaya Sdn Bhd. The auditor also verified that all land titles were changed to Syarikat Kretam Plantations Sdn Bhd on 9/8/2005. Another division, Timberwood Division, is partially 139.49 ha of the whole Bode Estate. The land in Timberwood Division is also legitimately owned by Syarikat Kretam Plantation Sdn Bhd, originally purchased from Timberwood Sdn Bhd. The auditor verified that all land titles were changed to Syarikat Kretam Plantations Sdn Bhd on 9/8/2005. The land titles were designated for planting either oil palm or other agricultural crops for economic value. For Bukit Sekong Estate, the land was owned by Brinchang Plantation, Brinchang Realty, Merjaya, and Nunuyan, previously purchased from Sabah Land Development and later bought by Abedon Sdn Bhd on 22/1/97. After Abedon Sdn Bhd merged with Kretam Holdings Berhad in 2012, the estate has been managed by Kretam. Interviews with villagers confirmed that there is no issue regarding land titles at Kretam. It has been confirmed that Kretam has the right to use the land legitimately owned by their company. There is also one division in Bukit Sekong Estate, namely Sukau Division, which is partially 103.63 ha of the whole Bukit Sekong Estate. The land in Sukau Division is legitimately owned by Abedon Sdn Bhd, originally purchased from Nunuyan Plantation. The auditor verified that all land titles were changed to Abedon Sdn Bhd on 27/9/2000. The previous landowner of this plantation was a villager originally from Kinabatangan. The auditor attempted to find the previous landowner through the Sabah Land Department - Kinabatangan to get the previous owner's phone number but couldn't trace it. For Sepagaya Estate, the land was legitimately owned and bought by Syarikat Kretam Plantations Sdn Bhd in 1980 from the Sabah Government. Interviews with villagers confirmed that there is no issue regarding land titles at Sepagaya Estate. It has been confirmed that Kretam has the right to use the land legitimately owned by their

Clause	Indicators	Comply Yes/No	Findings
			company. For Seraya Estate, the land was previously owned by Bellerina Sdn Bhd, Sebuda Sdn Bhd, and Syarikat Persaudaraan Sdn Bhd, initially purchased from the Sabah Government in 1979 - 1980 and later bought by Syarikat Kretam on 28/12/2021. The estate has been managed by Kretam since then. The previous landowners of this plantation were companies and the auditor attempted to find the previous landowner to get their phone number but couldn't trace it due to the previous company, lacking access to this information. However, interviews with villagers confirmed that there is no issue regarding land titles at Kretam. It has been confirmed that Kretam has the right to use the land legitimately owned by their company. For Masang Estate, the land was previously owned by several companies and villagers, initially purchased from the Sabah Government in 1980 - 1984 and later bought by Syarikat Kretam in 1988 - 1992. The estate has been managed by Kretam since then. The previous landowners of this plantation were some villagers originally from Kinabatangan and outsiders. The auditor attempted to find the previous landowners through the Sabah Land Department - Kinabatangan to get their phone numbers but couldn't trace them. However, interviews with villagers confirmed that there is no issue regarding land titles at Kretam. It has been confirmed that Kretam has the right to use the land legitimately owned by their company. Evidence of legal ownership of the land, including the history of land tenure, was verified during this audit. Each estate was provided with legal use of the land through a Country Lease signed by the Registrar of Titles following the payment of a premium. This document was made available by all the individual estates. Among the land titles sighted were sampled.
	4.4.2 Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include:	YES	As reported in section 4.4.1 of this checklist, it has been verified that the land has been legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1980-2005. The audit team confirmed that there were no land issues related to previous owners. The audit team also interviewed village representatives.From the interviews, it can be concluded that there is no evidence of any land disputes at Syarikat Kretam Mill Sdn Bhd CU.
	4.4.2a Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular assurance that vulnerable, minorities' and gender groups are consulted, and that	YES	

Clause	Indicators	Comply Yes/No	Findings
	information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.		
	4.4.2b Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken.	YES	
	4.4.2c Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land.	YES	
	4.4.3 (C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).	YES	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1988-2005. All the related documentation regarding the land acquisition was kept in Kretam Holdings Berhad HQ Office and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community and neighboring estate. Hence, there was no map showing the legal, customary, or user right of other users since 1988-2005.
	4.4.4 All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	YES	This requirement in this indicator does not apply to Syarikat Kretam Mill Sdn Bhd CU
	4.4.5 (C) Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.	YES	This requirement in this indicator does not apply to Syarikat Kretam Mill Sdn Bhd CU
	4.4.6 There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.	YES	This requirement in this indicator does not apply to Syarikat Kretam Mill Sdn Bhd CU
4.5 No new plantings are established on	4.5.1 (C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available.	YES	Based on Social Impact Assessment (SIA) Report for Syarikat Kretam Mill Sdn Bhd CU and land title, there was no new plantings are established on local peoples' land. It has been verified that the land is legitimately owned by Syarikat Kretam Mill Sdn Bhd

Clause	Indicators	Comply Yes/No	Findings
local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.			CU since 1988-2005. 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 villager representatives. From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU.
	4.5.2 (C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.	YES	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1988-2005. All the related documentation regarding the land acquisition was kept in Kretam Holdings Berhad HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community, and neighboring estate. The audit team has also interviewed relevant stakeholders such as villager representatives. From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU
	4.5.3 Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.	YES	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1988-2005. All the related documentation regarding the land acquisition was kept in Kretam Holdings Berhad HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community, and neighboring estate. The audit team has also interviewed relevant stakeholders such as villager representatives.From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU
	4.5.4 To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.	YES	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1988-2005. All the related documentation regarding the land acquisition was kept in Kretam Holdings Berhad HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community, and neighboring estate. The audit team has also interviewed relevant stakeholders such as villager representatives. From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU
	4.5.5 Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is	YES	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1988-2005. All the related documentation regarding the land acquisition was kept in Kretam Holdings Berhad HQ Office, Sandakan and the copy in the estate was verified by the auditor.

Clause	Indicators	Comply Yes/No	Findings
	independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.		There were no issues regarding land with villagers, local community, and neighboring estate. The audit team has also interviewed relevant stakeholders such as villager representatives. From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU
	4.5.6 Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator.	YES	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1988-2005. All the related documentation regarding the land acquisition was kept in Kretam Holdings Berhad HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community, and neighboring estate. The audit team has also interviewed relevant stakeholders such as villager representatives. From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU.
	4.5.7 New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations.	YES	There was no new lands acquired for plantation and mills after 15/11/2018 as verified during this Assessment at Syarikat Kretam Mill Sdn Bhd CU. The current operation area including mill and estates as per stated in the land title
4.6 Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with thru a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative	4.6.1 (C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.	YES	The procedure for identifying legal, customary or user rights, and compensation process is incorporated in the Procedure in resolving land conflict'. The CU had also developed a SOP - Fair Compensation in order to handle any issues related with compensation. In accordance with the and SOP - Fair Compensation and Land Dispute, the procedure for calculating and distributing fair compensation falls within the purview of the Land Management Department of at the Kretam Head Office. The procedure stipulates the involvement of the respective estate management, Land Office, NGOs and the affected parties in the negotiation procedures. However, it has been noted that there was no negotiation concerning compensation for this CU during the reporting period.
	4.6.2 (C) A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.	YES	In accordance with the ''Procedure in resolving land conflict and SOP - Fair Compensation and Land Dispute, the procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established. However, there was no issue/case related to this indicator as verified by audit team during consultation with staff and workers at mill and visited estates.

Clause	Indicators	Comply Yes/No	Findings
institutions.	4.6.3 Evidence is available that equal opportunities are provided to both men and women to hold land titles for scheme small holdings.	YES	There was no scheme small holdings at Syarikat Kretam Mill Sdn Bhd CU. The Fresh Fruit Bunches are supplied from Kretam Holdings owned estates which are certified to RSPO.
	4.6.4 The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them.	YES	There was no process and outcomes of any negotiated agreements, compensation and payments to any affected parties.
4.7 For new planting, where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.	4.7.1 (C) A mutually agreed procedure for identifying people entitled to compensation is in place.	YES	The procedure for identifying legal, customary or user rights, and compensation process is incorporated in the Procedure in resolving land conflict'. The CU had also developed a SOP - Fair Compensation in order to handle any issues related with compensation. In accordance with the and SOP - Fair Compensation and Land Dispute, the procedure for calculating and distributing fair compensation falls within the purview of the Land Management Department of at the Kretam Head Office. The procedure stipulates the involvement of the respective estate management, Land Office, NGOs and the affected parties in the negotiation procedures.
	4.7.2 (C) A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties.	YES	There was no issue regarding compensation (monetary or otherwise) with villagers, local community and neighboring estate. The audit team has also interviewed relevant stakeholders such as the villager representatives. From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU.
	4.7.3 Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development.	YES	It has been verified that the land is now legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1988-2005. All the related documentation regarding the land acquisition was kept in Kretam Holdings Berhad HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community, and neighboring estate. The audit team has also interviewed relevant stakeholders such as villager representatives. From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU
4.8 The right to use the land is demonstrated and is not legitimately contested by local	4.8.1 Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any	YES	It has been verified that the land is now legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 1988-2005. All the related documentation regarding the land acquisition was kept in Kretam Holdings Berhad HQ Office, Sandakan and the copy in the estate was verified by the auditor. There were no issues regarding land with villagers, local community, and neighboring estate. The audit team has also interviewed relevant stakeholders such as villager

Clause	Indicators	Comply Yes/No	Findings
people who can demonstrate that they have legal, customary, or user rights.	compensation was accepted following a documented process of FPIC.		representatives. From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU
	4.8.2 (C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.	YES	Land conflict is not present in the area of the unit of certification. The audit team has also interviewed relevant stakeholders such as the villager representatives. From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU
	4.8.3 Where there is evidence of acquisition through dispossession or forced abandonment of operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant reqs. (Indicators 4.4.2, 4.4.3 and 4.4.4).	YES	There was no evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations. The audit team has also interviewed villager representatives. From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU
	4.8.4 For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighboring communities where applicable).	YES	There was no conflict or dispute over the land. It has been further confirmed through villager representatives. From the interviews, it can be concluded that there was no evidence of any land dispute at Syarikat Kretam Mill Sdn Bhd CU

Principle 5: Support smallholder inclusion

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

Clause	Indicators	Comply Yes/No	Findings
5.1 The unit of certification deals fairly and transparently with all smallholders	5.1.1 Current and previous period prices paid for FFB are publicly available and accessible by smallholders.	YES	Current and past prices paid for Fresh Fruit Bunches (FFB) was made available at Kretam Mill POM weighbridge. However, it was for collecting centre inside the mill separate ramp. This mill is IP mill. All FFB are from own estate, thus this indicator was not applicable.
	5.1.2 (C) Evidence is available that the unit of certification regularly explains the FFB pricing to	YES	There is evidence that Kretam Mill POM regularly explains the FFB Pricing to Smallholder who sent to their collection centre. FFB Survey form has been send

Clause	Indicators	Comply Yes/No	Findings
(Independent and Scheme) and other local businesses.	smallholders.		at FFB Supplier on 24/2/23, For 2024 planning on June 24 to all 18 FFB Supplier to collection centre. The FFB Supplier Survey form is actually ask and explain regarding Pricing Mechanism, Complaints and Grievance Procedure, MSPO certification, Assistance training, explain RSPO incentive and Supports smallholder by offering free training and consultation for RSPO, and calculation of pricing given to Smallholder. So far, there was no third-party FFBs sent to the mill as this Mill is IP Mill.
	5.1.3 (C) Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented.	YES	In Kretam Mill POM Collection Centre, Price for FFB are follow by MPOB Pricing, all price are calculate by the MPOB and the mill take the price and follow what MPOB guide, Interview with 18 Smallholder who sent FFB to Collection center they are quite happy due to current price are rise and they think price at collection quite fair compare to outsider Mill and also other mill also far from them So far, there was no third-party FFBs sent to the mill as this Mill is IP Mill.
	5.1.4 (C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These FFB price reductions for replanting and or other support mechanisms where applicable.	YES	There is no Evidence is available that all parties, including women and independent representative organizations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms due to Fresh Fruit Bunches were supplied from Syarikat Kretam Mill Sdn Bhd CU owned estates, which is Seraya Estate, Bode Estate, Masang Estate, Sapagaya Estate and Bukit Sekong Estate. So far, there was no third-party FFBs sent to the mill.
	5.1.5 Contracts are fair, legal and transparent and have an agreed timeframe.	YES	Fresh Fruit Bunches were supplied from Syarikat Kretam Mill Sdn Bhd CU owned estates, which is Bode Estate, Masang Estate, Sapagaya Estate and Bukit Sekong Estate. So far, there was no third-party FFBs sent to the mill. Thus, no contract involved with smallholder.
	5.1.6 (C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.	YES	Interviews conducted with contractors and suppliers, contractor from Bukit Sekong Estate, contractor from Sepagaya Estate, contractor for POM, contractor for Bode and Bukit Sekong. Contractors representatives had confirmed their understanding of their rights and obligations under the contract. Both contractors confirmed the fairness of the terms of their contract, and payments are usually received within 15-30 days of invoice issuance.
	5.1.7 Weighing equipment is verified by an independent third party on a regular basis (this can be government).	YES	Weighing Equipment in Kretam CU has been calibrated by yearly basis using accredited weighing company on 13/12/24 (Sepagaya), 15/8/23 (POM)
	5.1.8 The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of	YES	Kretam Holdings Berhad supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the

Clause	Indicators	Comply Yes/No	Findings
	certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.		certificates, and who holds and sells the certified material. However, in Syarikat Kretam Mill Sdn Bhd CU, The FFB are from Syarikat Kretam Mill Sdn Bhd CU owned estates, which is Bode Estate, Masang Estate, Sapagaya Estate , Bukit Sekong Estate and Seraya Estate, all estates are RSPO certified. There is no third-party FFB sent to the mill. Noted that Syarikat Kretam Mill Sdn Bhd CU has invited nearby smallholder to promote on RSPO certification collaboration with Wild Asia, Sighted the letter and Training has been send to Surrounding Smallholder dated 24/2/23. But some smallholders are willing to go for MSPO only.
	5.1.9 (C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.	YES	A grievance mechanism which respects anonymity and protects complainants is in place at the Syarikat Kretam Mill Sdn Bhd CU as per the Procedure for External Communication, and as per SOP Complaints and Grievances. As at to date there is no complaint by stakeholders.
5.2 The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.	5.2.1 The unit of certification consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification. *AUDITORS' GUIDE:* *1)First, need to confirm whether smallholders are applicable to the CU – MB certified & receiving crops from them, or there is smallholders program in the CU area.* *2)If applicable, then confirm any consultation involving the interested smallholders to know their needs for support to improve their livelihood and interest in RSPO certification. To report on dates of meetings & participation from the smallholders, and to specify their needs.*	YES	Kretam Holdings Berhad has consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification. Noted that Syarikat Kretam Mill Sdn Bhd CU has invited nearby smallholder to promote on RSPO certification collaboration with Wild Asia, Sighted the letter and Training has been send to Surrounding Smallholder dated 24/2/23. But some smallholders are willing to go for MSPO only. However, in Syarikat Kretam Mill Sdn Bhd CU, The FFB are from Syarikat Kretam Mill Sdn Bhd CU owned estates, which is Bode Estate, Masang Estate, Sapagaya Estate , Bukit Sekong Estate and Seraya Estate, all estates are RSPO certified. There is no third-party FFB sent to the mill.
	5.2.2 The unit of certification develops and implements smallholder support program to improve smallholder livelihood and build their capacity to enhance productivity, quality, organisational and managerial competencies, and specific elements of RSPO certification (including the RSPO Standard for Independent Smallholder). *AUDITORS' GUIDE:* *To report more details on the identified smallholders need and support program available at the CU or develop by the company.*	YES	Kretam Holdings Berhad has consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification. Noted that Syarikat Kretam Mill Sdn Bhd CU has invited nearby smallholder to promote on RSPO certification collaboration with Wild Asia, Sighted the letter and Training has been send to Surrounding Smallholder dated 24/2/23. But some smallholders are willing to go for MSPO only.

Clause	Indicators	Comply Yes/No	Findings
	5.2.3 Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production. *AUDITORS' GUIDE:* *Provide information SPECIFICALLY on the promotion to legalize FFB production (if applicable).*	YES	Noted that Syarikat Kretam Mill Sdn Bhd CU has invited nearby smallholder to promote on RSPO certification collaboration with Wild Asia.
	5.2.4 (C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling. *AUDITORS' GUIDE:* *Provide information SPECIFICALLY on the training for pesticide handling.*	YES	No specific training on pesticide handling. Only training related to smallholder support program, which has been conducted on 24/2/23.
	5.2.5 The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme.	YES	Kretam Holdings Berhad regularly reviews and publicly reports on the progress of the smallholder support programme. There is evidence that the Management of Kretam Holdings do the communication with Wild Asia to certify the surrounding smallholder.

Principle 6: Respect workers' rights and conditions

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

Clause	Indicators	Comply Yes/No	Findings
6.1 Any form of discrimination is prohibited.	6.1.1 (C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.	YES	KHB has implemented the Code of Conduct & Human Rights Policy dated 03/01/2017 and the Social Policy dated 01/07/2022, both signed by the Chief Executive Officer. These policies are guided by commitments to respect human rights, promote diversity and inclusion by providing equal opportunities, and to not tolerate any form of discrimination based on race, nationality, religion, or gender. Additionally, KHB practices a strict no contract substitution policy. According to the statement, KHB will also facilitate opportunities for advancement for their employees, especially women, by removing barriers to progress and respecting reproductive and maternal rights. The Human Rights and Social Policy were communicated through the morning muster briefing to all workers on 14/02/2024 and 25/09/2023 at Masang Estate, 05/02/2024 and 29/09/2023 at Sapagaya Estate, 05/01/2024 and 26/09/2023 at Bukit Sekong Estate, and 29/02/2024 and 19/07/2023 at Bode Estate, 13/02/2023 and 02/02/2024 at POM.

Clause	Indicators	Comply Yes/No	Findings
			The interview session was conducted with a sample of local and foreign workers from Indonesia, Myanmar (Especially in Bode Estate only), and the Philippines. During these sessions, workers were asked detailed questions about their understanding of the policies. All workers confirmed they were aware of the policies and understood their implementation. They reported that the policies were clearly communicated and accessible. Specifically, workers mentioned that they appreciated the emphasis on non-discrimination and the commitment to equal opportunities for all, regardless of their background. The policies were also visibly placed on notice boards in the housing area and office, ensuring that all employees could easily refer to them. Additionally, the policies were thoroughly explained during the induction courses for newly arrived workers, ensuring that even the newest members of the workforce were well-informed about their rights and the company's commitments.
	6.1.2 (C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for migrant workers. *<u>AUDITORS' GUIDE</u>:* *1) Foreign and migrant workers should not pay anything that a local worker is not required to pay, unless mandated by law.* *2)Evidence is available that all statutory payments have been made by the employer.* *3) CU will comply and pay for all statutory payments listed, recruitment fees and processing documentation by registered/ accredited recruitment agent at the respective source country, and transportation (flight ticket) from sending country to entry point and return upon completion of the contract.* *4) To sample new and existing employees for interview during audit. Try different batches, different races & countries. To find out specific information on any payment paid by workers including the recruitment fee, and any potential of debt bondage applied to workers.* *5) Check the details of contract agreement between employer & agency and the workers & agency. To sample contract agreement for new*	YES	Based on the reviewed documentation, such as employment contracts and letters of offer, pay slips, housing allocations at worker quarters, and audit interviews, there is no evidence that local and foreign workers, women, and local communities have been discriminated against. Interviews conducted with a sample of workers (male, female, local, and migrant) as well as local communities confirmed this. There is also no evidence of migrant workers having paid recruitment fees. Sampled pay slips showed that workers receive the same daily rate per day for the same work, irrespective of gender, age, or nationality. The employment contracts and pay slips of the following workers were sampled in accordance with indicators 6.2.1 and 6.2.2.

Clause	Indicators	Comply Yes/No	Findings
	and existing employees. They may have changes and updates, and caused different issues. *6) CU needs to have clear company policy on this, and it may be provided in the company recruitment procedure.*		
	6.1.3 The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available.	YES	KHB has developed employment procedures for recruitment, selection, hiring, promotion, retirement, and termination. The procedure was documented and made available to the workers and their representatives where applicable. ▪ Recruitment and Selection Procedure dated 01/03/2019 rev. 4 ▪ Recruitment of Foreign Worker Procedure dated 01/03/2020 rev. 4 ▪ Foreign Worker Resignation & Termination Procedure dated 18/01/2019 rev. 0 The procedures provide clear flowcharts from recruitment, retirement until termination. Review of the 100 workers files sampled during this audit demonstrated that medical fitness is one to the elements for job selection. However, this is not considered as discrimination as it is important to know if the worker is fit for the job. The registration cards of the workers do not specifically state any illness. The cards only state “Fit for work”. Moreover, the company has established the Social Policy, Foreign Workers Policy and Code of Conduct & Human Rights Policy where the company will ensure all the workers recruited will be treated equally without discrimination based on nationalities, caste, religion and etc. Medical fitness will be checked prior to work to ensure fitness to the work. Sample of 1 promotion in POM in April 2024 was reviewed. The promotion is from General Worker to promoted Engine Driver Grade III. The promotion was based on work performance evaluation. The term and conditions as set out in the contract agreement and other terms and conditions was binding to the personnel. There is no discrimination based on religion, gender, nationality, or other factors during recruitment. The recruitment process is based on skills, capabilities, and medical fitness. This was confirmed during stakeholder consultations, worker interviews, review of the complaint book, and JCC meetings. Job descriptions for each position are the same regardless of skin color, religion, race, or caste.
	6.1.4 Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women.	YES	Based on interviews with sampled female workers and the Estate Health Assistant, there was no evidence that pregnancy tests are being conducted as a discriminatory measure. This policy reflects the company's commitment to non-discrimination and respect for workers' rights. In alignment with health and safety protocols, should a worker whose job involves contact with chemicals (e.g., sprayers or lab assistants) become pregnant, she would immediately be reassigned to an alternative job that does not involve contact with

Clause	Indicators	Comply Yes/No	Findings
			chemicals. This reassignment ensures the health and safety of both the worker and her unborn child, demonstrating the company's dedication to providing a safe and supportive work environment for all employees.
	6.1.5 (C) A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women. *AUDITORS' GUIDE:* *1)The appointed person shall also understand and be willing to conduct his/her duty as the workers representative. This need to be confirmed via interviews. Can also review the appointment letter/JD of that personnel.* *2)To confirm that the activities beneficial to the gender committee members are in place.*	YES	The Sustainability Policy Statement includes a commitment to facilitating the advancement of women at all levels in our organization and ensuring their protection. A meeting was conducted, with the last meeting minutes dated 23/03/2024 in Masang Estate, 25/03/2024 in Sapagaya Estate, 15/03/2024 in Bukit Sekong Estate, 22/03/2024 in Bode Estate and 16/03/2024 in POM. The minutes included discussion points on complaints and grievances, raising awareness, identifying and addressing issues of concern, as well as opportunities and improvements for single moms, assistance and support for older female workers, assistance for widowers, as well as their retirement plan were highlighted. A dedicated budget was allocated by the committee to implement these opportunities and improvements for women. It was noted that there were no issues related to sexual harassment or violence reported in the meeting minutes. Additionally, a WhatsApp group was established as an alternative method to monitor any issues. Interviews with the Chairman of the committee at Masang Estate, (Chief Clerk), Sapagaya Estate, (Sustainability Clerk), Bukit Sekong Estate, (Chief Clerk), and Bode Estate, (Chief Clerk), POM, (Mill Environmental Engineer) confirmed their willingness to carry out their duties and their understanding of their roles. Furthermore, it was confirmed that no cases of sexual harassment or violence have been reported. ***As a result, the previous Major NCR was satisfactorily closed.***
	6.1.6 There is evidence of equal pay for the same work scope.	YES	The equal opportunities policy is contained within the Social Policy, Foreign Workers Policy, and Code of Conduct & Human Rights Policy. These policies state that all employees shall be treated fairly in terms of recruitment, progression, terms and conditions of work, regardless of race, caste, nationality, gender, physique, sexual orientation, union membership, political views, religion, and age. The policies are displayed on notice boards in both Bahasa Malaysia and English. During interviews with sampled local and foreign workers, they agreed that they have received equal pay for the work given. For example, the sprayer gang has been paid based on piece rates, and the same applies to all members of the gang. Similarly, for harvesters, they received the same rate as all other harvesters in the estates. Any differences in pay rate are based on whether the palm is tall or short. For mill and estates general workers, they receive daily payment as per the Minimum Wages Order 2022. Based on interviews and documentation records, there is evidence of equal pay for the same scope of work.

Clause	Indicators	Comply Yes/No	Findings
6.2 Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).	6.2.1 (C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand. *AUDITORS' GUIDE:* *1)Appropriate language is made available – Bahasa Malaysia, English and language understood by all workers or their representative.* *2)Workers – local/ foreign/ contractors/ Orang Asli, male & female.* *3)Get confirmation from workers that the above documentation is made available to them, and they understand the content.*	YES	The employment contract is drafted according to the Sabah Labor Ordinance Cap.67. Both local and foreign employment adopt the same contract. As Sabah State has not recognized the Malaysian National Union for Plantation Workers, no collective agreements are in place. At the estates, the piece rate pricing is published on notice board. Sample of workers' employment contract were reviewed to confirm contracts are in Bahasa Malaysia. Bahasa Malaysia language is deemed appropriate and sufficient as generally the workers of the certified units are either local, Indonesian or Philippines who understand Bahasa Malaysia. Furthermore, as stated in the employment contract, it is the responsibility of the company to explain the terms of employment and the company regulations before the workers sign the contracts. In general, the workers understood the basic employment terms. The documentation of pay is in the form of monthly pay slips. Conditions of pay are contained in the workers' respective employment contracts. Samples of the monthly pay slips and employment contracts were made available and reviewed during the audit. Each pay slip documents the name of employee, employee ID, month of pay, income (basic, overtime, reimbursement, allowances), deductions (statutory such as EPF, SOCSO and non-statutory such as shop deduction, passport deduction), net salary, annual leave, public holiday and medical leave taken, etc. Samples of pay slips were sighted and verified that workers are being paid in accordance with the requirements stipulated under the Minimum Wages Order 2022 and Sabah Labour Ordinance. The System databases, which paramount importance as a tool for extracting reconciliation for labour position i.e payslips, checkroll data, employee profile and also account reconciliation for month end closing every month. Sample worker's contract agreements and documentation of pay and conditions were verified and checke.
	6.2.2 (C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members. *AUDITORS' GUIDE:*	YES	Details of payments and conditions of employment are stated and documented in the employment contracts given to all workers. These contracts include terms related to duration, hours of work, overtime, annual/medical leave, public holidays, mutual termination, salary deductions, maternity entitlements, and more. All terms comply with the Sabah Labour Ordinance. Working hours are 8 hours per day, from Monday to Saturday, with Sunday as a rest day. The total monthly working hours are 208 hours. The maximum allowable overtime is 104 hours according to the Permit Sekatan Kerja Lebih Masa (Section 104(7), Sabah Labour Ordinance Cap. 67). As of the status, no employee has exceeded 80 hours of overtime. Verified pay slips show

Clause	Indicators	Comply Yes/No	Findings
	1) To request for the CH to prepare contracts/employment records between recruitment agencies and the employer (HQ). The document is needed during the audit. *2) To review contracts/employment offer letters signed by migrant workers in their respective country at the time of hiring.* *3) **Contract agreement must be available in the workers national language.*** *4) If (3) is not available, seek documented evidence that the contract agreement has been explained by the management official via interview with workers, training records etc.* *5) Consider several job positions in overtime sampling e.g. harvesters, creche nanny, nursery, bunch grader.* *6) Maternity leave shall be applicable to every worker, be it local or foreign female employees.* *7)To include queries on application of annual leave and Annual Leave Pay (ALP), to ensure workers understanding.*		that the payment and calculation of overtime are well-distributed. Payroll documents, including pay slips, provide accurate information on compensation for all work done. This includes daily rated wages, piece-rated wages, payment for any overtime work done, and public holiday pay. Samples of pay slips were checked during low crop, peak crop, and normal crop seasons as evidence per indicator 6.2.1. Based on the interview sessions with a sample of local and foreign workers, it was revealed that all of them are aware of and understand the application of annual leave. This indicates that the information regarding annual leave is effectively communicated to all workers, ensuring they are informed about their entitlements and rights. Furthermore, it was found that they generally understand the contents of their employment agreements, which suggests that the terms and conditions are clearly explained and accessible, preventing any misunderstandings or disputes. According to the contract agreement, the working hours are set at 48 hours per week. This aligns with the statutory limits on working hours, thereby preventing overwork and ensuring workers' well-being. Overtime is offered based on a mutual agreement between the management and workers and meets legal requirements. This ensures that any additional work is consensual and appropriately compensated, maintaining fairness and transparency in labor practices. Overtime is provided when there is additional work, and no discrimination has been observed in this regard, which underscores the company's commitment to equitable treatment of all employees and adherence to non-discriminatory practices.
	6.2.3 (C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements. *<u>AUDITORS' GUIDE</u>:* *1) All claims need to be checked and confirmed i.e., information collected from the interview session (positive & negative) vs documentation maintained by the company.*	YES	The employment contract is drafted according to the Sabah Labor Ordinance Cap.67. Both local and foreign employment adopt the same contract. As Sabah State has not recognized the Malaysian National Union for Plantation Workers, no collective agreements are in place. At the estates, the piece rate pricing is published on notice board. There is evidence of legal compliance as per contract agreement such as regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements. The working hours as per contract agreement were, working hours at 48 hours per week. For overtime, it has been mutually agreed upon between the management and workers and met the legal requirements. Overtime will be offered when there is additional job and no discrimination observed. Based on interview sampled female workers (especially mother), estate health assistant, and verification of pay slips, confirmed that workers with medical certificates are given a paid medical leave, and female workers are given 60 days paid maternity leave. There is

Clause	Indicators	Comply Yes/No	Findings
			no evidence of termination, and so compliance with reasons for dismissal and period of notice could not be verified during this audit. Samples of pay slips were sighted and verified that all sampled workers as per evidence under indicator 6.2.1 are being paid in accordance with the requirements stipulated under the Minimum Wages Order 2022 which is RM1,500. The unproductive or daily target was not achieved by workers, the estate management already carried out mechanism such as substitute the work and counselling to the workers. The managements always ensure that workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).
	6.2.4 (C) The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure. *AUDITORS' GUIDE:* *1) Medical care and facilities shall be available for the employees, be it local or foreigners i.e. medical assistance, pregnancy checkup, child delivery through registered medical practitioner and vaccination.* *2) HUMANA or Child Learning Centre is available for workers' children who are ineligible to attend government school.* *3) Recreational facilities such as children playground, football/futsal field, badminton court, praying facilities etc shows the employer considerations to good living condition for the workers and their families.*	YES	The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational, and welfare amenities that meet national standards. Workers with families are each given a house, while single workers are provided shared housing for 2 or 3 people per house. Other amenities, such as a community hall, place of worship, and sports facilities, are also provided. Government schools and Community Learning Centers (CLC) are available within or near the estate complex, ensuring children have access to quality education without the need for long commutes. This proximity to educational facilities supports the workers' ability to maintain a stable family life. Additionally, a crèche is available on the estate, providing childcare support and enabling workers to focus on their duties without concern for their children's safety and well-being. During the site inspection at worker quarters in the KHB Sandakan Region CU, the cleanliness and upkeep of the housing compound and workers' houses were found to be in satisfactory condition. The perimeter drains and monsoon drains at wooden houses were kept in good repair, with no water clogging observed. Additionally, housing windows and mosquito nettings were in good condition. The sanitation facilities provided met the minimum standards of hygiene, with all communal latrines and bathrooms maintained in a clean, sanitary, and working condition. Furthermore, all workers are given a starter kit that includes basic amenities (e.g., mattress, bedstead, and locker cupboard) and free repairs for houses. Housing inspections are carried out once a week, as evidenced by housing inspection records. These records were sighted and available. VMO visits are conducted on a fortnightly basis to ensure continuous oversight and prompt addressing of any issues. Water and electricity are provided free of charge. Free medical treatment is also provided to all workers and their dependents. The CU supplies treated water via a water treatment

Clause	Indicators	Comply Yes/No	Findings
			plant, and water sampling tests are conducted twice annually to ensure the safety of drinking water for human consumption. Refer to the Long-Term Plan & Financial Projection 2022 to 2028 for information on new housing construction, housing repairs, sanitation, and garden upkeep from all operating units.
	6.2.5 The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.	YES	All units within KHB Sandakan Region CU except Bukit Sekong Estate (nearest to Kinabatangan Town) have their own canteen/grocery store which sells basic items such as eggs, flour, rice, vegetables, frozen food such as fish, meat, onions, etc. Items seen in the stores are adequate, clearly labelled and within the expiry dates. Workers interviewed informed us that they purchase items from these stores, and are able to either pay in cash, or on credit. Additionally, for Bode, Masang and Sepagaya, monthly *tamu* (mobile local markets) are also available where workers are able to have access to a wider variety of food items. The audit team visited sundry shop known in Masang Estate, in Sapagaya Estate and in Bode Estate, confirmed the price list of goods sold are given to the estate management regularly for monitoring. Sighted were price lists dated for the rice, cooking oil, eggs, sugar, frozen chicken wings, fish, onion, coffee, cooking gas, instant noodle.
	6.2.6 A “DLW” is paid to all workers, including those on piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours. PROCEDURAL NOTE: A written policy with specific implementation plan, committing to payment of a “decent living wage” is in place. The implementation plan with specific targets, and a phased implementation process will be in place, including the following: • An assessment is conducted to determine prevailing wages and in-kind	YES	The CU provided a decent living wage for both local and foreign workers based on prevailing wages assessment methodology. It includes wage, paid leave, mandatory/medical, retirement benefits, donations service bonus, meals, housing, health, facilities, sports and recreation, education, creche, welfare, etc. In absence of DLW, the management conducted Prevailing Wage Assessment based on check-roll worker for period of the year 2024.

Clause	Indicators	Comply Yes/No	Findings
	benefits already being provided to workers. • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent basket of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment. • The unit of certification may choose to implement the "living wage" payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before an eventual scale-up of the living wage implementation Until such time where the Malaysian version of "decent living wage" has been endorsed by RSPO and implemented by the unit of certification, the Malaysian minimum wage has to be paid.		
	6.2.7 Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal.	YES	Employment contracts detailing payments and conditions of employment available to the permanent workers employed as per samples sighted in indicator 6.2.1 above. No casual, temporary and day labour employed within all operating units within KHB Sandakan Region CU.
6.3 The unit of certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to	6.3.1 (C) A published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) is available and is explained to all workers, in language that they understand, and is demonstrably implemented.	YES	The published statement recognising freedom of association and right to collective bargaining in national languages (English and/or Bahasa Malaysia) was available in the Code of Conduct & Human Rights Policy dated 03/01/2017 and Social Policy dated 01/07/2022 signed by Chief Executive Officer and was publicly available on the notice board. The policy was explained to all workers during morning muster and demonstrably implemented in the Workers Representative Committee (JCC). The JCC implemented for the employees to speak freely, and the meeting will be conducted once every 3 months. Interviews with sampled workers they are aware of their workers' representatives.
	6.3.2 Minutes of meetings between the unit of certification with trade unions or workers	YES	Although there were no official trade unions operating within the KHB Sandakan Region CU in Sabah, workers have appointed their own representatives to sit on the Workers

Clause	Indicators	Comply Yes/No	Findings
freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.	representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.		Representative Committee. The Workers Representative Committee (JCC) comprises both worker and management representatives, ensuring balanced representation and fostering open communication between the workforce and management. This structure allows workers to voice their concerns, provide feedback, and participate in decision-making processes, which enhances social issues and employee satisfaction. Minutes of the Workers Representative Committee meetings were documented, sighted, and verified, demonstrating transparency and accountability. The last JCC meetings were conducted on 25/03/2024 in Masang Estate, 20/03/2024 in Sapagaya Estate, 25/03/2024 in Bukit Sekong Estate, 26/03/2024 in Bode Estate and 09/05/2024 in POM, reflecting the committee's commitment to regular and systematic engagement with the workers. The sighted workers' representatives were selected from various job scopes, including the leader of the housing block in the worker quarters, CLC teacher, ensuring diverse representation and a comprehensive approach to addressing workers' concerns.
	6.3.3 Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers. *AUDITORS' GUIDE:* *1)To ensure that the appointment of workers representative for workers union/labour organizations/JCC, for all workers including migrant and contract workers are freely appointed by the workers themselves.* *2)The appointed person shall also understand workers representative. This need to be confirmed via interviews.*	YES	Interviews with workers' representatives in KHB Sandakan Region CU confirmed that management did not interfere with the formation of the association. All representatives were freely elected by the workers.
6.4 Children are not employed or exploited.	6.4.1 A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements.	YES	The formal policy statement for the protection of children, including the prohibition of child labor and remediation, was established under the Social Policy dated 01/07/2022 and signed by the Chief Executive Officer. This policy emphasizes the company's commitment to ensuring the safety of all workers and children, guaranteeing that all employment complies with the minimum age limit and national regulations and state ordinances. The policy was communicated directly during various meetings with both internal and external stakeholders of the mill and estate within the KHB Sandakan Region CU. To support this commitment, a comprehensive Child Labor Remediation Procedure was also established. This procedure provides detailed guidelines for the age screening process and ensures that any instances of child labor are promptly identified and

Clause	Indicators	Comply Yes/No	Findings
			addressed. It includes steps for verifying the ages of workers, offering support and remediation for affected children, and implementing measures to prevent future occurrences. By incorporating this procedure, the company demonstrates its proactive approach to child labor issues, its dedication to protecting the rights and well-being of children, and its commitment to upholding ethical labor practices.
	6.4.2 (C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure. *AUDITORS' GUIDE:* *1) Apart from the legal requirement applicable in the geographical location (peninsular, Sabah, Sarawak), to crosscheck with the internal policy/directive establish by the company.*	YES	The records of employment documentation verified including the Employee Master Lists and sample personal particulars confirmed that minimum age requirements of above 18 years old met for all the workers employed in all operating units within KHB Sandakan Region CU. The computerized database system is able to verify and screen the age of employees upon data entry.
	6.4.3 (C) Young persons may be employed only for non- hazardous work, with protective restrictions in place for that work.	YES	Based on documents sighted, interviews conducted, and observations made, there was no evidence that any estates or the POM employed individuals below the age of 18 years. This was verified by examining the master lists of each operating unit, where details of workers' particulars and dates of birth are available. Interviews with workers and staff, as well as observations made during field visits, confirmed that only individuals above 18 years of age are employed.
	6.4.4 The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live. *AUDITORS' GUIDE:* *1) No child is allowed at workplace.* *2) Sampled relevant communication records between the employer, workers and the nursery/creche PICs.* *3) Check operating hours of the nursery/rcreche.*	YES	The company has a no child labor policy statement displayed on its noticeboards. Interviews with sampled workers indicate that the policy has been communicated to them during their morning musters. Stakeholder consultations with the communities and third-party contractors also confirm that the policy has been shared with them and communicated to their understanding. Additionally, KHB Sandakan Region CU has issued a Code of Ethical Conduct statement and agreement to be signed by all contractors, suppliers, and vendors. The agreement states that the undersigned has read, understood, and will comply with the Vendor Code of Ethical Conduct. This comprehensive communication strategy ensures that all parties involved are aware of and adhere to the company's commitment to ethical labor practices and child protection.

Clause	Indicators	Comply Yes/No	Findings
6.5 There is no harassment or abuse in the workplace, and reproductive rights are protected.	6.5.1 (C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce. *AUDITORS' GUIDE:* *1) There must be a policy statement and the communication shall be evident. Interview shall be carried out to confirm understanding and awareness.*	YES	KHB implemented a Sexual Harassment Policy on 07/01/2015, signed by the Chief Executive Officer. The policy guidelines emphasize that sexual harassment is a threat to basic human rights and state that offenders will be punished accordingly, including possible termination from work. The policy was communicated to all workers through morning muster briefings on the following dates: ▪ Masang Estate: 14/02/2024 and 25/09/2023 ▪ Sapagaya Estate: 05/02/2024 and 29/09/2023 ▪ Bukit Sekong Estate: 05/01/2024 and 26/09/2023 ▪ Bode Estate: 29/02/2024 and 19/07/2023. ▪ POM: 13/02/2023 and 02/02/2024. An interview session was conducted with a sample of female local and foreign workers from Indonesia and the Philippines. All workers confirmed that they were aware of and understood the policy's implementation and that it was communicated during the muster briefings. Additionally, KHB Sandakan Region CU has formed a Gender Committee responsible for organizing relevant activities and programs. The Sexual Harassment Policy and the flowchart for handling social issues have been explained to all levels of the workforce during Gender Committee meetings. This ensures that everyone is informed about the procedures for addressing and resolving any issues related to sexual harassment, promoting a safe and respectful work environment.
	6.5.2 (C) A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce. *AUDITORS' GUIDE:* *1) There must be a policy statement and the communication shall be evident. Interview shall be carried out to confirm understanding and awareness.*	YES	KHB Sandakan Region CU has developed a Social Policy, dated 01/07/2022, which provides protection of reproductive rights for all, especially women. The Labour Standard specifies that the company recognizes employees' rights to reproduction and reproductive health, including the right to make decisions regarding reproduction. Based on interviews with sampled female workers, there is evidence that this standard is being implemented: female workers are entitled to 60 days of paid maternity leave, and pregnant women are assigned light work. During interviews with sampled female workers, they demonstrated a clear understanding of their reproductive rights and expressed their awareness. The policy and procedure were also communicated to all levels of the workforce through Morning Muster, JCC Meetings, and the Gender Committee. The policy grants employees the right to decide freely and responsibly about their family planning and to make decisions concerning reproduction free from discrimination, coercion, and violence.
	6.5.3 Management has assessed the needs of new mothers, in consultation with	YES	Management has assessed the needs of new mothers and consultation with the new mothers. The gender committee has supported the assessment for the mother and their

Clause	Indicators	Comply Yes/No	Findings
	the new mothers, and actions are taken to address the needs that have been identified.		kid's needs. The actions are taken to address the needs that have been identified. Adequate space and paid breaks were provided to enable mothers with infants 24 months or younger to breastfeed or express and store breast milk with privacy.
	6.5.4 A grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.	YES	KHB established a Grievance Procedure on 01/09/2020. This procedure outlines the importance of respecting anonymity and protecting complainants upon request, ensuring that individuals feel safe and supported when raising concerns. Furthermore, a Sexual Harassment Reporting Procedure was established on 01/06/2017 as a comprehensive guideline for actions to be taken in the event of any reported incidents. The procedure includes clear timelines for each stage, promoting transparency and accountability in addressing complaints. To further demonstrate commitment to these procedures, a complaint panel was created to handle any grievances within the estate. This panel serves as a dedicated body to ensure that all complaints are addressed promptly and effectively. The grievance procedure was communicated during morning muster and gender committee meetings, reinforcing the organization's commitment to maintaining a respectful and safe work environment. Interviews with sampled female workers and the gender committee chairman confirmed their awareness of the complaint procedure. Their informed status underscores the effectiveness of communication efforts. Additionally, the interviews revealed that there have been no reported cases of sexual harassment or violence, indicating that the established procedures are successfully contributing to a safe and supportive workplace. This proactive approach not only addresses potential issues but also fosters a culture of trust and respect within the organization.
6.6 No forms of forced or trafficked labour are used.	6.6.1 (C) All workers have entered into employment voluntarily, and the following are prohibited: • Retention of identity documents or passports (except for administration purposes including legalisation and renewal processes) • Charging the workers for recruitment fees • Contract substitution • Involuntary overtime	YES	Based on extensive interviews conducted with a representative sample of foreign workers, several key findings emerged regarding their employment conditions. Firstly, it was observed that these workers retain possession of their passports, a practice supported by the provision of safety lockers by the management. This measure ensures the security of their important documents, with passports being surrendered solely for the purpose of permit renewal, indicating a responsible approach by the management to document handling. Furthermore, the absence of reported contract substitution is notable, suggesting a commitment to fair employment practices. This finding is attributed to the demographic composition of these workers, many of whom are dependents of existing workers and thus engage with the company through informal channels such as walk-ins. This informal

Clause	Indicators	Comply Yes/No	Findings
	• Lack of freedom of workers to resign • Penalty to the workers for termination of employment • Debt bondage • Withholding of wages		engagement pathway appears to be mutually beneficial, facilitating labor supply for the company while providing employment opportunities for dependents. The voluntary nature of overtime work, coupled with appropriate payment practices, reflects a respect for workers' time and labor, with no coercive measures observed. Similarly, the freedom of movement enjoyed by these workers, allowing them to leave the premises at their discretion, signifies a level of autonomy and trust in their conduct. Another noteworthy aspect is the absence of disciplinary measures for resignation or termination of employment, indicating a commitment to respecting workers' decisions regarding their employment status. This is further reinforced by workers' confirmation that there is no evidence of debt bondage or withholding of wages, underscoring the fair and ethical treatment of workers in this regard.
	6.6.2 (C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented. *<u>AUDITORS' GUIDE:</u>* *1) To check the policy statement of the labour policy and to confirm the employer commitment and the implementation in safeguarding this policy.* *2) To request for "Procedure in Handling Foreign Workers". Check whether the establish procedure is practical and complying to the legal requirements i.e. recruitment process, training, benefits, probation, payment of wages, renewal and management of permit/passport etc.* *3) The implementation of the policy and procedure shall be supported with appropriate records.*	YES	KHB has established a Foreign Workers Policy, dated 01/04/2019 and signed by the CEO, which underscores the company's commitment to fair treatment of foreign employees. The policy mandates that all foreign employees be treated fairly in terms of recruitment, terms and conditions of work, and provided with decent living conditions. The CU maintains a specific procedure and flowchart for the employment of foreign workers, which has been rigorously implemented for all employment related to foreign workers. The company adheres to a strict policy of no contract substitution and no discrimination against foreign workers. Additionally, KHB complies with the Minimum Wage Order of Malaysia and provides orientation to foreign workers to familiarize them with the language, safety regulations, and culture of Malaysia. Decent housing is provided to ensure the well-being and comfort of foreign workers. These measures collectively demonstrate the company's commitment to ethical employment practices and the welfare of its foreign workforce.
6.7 The unit of certification ensures that the working environment under its control is safe and without undue risk to	6.7.1 (C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.	YES	Syarikat Kretam Mill Sdn Bhd CU had identified and appointed responsible persons for H & S. All identified Executives were officially given a letter for such an appointment. The letters of appointment verified were: • Kretam Palm Oil Mill – Letter dated 09/01/2024 • Bukit Sekong Estate – Letter dated 09/01/2024 • Bukit Masang Estate – Letter dated 09/01/2024 • Sapagaya Estate – Letter Mr, dated 09/01/2024

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td rowspan="2">health.</td><td><u>AUDITORS' GUIDE:</u>
1)To check on mechanism in place on how to detect issues related with H&S – walk thru survey, you see you act, inspection checklist etc.</td><td></td><td>

Bode Estate – Letter dated 09/01/2024 The letter of appointment for the Managers signed by the Senior Manager was sighted. The Managers subsequently assigned duties of ESH coordinator to the Assistants for the downline implementation of ESH practices in the estates. A similar appointment was made for all the estates and the mill. All identified Executives were officially given a letter for such an appointment. All estates and the mill management conduct regular two-way communication with their employees through the quarterly ESH meeting. Minutes of meetings held by the mill and estates were verified.

The meetings were held on as follows:

<table>
<tr><th></th><th>Bode Estate</th><th>Bukit Sekong Estate</th><th>Masang Estate</th><th>Sapagaya Estate</th><th>Kretam POM</th></tr>
<tr><td>1</td><td>25/3/2024</td><td>25/3/2024</td><td>25/03/2024</td><td>14/7/2023</td><td>9/5/2024</td></tr>
<tr><td>2</td><td>22/12/2023</td><td>14/12/2023</td><td>21/12/2023</td><td>11/10/2023</td><td>21/2/2024</td></tr>
<tr><td>3</td><td>25/09/2023</td><td>28/9/2023</td><td>27/09/2023</td><td>10/1/2024</td><td>14/12/2023</td></tr>
<tr><td>4</td><td>22/06/2023</td><td>26/6/2023</td><td>26/06/2023</td><td>5/4/2024</td><td>27/9/2023</td></tr>
</table>
At the meetings workers participated in the discussion mainly on housing and safety. All units adopted the agenda as released sustainability department. This agenda list was sighted and adequate to discuss salient issues relating safety, environmental and health. The agenda as discussed during the meeting among others includes the following.

Laporan hal – hal berbangkit
Laporan AJK Kesihatan (kelahiran bayi, kematian, kehamilan, pemeriksaan kesihatan, kemalangan)
Laporan Koordinator Keselamatan
Training
PPE issuance
Road safety check
Other issues

</td></tr>
<tr><td>6.7.2 Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language</td><td>YES</td><td>Accident and emergency procedures were available in adherence to the Kretam Holdings Berhad Group, Safety and Health SOP. The SOPs for accident and emergency procedures were:

Chemical Spillage KHB/G/SOP-26/S&H-25 dated 03/11/2016 Rev 2
Fire Drill and Emergency Evacuation - KHB/G/SOP-26/S&H-31 dated 04/10/2016 Rev 2

</td></tr>
</table>

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td>understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.</td><td></td><td>

Fire Extinguisher - KHB/G/SOP-26/S&H-32 dated 03/11/2016 Rev 1
Chemical handing – KHB/G/SOP-13 dated 9/2/2018 rev 4
Earthquake KHB/G/SOP-26/S&H-33 dated 03/11/2016 Rev 1
Flood and Emergency Evacuation - KHB/G/SOP-26/S&H-34 dated 03/11/2016 Rev 1
Accident Procedure KHB/G/SOP-26/S&H-35 dated 04/06/2018 Rev 2
Emergency Plan Procedure - KHB/G/SOP-26/S&H-36 dated 03/11/2016 Rev 1

First aider had been trained by St John Ambulance Malaysia. Sighted the assigned First aider are:
<table>
<tr><td>Estate</td><td>Validity</td></tr>
<tr><td>Sapagaya</td><td>18/3/2025</td></tr>
<tr><td>Bukit Sekong</td><td>18/3/2025</td></tr>
<tr><td>Masang</td><td>18/3/2025</td></tr>
<tr><td>Bode</td><td>18/3/2025</td></tr>
<tr><td>Kretam POM</td><td>18/03/2025</td></tr>
</table>
First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed by HA. During site visit at workshop, chemical store, premix areas, spraying and manuring operators was sighted emergency shower was available and eye wash was provided to PIC on site.
Fire drill and emergency evacuation conducted with evidence as per below:
<table>
<tr><td>Estate</td><td>Date</td></tr>
<tr><td>Masang</td><td>27/4/2024</td></tr>
<tr><td>Sapagaya</td><td>6/6/2023</td></tr>
<tr><td>Bukit Sekong</td><td>11/1/2024</td></tr>
<tr><td>Bode</td><td>06/03/2024</td></tr>
</table>
</td></tr>
</table>

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td></td><td></td><td><table><tr><td>Kretam POM</td><td>14/9/2023</td></tr></table></td></tr>
<tr><td></td><td>6.7.3 (C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.</td><td>YES</td><td>All Training and Briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. During site visit at all estates and mill all PPE has been provided free of charge and was sighted all workers wearing appropriate PPE such as:
harvester: gloves, google, wellington boots & safety helmet
sprayer: respirator mask, nitrile gloves, google, wellington boots, safety helmet, and apron
Mill operator – Safety boots, earmuff, safety vest, helmet, cotton glove
Water treatment Plant Operator - Safety boots, ear muff, safety vest, helmet, cotton glove, dust mask.
Staff and workers such as the storekeepers, harvesters and sprayers were continuously trained and random interviews conducted showed that they had understood the hazards involved and the usage and handling of chemicals in a safe manner. Appropriate PPE were given to employees of estate and mill visited. All the PPE is provided free of charge to all workers at the place of work to cover all potentially hazardous operations. During site at spraying activities, manuring activities, harvesting activities and LF collection, they were seen to wearing PPE such as face masks respirators, goggles, rubber boots, nitrile gloves, apron and hard hat, to cover all potentially hazardous operations. Sanitation facilities for those applying pesticides was available near to chemical store area, after completed spraying activities, the workers will change out of PPE, wash and put on their personal clothing at the area. Meanwhile, during site inspection estate and mill workshop, most of the moving part and rotating machinery were installed with machine guarding and properly covered. Noted also the set of oxygen and acetylene cylinders in the workshop available with “flash back arrestors”.</td></tr>
<tr><td></td><td>6.7.4 All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law.
<u>AUDITORS’ GUIDE:</u>
1) To ensure that there is no gap in between the period of the renewal of permit and the actual submission of application. It is to confirm that the workers, including foreign are covered by insurance at all times.</td><td>YES</td><td>The Mill and Estates provide medical care and insurance coverage for all the workers. Random records checked confirmed the following.
Local Workers and foreign workers – covered by SOCSO. Verified through ‘Jadual Caruman Bulanan’ Borang 8A – and monthly (March) payment has been verified:<table><tr><td></td><td>Estate/Mill (SOCSO)</td><td>Total employee</td></tr><tr><td>1</td><td>Bode Estate</td><td>319</td></tr><tr><td>2</td><td>Bukit Sekong Estate</td><td>109</td></tr><tr><td>3</td><td>Masang Estate</td><td>316</td></tr><tr><td>4</td><td>SapagayaEstate</td><td>305</td></tr><tr><td>5</td><td>Kretam POM</td><td>93</td></tr></table></td></tr>
</table>

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td></td><td></td><td>In addition, the estates and mill provide medical care to all workers using own Medical Assistant services. Cases requiring additional/serious treatment are referred to Hospital Kinabatangan which is located near to certification unit.

Sighted claim case recorded by the estate since last audit were:
a.Masang estate had 1 claim dated 07/12/2023. While other estates no claim
b.Kretam mill had no claim</td></tr>
<tr><td></td><td>6.7.5 Occupational injuries are recorded using Lost Time Accident (LTA) metrics.</td><td>YES</td><td>Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. (Lost Man Day MC.) This is summarized officially in the JKKP 8. Records are kept for a minimum of 10 years in the office. Summary for the year is described in the JKKP 8 as a mandatory requirement for submission to DOSH by Jan of the subsequent year. Incident investigation all had been conducted and appropriate corrective action been implemented, and these been sighted been reviewed during safety meetings.

For accident cases had required reporting accordance to procedure as per table below:
<table>
<tr><td>Estate</td><td>2023</td><td>2024 as at March</td></tr>
<tr><td>Bode Estate</td><td>JKKP 8 – 1 case with reported to DOSH on 29/01/2023.</td><td>No accidents occur</td></tr>
<tr><td>Bukit Sekong Estate</td><td>- JKKP 8 – 1 cases with reported to DOSH on 29/01/2024.</td><td>No accidents occur</td></tr>
<tr><td>Masang Estate</td><td>- JKKP 8 – 4 cases with reported to DOSH on 30/01/2023.</td><td>No accidents occur</td></tr>
<tr><td>Sapagaya Estate</td><td>- JKKP 8 – 1 case and reported to DOSH on 30/01/2024.</td><td>No accidents occur</td></tr>
<tr><td>Kretam POM</td><td>-JKKP 8 – 3 cases and reported to DOSH on 23/01/2024</td><td>No accidents occur</td></tr>
</table></td></tr>
</table>

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

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

Clause	Indicators	Comply Yes/No	Findings
7.1 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	7.1.1 (C) IPM plans are implemented and monitored to ensure effective pest control. *AUDITORS' GUIDE:* *1) To ensure IPM activities are viewed and sampled during the onsite visit.* *2) Pay attention to potential pest issues and indicators such as the use of rat baits, bagworm infestation, barn owl and the use of beneficial plants at site.*	YES	Syarikat Kretam Mill Sdn Bhd Cu had established and documented a common IPM plan Doc No. SD–IPM Jil. 9/2024, which was reviewed yearly for 5 Estates, Bode, Masang, Sapagaya, Bukit Sekong and Seraya. The Integrated Pest Management had been implemented in Kretam Holding Berhad Group as part of compliance to the RSPO, ISCC & MSPO P&C requirements. The Kretam Holding Berhad group also has an Environment Policy and Sustainable Policy to advocate issues related to good agricultural practices and environment protections. Every plantation region had their IPM plan and addressed to the individual estates. The estates had in place documented the IPM plan which covered monitoring of pest, control of pest population levels at below threshold levels by using cultural, biological, physical/mechanical and use of pesticides. The plan was guided by Planting Manual under pages 96 to 133 and SOP IPM #KHB/G/SOP-33, SOP Rat Control #KHB/G/SOP-10, SOP Leaf Eating Pest #KHB/G/SOP-11, SOP Pest & Disease – Ganoderma #KHB/G/SOP-12. For Sandakan Region estates, it was summarized in this compiled report. IPM program by individual estates, too, had been drawn-up and the actual progress of the implementation will be reviewed by the management periodically. Supporting documents in such as census forms, monitoring forms and other information in related to the IPM implementations will be kept in proper filling for estate management to review. The objectives of this IPM Plan included: a. Identifying and monitoring of all pests found in the estates periodically. b. Overcoming the pest outbreak, controlling and promoting positive actions for prevention. c. To further enhance bilateral relationship and goodwill between the estate management and its' existing neighbouring estates regarding pest control and prevention. The plan was implemented by all 4 Estates. It covered • Definition of IPM and Pests, • Implementation & Monitoring of IPM • Biological Control • Cultural Control • Mechanical & Physical Control • Chemical Control and • IPM Programs The IPM program among others includes pest management of rats, bagworms, nettle caterpillars,

Clause	Indicators	Comply Yes/No	Findings
			rhinoceros beetles and ganoderma. For bagworm control the program includes the planting of beneficial plants such as *Cassia cobanensis, Antigonan leptopu*s and *Turnera subulata* and for Rhinoceros beetles is by using pheromone traps. In order to minimize use of pesticides the estates had planted beneficial plants mainly *Tunera subulata, Cassia cobanensis* and *Antigonon leptopus* with maps indicating areas planted. The estates carried out census on rat damage and diseases like Ganoderma. Rat baiting was by census and done when damage was 5%. Baiting was continued until bait acceptance fell below 20% as per Doc. No KHB/G/SOP-10 revised on 25/06/2018. During the audit, it was observed a number of beneficial plants had been planted and all estates had plants in polybags, ready for planting in the Nursery. Records showed that beneficial plants were continuously planted in by Bode, Masang, Sapagaya & Bukit Sekong Estates.
	7.1.2 Species referenced in the Global Invasive Species Database and CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.	YES	There was no evidence that species referenced in the Global Invasive Species Database and CABI.org are to be used in managed areas, as per site visited and as per the stakeholder consultation with relevant workers.
	7.1.3 There is no use of fire for pest control unless in exceptional circumstances, i.e. where no other effective methods exist, and with prior approval of government authorities.	YES	The Syarikat Kretam Mill Sdn Bhd Cu had 2 policies on Zero Buring a main policy and sub policy. They were: • Environmental Policy of Kretam Holding Berhad Group dated 02/01/018 and signed by the Chief Executive Officer which had the clause – "Implement zero burning on all Oil Palm cultivation activities". • Zero Burning Policy of Syraikat Kretam Plantations Sdn. Bhd Ref No. P4.2.4/012014/P4.2.4.3 dated 11/01/2016 and signed by the Chief Plantation Officer. It stated "There shall be no burning of any kind except where deemed necessary with the prior approval of relevant authorities. This includes domestic waste, agricultural waste and biomass or by-products generated by the Estates and Palm Oil Mills." As advocated, all estates had practised Zero burning and there was no evidence (during site visit at replanting area at Sepagaya Estate and at Bode Estate on use of fire for any purpose inclusive of for pest control and disposed the palms.
7.2 Pesticides are used in ways that do not endanger	7.2.1 (C) Justification of all pesticides used is demonstrated. Selective products and application methods that are	YES	Justification of all pesticides used had been documented. The use of selective products that are specific to the targeted pest, weed or disease had been defined in Planting Manual and SOP. The Manual and SOP had included a chemical register list which indicated the purpose of usage (intended target), hazards signage, trade and generic names. All the Estates had maintained chemical registers and were up dated periodically. The registers were updated at Masang Estate on April 2024, at Sepagaya Estate on

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td rowspan="3">health of workers, families, communities or the environment.</td><td>specific to the target pest, weed or disease are prioritized.</td><td></td><td>30/04/2024, Bukit Sekong Estate on 30/04/2024,and Bode Estate on 04/05/2024
<table>
<tr><th></th><th>Chemical name</th><th>Class</th><th></th><th>Chemical name</th><th>Class</th></tr>
<tr><td>1</td><td>Glyphosate isopropylamine</td><td>III</td><td>6</td><td>Cypermethrin</td><td>II</td></tr>
<tr><td>2</td><td>Sodium chlorate</td><td>III</td><td>7</td><td>Triclopyr butoxy ester</td><td>III</td></tr>
<tr><td>3</td><td>Glufosinate ammonium</td><td>III</td><td>8</td><td>Canyon 20G</td><td>IV</td></tr>
<tr><td>4</td><td>Triclopyr butoxy</td><td>III</td><td>9</td><td>Amine 2.4 D</td><td>II</td></tr>
<tr><td>5</td><td>Metsulfuron methy 20% w/w</td><td>III</td><td>10</td><td>Bayfolan</td><td>III</td></tr>
</table>
The justification of agrochemicals use is available in the Planting Manual & SOP:
<table>
<tr><th></th><th>Reference</th><th>Title</th><th>Doc eff date</th></tr>
<tr><td>1</td><td>Page 46 to 50</td><td>Weed Control</td><td>07/07/2015</td></tr>
<tr><td>2</td><td>Page 51 to 62</td><td>Selective Weeding and Calibration</td><td>07/07/2015</td></tr>
<tr><td>3</td><td>Page 96 to 105</td><td>Bagworm & Nettle Caterpillar</td><td>07/07/2015</td></tr>
<tr><td>4</td><td>Page 106 to 116</td><td>Rat Control</td><td>07/07/2015</td></tr>
<tr><td>5</td><td>Page 117 to 119</td><td>Rhinoceros Beetles Control</td><td>07/07/2015</td></tr>
<tr><td>6</td><td>Page 120 to 132</td><td>Ganoderma and Disease</td><td>07/07/2015</td></tr>
<tr><td>7</td><td>Page 134 to 135</td><td>Insecticides a.i. & LD 50</td><td>07/07/2015</td></tr>
</table></td></tr>
<tr><td>7.2.2 (C) Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided.</td><td>YES</td><td>The Syarikat Kretam Mill Sdn Bhd CU continued to record areas where pesticides were used.
a) Pesticides were used only when justified and as programmed. Records of pesticides used by area, quantity used, hectares applied, LD 50 and Ai/Ha were made available to auditors.
b) Records were maintained in store issue chits, bin cards, program sheets, field cost books and progress reports.
c) Samples of data records of pesticides use including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications as per below:</td></tr>
<tr><td>7.2.3 (C) Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.</td><td>YES</td><td>The Syarikat Kretam Mill Sdn Bhd CU continued to apply pesticides by proven methods that minimise risk and impacts. Application of pesticides was based on and guided by the following documents:
a) CHRA
b) MSDS/SDS supplied by the manufacturer
c) Planting Manual
d) Safe work procedure Manual

As part of the IPM plans, the quantity of pesticides required for various field conditions are documented and justified in Kretam Holding Berhad’s Planting Manual in the chapters Weed Control & Selective Weeding and Calibration. The implementation in the field was consistent with the Planting Manual</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
			Sections and IPM Plan. In the implementation of the IPM plans the following practices were adopted byThe Syarikat Kretam Mill Sdn Bhd CU. Established growth of beneficial plants *(Cassia cobanensis, Antigonan leptopus and Tunera subulata*) to attract natural predators and reduce use of insecticides. During the site visit the auditor observed a notable quantity of beneficial plants been planted. The estates in order to reduce the use of pesticides to control rats carried out baiting only in areas where attack was above threshold level. The Syarikat Kretam Mill Sdn Bhd CU is committed to minimize the usage of agrochemicals by implementing IPM with the increased in the planting of beneficial plants such as *Tunera subulata*, *Cassia cobanensis* and *Antigonon leptopus.* a) Blanket spraying is also not practiced by the CU and soft grasses were maintained in the field. b) It had also been the practice that insecticides and rat baits are used only after a threshold level has been exceeded as per the S.O.P. and Planting Manual. c) The chemicals used for the nurseries are as provided in the Planting Manual and where necessary by the GM/Agronomist during the visits.
	7.2.4 There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.	YES	There was no evidence of prophylactic use of pesticides in Syarikat Kretam Mill Sdn Bhd CU except in immature and young fields, where prophylactic spraying using diluted cypermethrin are still practised for the Pest and Diseases management such as control of Rhinoceros Beetle as per SOP and best practices. Syarikat Kretam Mill Sdn Bhd CU only used pesticides that were officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations 2000. From the review of the chemical register, it was noted that all pesticides used are of Class II, III & IV. The use of paraquat had been banned in all estates in Syarikat Kretam Mill Sdn Bhd CU since 10/07/2017.
	7.2.5 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless in exceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to:	YES	During the audit, it was noted that Syarikat Kretam Mill Sdn Bhd CU had not use chemicals categorized as World Health Organization (WHO) type 1A or 1B or listed by the Stockholm or Rotterdam Conventions. The chemicals were were Class II chemicals, and Class III & IV. Paraquat had not be used since 10/07/2017 and was replaced by a systemic herbicide and glufosinate ammonium. All the 4 estates visited had maintained chemical registers for chemicals used and were updated on Masang Estate date 10/05/2024, Sapagaya Estate on 30/04/2024, Bukit Sekong Estate on 30/04/2024, and Bode Estate on 04/05/2024.The Chemical Registers had listed all Chemicals, Diesel, Petrol, Lubricants and Fertilisers. Checks made on the chemical stores confirmed that all the 4 Estates had only used class II, lll & lV chemicals.

Clause	Indicators	Comply Yes/No	Findings
	7.2.5a Judgment of the threat and verify why this is a major threat.	YES	
	7.2.5b Why there is no other alternative which can be used.	YES	
	7.2.5c Which process was applied to verify why there is no other less hazardous alternative.	YES	
	7.2.5d What is the process to limit the negative impacts of the application.	YES	
	7.2.5e Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.	YES	
	7.2.6 (C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.	YES	All estates and mill have the SSOP for use of PPE during working. All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. The PPE issue and replacements records were verified by the auditors. Observed during site visit, the PPE provided to the operators such as google, face respirator, nitrile hand glove, rubber boot, straw hat and apron. Additionally, the operators have been given training regarding the usage safety and health issue and proper way for chemical application by the plantation executives, manager, and asst. manager and chemical supplier with knowledge on chemical handling and applications. Latest training on pesticides/chemical handling was carried out such as: Masang Estate • Chemical handling training on 21/02/2024. • Fertilizer application training on 18/05/2024 • waste disposal and buffer zone training on 14/08/2023 Sepagaya Estate • PPE awareness training on 17/11/2023 • Chemical spillage handling training on 03/10/2023 • Empty chemical container disposal training on 03/10/2023 • Buffer zone restriction training on 17/02/2024. • Training for manuring operator on 08/01/2024 • Training for sprayer operator on 08/03/2024 • ERP training on 18/03/2024 • 1st aid boxes training on 18/03/2024. • RSPO awareness training on 07/05/2024. Bukit Sekong

Clause	Indicators	Comply Yes/No	Findings
			• 1st aid training on 15/02/2024 • Chemical handlings training on 10/05/2024. • Sprayer training on 13/05/2024 • PPE awareness training on 15/08/2023 • ERP training on 09/11/2023 Bode Estate • Training for sprayer on 17/01/2024 • Training for manuring on 22/01/2024 & 21/02/2024 • Chemical management training on 29/01/2024 • ERP training on 06/03/2024 • PPE awareness training on 18/09/2023 & 29/12/2023
	7.2.7 (C) Storage of all pesticides is in accordance with recognised best practices.	YES	Pesticides selected for use were those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with OSH USECHH Regulations (2000). At all visited mill and estates the storage of pesticides was in accordance with recognized best practices. They were stored in accordance to the Occupational Safety and Health Act 1994 (Act 514) and Regulations and Orders and Pesticides Act 1974 (Act 149) and Regulations. All information regarding the chemicals affixed as product label and the accompanying Safety Data Sheet (see OHS CLASS 2013 Regulations) with details of its usage, hazards, trade and generic names were found available in Bahasa Malaysia language understood by workers or explained carefully to them by a plantation management official at operating unit level. A proper premixing area with eye wash facilities and bathing area is available near to the chemical stores. The wastewater from the washing of empty chemical containers and PPE, and chemical mixing was pumped to a storage tank for reuse in chemical mixing. This is to avoid any contamination of chemicals to the ground. Triple rinsing activities continued to be implemented for empty pesticide containers. The detailed procedure for this purpose is available in SOP for Scheduled Wastes Management and SOP for Triple Rinsing. All estates visited, their chemical stores were inspected, and it was noted that they all comply with the relevant act as well as best practice. • All stores were secured under lock and key with restricted access. • Provision of ventilation fan. • Display of Safety Pictorial poster, namely the required PPE and • Chemical Safety hazards pictogram. • Pesticides were separated by class. • Were kept in the store under lock and key. • Concrete cemented floor, bund wall and provision of sump pond. • The storekeeper was trained in the handling of all pesticides. SDS leaflets were available at all pesticide

Clause	Indicators	Comply Yes/No	Findings
			stores.
	7.2.8 All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.	YES	Empty pesticide containers were punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. Inventory and consignment documents verified for confirmation of proper management and disposal. • At Masang Estate all pesticide containers (SW409) have been disposed of through the DOE contractor. Sighted latest disposal has been made on date 20/05/2024. • At Sapagaya Estate all pesticide container (SW409) has been disposed through DOE contractor. Sighted latest disposal has been made on date 15/05/2024. • At Bukit Sekong all pesticide containers (SW409) have been disposed of through DOE contractor. Sighted latest disposal has been made on date 11/05/2024. • At Bode Estate all pesticide containers (SW409) have been disposed of through a DOE contractor. Sighted latest disposal has been made on date 22/05/2024.
	7.2.9 (C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.	YES	Aerial spraying is not a practice in all visited estates. There was no evidence to show that such a method was being used in all estates.
	7.2.10 (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated. *AUDITORS' GUIDE:* *1) Please note that this requirement is mandatory and not depending on the recommendation made by a CHRA assessor.* *2) Immediate treatment needed for non-occupational disease (non-working related), hence, to enquire about any programs in-place initiated by the company to manage medical*	YES	Specific annual medical surveillance for pesticide operators been conducted. Sampled of sprayers been verified as per table below: Masang Estate The medical surveillance was carried out on 29/08/2023 for 3 genset operator, 23 manuring operators, 38 sprayers, 3 storekeepers, 1 water treatment plant operator, 4 workshop operator. Report indicated all employees were reported to be fit to handle chemicals Sapagaya Estate The medical surveillance was carried out on 30/08/2023 for 3 genset operator, 29 manuring operators, 27 sprayers, 6 storekeepers, 2 water treatment plant operator, 5 workshop operator. Report indicated all employees were reported to be fit to handle chemicals Bukit Sekong Estate The medical surveillance was carried out on 30/09/2023 for 2 genset operator, 17 manuring & spraying operators, 1 storekeeper, 1 water treatment plant operator, 1 workshop operator. Report indicated all employees were reported to be fit to handle chemicals

Clause	Indicators	Comply Yes/No	Findings
	illness i.e., high BP, sugar, etc.		Bode Estate The medical surveillance was carried out on 29/08/2023 for 1 genset operator, 28 manuring operators, 30 sprayers, 3 storekeepers, 1 water treatment plant operator, 9 workshop operator. Report indicated all employees were reported to be fit to Handle chemicals, dust and hexane. Additionally, most workers require medical attention for non-occupational diseases (not work-related), such as Haematuria, Hypertension, Diabetes, abnormal liver function test results, mild anaemia, etc. The Hospital Assistant will monitor and treat these related health conditions through medical check-ups, including monitoring sugar levels, blood pressure, cholesterol, uric acid levels with BMI, fat percentage, and hemoglobin (for pregnant women) on a weekly/monthly basis. Referrals to the VMO and Klinik Kesihatan will be made as necessary. Moreover, the Hospital Assistant will actively engage in continuous health education sessions during morning muster to foster a culture of health consciousness among all workers. These sessions will encompass topics such as proper nutrition, the importance of regular exercise, stress management techniques, and preventive measures against common health issues. By providing comprehensive health education, the aim is to empower workers to take proactive steps towards maintaining their well-being both on and off the job.
	7.2.11 (C) No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.	YES	The organization had a Social Policy dated 01/07/2022 and SOP Sprayer #KHB/G/SOP-28/S&H-09 dated 07/11/2018 which stated that no work with pesticides shall be undertaken by pregnant or breast-feeding women. On all 4 estates sampled, identification of pregnancy was done by the HA based on interview with their women workers on the last menstrual period dates. This interview was done during the 6-month interval medical check-up. Pregnancy test was carried on doubtful cases. Monthly medical check-up for women sprayer was also being carried out by VMO. There was no evidence that the work with pesticides was undertaken by pregnant or breast-feeding women. This has also been confirmed through interviewed with workers.
7.3 Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner.	7.3.1 A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous characteristics, is documented and implemented.	YES	Waste management and disposal plan to avoid or reduce pollution had been documented and implemented. Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. In the sampled estate and mill, the waste management program and plan seen incorporated with environmental impact aspect assessments. The assessment seen effectively covers on matured maintenance, FFB collection, workshop, schedule waste / chemical / fertilizer store and etc. The waste disposed were seen only household and food waste and disposed via landfill. As for the line-site cleaning, it scheduled on weekly basis by Hospital Assistant. During visit to worker's quarters, observed a proper waste collection center identified and disposed as per plan. The domestic waste being collect by estate workers twice weekly and being segregate before goes to dumping site. The secondary containments, signage, sump pits, spillage kits and SDS seen effectively display and available at chemical / pesticide store, diesel skid tank and fertilizer store. ***Hence previous***

Clause	Indicators	Comply Yes/No	Findings
			NCR adequately closed.
	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.	YES	Procedures and guideline were used to guide the waste disposal activities and to reduce pollution on the routine operation. Standard Operating Procedure Waste Disposal doc no: KHB/G/SOP-08, has been established dated 18/08/2013 with revision dated 06/07/2020. In the waste management plan, the documentation and identification of all waste product such as scheduled wastes, domestic wastes, clinical wastes, recyclable wastes such as metal, tins, plastics, bottles, mill wastes and polluting material e.g., EFB and POME. Site visit at scheduled waste store, management of scheduled waste are well maintained as per company procedure. Interviewed with person in charge for scheduled waste noted fully aware in handling scheduled waste. Records of scheduled waste management verified as per below: <u>Masang Estate</u> Inventories of scheduled waste been updated monthly and latest disposal done on 7/5/2024 <u>Sapagaya Estate</u> Inventories of scheduled waste been updated monthly and latest disposal done on 21/5/2024 <u>Bukit Sekong Estate</u> Inventories of scheduled waste been updated monthly and latest disposal done on 11/5/2024 <u>Bode Estate</u> Inventories of scheduled waste been updated monthly and latest disposal done on 22/5/2024 <u>Kretam Mill</u> Inventories of scheduled waste been updated monthly and latest disposal done on 18/5/2024
	7.3.3 The unit of certification does not use open fire for waste disposal.	YES	The CU had 2 policies on Zero Burning a main and sub policy. They were: • Environmental Policy of Kretam Holding Berhad Group dated 02/01/018 and signed by the Chief Executive Officer which had the clause – "Implement zero burning on all Oil Palm cultivation activities". • Zero Burning Policy of Syraikat Kretam Plantations Snd Bhd Ref No. P4.2.4/012014/P4.2.4.3 dated 11/01/2016 and signed by the Chief Plantation Officer.It stated "There shall be no burning of any kind except where deemed necessary with the prior approval of relevant authorities. This includes domestic waste, agricultural waste and biomass or by-products generated by the Estates and Palm Oil Mills." During site inspection at worker quarters at palm oil Mill and all estates was sighted there is no trace of fire burning on the ground and use open fire for waste disposal have been carried out. Site visit at landfill also sighted the organization had adequately labelled open and close date for rubbish pits which located for each relevant estates.
7.4 Practices maintain soil fertility at, or	7.4.1 Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise	YES	The Syarikat Kretam Mill Sdn. Bhd. CU continued to implement the good agriculture practices as per Planting Manual (July 2015) to ensure optimal and sustained yield and complied with recommendations for the application of the fertilizer in Manuring – Mature Palms, EFB and POME Application and Fertilising Immature Oil Palm dated 07/07/2015 and Oil Palm Manuring Recommendations 2024 .

Clause	Indicators	Comply Yes/No	Findings
where improve soil fertility to, a level that ensures optimal and sustained yield.	environmental impacts. *AUDITORS' GUIDE:* *1) Be observant.* *2) To ensure that site sampling includes GAP activities and indicators such as soil erosion, absence of vegetative growth (bare land), nutrient deficiency, upkeep of furrow and watering system, nutrient recycling activities, road condition etc.*		All the Estates in Syarikat Kretam Mill Sdn. Bhd. CU continued to implement the good agriculture practices to maintain long-term soil fertility by annual application of fertilizers based on periodic foliar and soil analysis, biomass retention (pruned fronds left to decompose in the fields) and some EFB application.
	7.4.2 Periodic tissue and soil sampling is carried out to monitor and manage changes in soil fertility and plant health.	YES	Fertilizer application, which was of paramount importance for maintenance of soil fertility, was carried out based on the recommendation made by the agronomist. Annual fertilizer recommendations were made based on annual foliar sampling done i.e: • At Masang Estate on 25/07/2023 and 1- 29/08/2023 • At Sapagaya Estate on date 25/08/2023 by laboratory • At Bukit Sekong Estate on date 25/07/2023 by laboratory • At Bukit Bode Estate on date 17/07/2023 by laboratory At the same time, soil sampling was carried out on an 5-year cycle basis i.e as per below: • At Masang Estate on date 13/09/2022 by laboratory • At Sapagaya Estate on date 20/11/2021 by laboratory • At Bukit Sekong Estate on date 08/10/2020 by laboratory • At Bode Estate on date 22/09/2020 by laboratory The recommendation by the Agronomist was also available during the inspection and the application of fertilizers was carried out as recommended and scheduled. Noted from the records that the actual number of fertilizers recommended in 2023 had been completed. For 2024, the application was in progress.
	7.4.3 A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.	YES	The all estates visited had a nutrient recycling strategy in place which included stacking pruned fronds in the respective fields to decompose, grass cutting harvesters paths and letting the cut mass to decompose in the field and EFB mulching. In addition, during replanting, palms were felled, chipped, windowed and left to decompose. Records showed that the estates had applied, and records showed that EFB metric ton in 2022, 2023 and 2024.
	7.4.4 Records of fertiliser inputs are maintained.	YES	The fertilizer application program was monitored using records like program sheets, bin cards, field cost book, fertilizer application monitoring forms, etc. Records of programs and applications of fertilizers were reviewed by auditors. Review of the records revealed that the actual fertilizers applied in 2023 were in line

Clause	Indicators	Comply Yes/No	Findings
			with the program. The following fertilizers were applied in all estates subject to the recommendation by the Agronomist. All Estates (Sandakan Region) Fertilizer Program 2024 was noted.
7.5 Practices minimise and control erosion and degradation of soils.	7.5.1 (C) Maps identifying marginal and fragile soils, including steep terrain, are available.	YES	Description of the soil characteristics such as texture, depth, drainage, parent material and key aspect for management was also available. The soil series in the 4 estates were classified as follows and was last updated on May 2014. There were no problematic soils (e.g. podzols and acid sulphate soils) on Syarikat Kretam Mill Sdn Bhd CU. The estates maintained the following maps and documents for proof of recognized legal rights. Documents were sighted and verified.
	7.5.2 No replanting on steep slopes (above 25 degress) unless approved by state governments. In case of replanting is permitted, no replanting in contiguous area of steep terrain (greater than 25°) larger than 25 Ha within the Unit of Certification.	YES	The estates visited in the Syarikat Kretam Mill Sdn Bhd CU continued to have a management strategy for planting on slopes in order to minimize and control erosion and degradation of soils. The plantings on slopes between 9 and 25 degrees was guided by: a) Land Preparation for terracing in Planting Manual. b) SOP Replanting – Soil Conservation/Terracing It was observed that practices to minimize and control erosion and degradation of soils were in place through proper stacking of fronds, EFB application, avoidance of blanket spraying, construction terraces, road maintenance and maintenance of soft vegetation in interlines. Cover crops were planted in the replants and in mature areas. The cover crop *Mucuna bracteata* had been planted along some slopes by management. Large areas with *Neprolepis biserrata* in the inter rows were sighted during the visit. The topography maps were provided with details showing the various terrain and slope categories in the estates.
	7.5.3 There is no new planting of oil palm on steep terrain.	YES	This compliance being specified in the following guidelines. "*This compliance being addressed in the "Slope and River Protection" signed by the CEO dated Dec 2019 stating the following among others - Slope of >25 degree to be excluded from any new plantation development and replanting program. For slope <25 degree the existing crop all vegetative shall be maintained accordingly*". During site visit was confirmed that no new planting at all estates.
7.6 Soil surveys and topographic information are used for site planning in the establishment of	7.6.1 (C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.	YES	The CU continued to demonstrate the long-term suitability of land for palm oil cultivation and had conducted soil surveys identifying marginal and fragile soils, and terrain surveys including steep terrain, As mentioned under indicator 7.5.1 soil maps and topography maps were made available. There were no peat soils, marginal soils and fragile soils on All Estates. The soil and topography of the estates were taken into account in plans and operations.

Clause	Indicators	Comply Yes/No	Findings
new plantings, and the results are incorporated into plans and operations.	*AUDITORS' GUIDE:* *1) To ensure that site sampling includes various land topography from low land to very steep land.*		
	7.6.2 Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.	YES	Based on the soil maps provided and field visits there were no fragile and problem soils in all the estates.
	7.6.3 Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure.	YES	Initial soil survey and topographic information were carried out in February 2014. The latest Soil survey was conducted on Bukit Sekong Estate on 22/09/2020, on Masang Estate. Topographic maps also were established during the soil survey assessment. The topographic information was provided and reviewed by the auditors.
7.7 No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.	7.7.1 (C) There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.	YES	This is ***not applicable*** as there is no peat soil in all estates in the Syarikat Kretam Mill Sdn Bhd CU as supported by the soil maps of respective estates.
	7.7.2 Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peat land Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).	YES	This is ***not applicable*** as there is no peat soil in all estates in the Syarikat Kretam Mill Sdn Bhd CU as supported by the soil maps of respective estates.
	7.7.3 (C) Subsidence of peat is monitored, documented and minimised.	YES	This is ***not applicable*** as there is no peat soil in all estates in the Syarikat Kretam Mill Sdn Bhd CU as supported by the soil maps of respective estates.
	7.7.4 (C) A documented water and ground cover management programme is in place.	YES	This is ***not applicable*** as there is no peat soil in all estates in the Syarikat Kretam Mill Sdn Bhd CU as supported by the soil maps of respective estates.

Clause	Indicators	Comply Yes/No	Findings
	7.7.5 (C) For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the timeframe for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it ii is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation. This is subject to transitional (5 years: 2019 to 2025) arrangement stated in the Drainability Assessment Procedure. Within 12 months initial implementation period, company could submit other alternate methodologies to be considered by RSPO for recognition.	YES	This is ***not applicable*** as there is no peat soil in all estates in the Syarikat Kretam Mill Sdn Bhd CU as supported by the soil maps of respective estates.
	7.7.6 (C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2018) and	YES	This is ***not applicable*** as there is no peat soil in all estates in the Syarikat Kretam Mill Sdn Bhd CU as supported by the soil maps of respective estates.

Clause	Indicators	Comply Yes/No	Findings
	associated audit guidance.		
	7.7.7 (C) All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version 2 (2018) and associated audit guidance.	YES	This is ***not applicable*** as there is no peat soil in all estates in the Syarikat Kretam Mill Sdn Bhd CU as supported by the soil maps of respective estates.
7.8 Practices maintain the quality and availability of surface and groundwater.	7.8.1 A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following:	YES	The CU Water Management Plan has been reviewed and updated on 31/03/2024. The objective was to meet the needs of existing and future populations and ensure that habitat and ecosystems are protected, the nation water must be sustainable and renewable. The water management measures are identified stage as part of the progress towards the objective of water management plan. There are 3 major parts which are general water management, water quality management and emergency management. General Water Management covers mainly on the efficient water usage practices and ways to achieve it. Factors such as education, infrastructure and water using processes are being analysed to achieve the water management goal. Water quality management for various water using processes in the mill and for domestic use in the estate especially for drinking water. Water supply for mill and estates are mainly from flowing river/reservoir apart from rain water. Emergency management is the discipline of dealing with and avoiding risks of water shortage. Water spillage during pre-mixing of chemicals, from washing of PPE and from triple rinsing was collected from in sumps and recycled for spraying. Water supplies are made to all housing areas and office complexes in the respective estates and POM as the sources are from the internal water pond and catchment. River water quality (upstream and downstream) is tested twice a year to ensure the water supply is in usable condition. Based on the result, water quality monitoring is generally within WHO and Class IIB of INWQS at all monitoring parameters. Water pumped from the pond or water catchment is treated in WTP by various chemicals. The CU also

Clause	Indicators	Comply Yes/No	Findings
			maintained monitoring records of water usage which recorded every day and summarized on monthly basis including the monitoring of rainfall water, which has been an alternative source of water as mitigation plan during draught season.
	7.8.1a The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities.	NO	The organization had established action plan which include monitoring of river water quality monitoring which restrict access to clean water or contribute to pollution of water used by communities. The organization had identified water sampling point in Bode estate (3 points), Masang Estate (2 points), Sapagaya Estate (2 points) and Bukit Sekong Estate (3 points). However, found that Masang Estate not yet conducted water analysis in 2024 and hence **Minor NCR RMN 01 has been raised.** For Bukit Sekong Estate, the ECR was conducted. The ECR assessment was carried one every 4 months as per EIA approval. Verified the ECR Report 3rd quarter of 2023. Based on the ECR, 4 water sampling point selected from small river or water course. Based on the result, water quality monitoring is generally within Class IIB of INWQS at all monitoring points.
	7.8.1b Workers have adequate access to clean water.	YES	All estates and mill had supplied potable water which produce from own water treatment plant to all workers under this certification units. <u>Bode Estate</u> The continued availability of water sources and to avoid negative impacts on other users in the water catchment and sungai Bode. Latest monitoring was carried out on 06/04/2024 The management had include inside water management plan action to be taken which latest briefing on “Kepentingan Penggunaan Air Masak/Bersih di Ladang” on 2/10/2023. <u>Bukit Sekong Estate</u> The continued availability of water sources and to avoid negative impacts on other users in the reservoir pond. <u>Masang Estate</u> the continued availability of water sources and to avoid negative impacts on other users in the reservoir pond and Sungai Bode. <u>Sapagaya Estate</u> The continued availability of water sources and to avoid negative impacts on other users in the reservoir pond and natural stream. The management had include inside water management plan action to be taken which latest briefing on “Kepentingan Penggunaan Air Masak/Bersih di Ladang” on 2/5/2024.

Clause	Indicators	Comply Yes/No	Findings
			Kretam POM the continued availability of water sources and to avoid negative impacts on other users in the final discharge area.
	7.8.2 (C) Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).	YES	Water courses and wetlands was protected, including maintaining and restoring appropriate riparian and other buffer zones and in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017). Sighted during field visit: Bode Estate During site was confirmed no evidence of chemical activities at the buffer zones areas. Masang Estate During site visit was confirmed no evidence of chemical activities at the buffer zones areas.
	7.8.3 Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.	YES	Effluent license; valid until 30/06/2024. A Methane Capture Plant (Biogas Lagoon) and Effluent Treatment Plant (ETP) are available at Syarikat Kretam Mill to treat the POME. Effluent treatment process flow sighted in the Lay Out Effluent Pond. Stated in the process flow is the maximum mill capacity per hour is 60mt ffb/hr. According to DOE's license, the disposal method of the final discharge is through water ways. The Biogas and ETP were regularly maintained by desludging of the ponds to ensure its efficiency. Final discharge samples were taken monthly and sent to an accredited laboratory for analysis. Among the parameters required by the DOE to be monitored. The results of analysis were submitted to the DOE on a quarterly basis. All parameters were within the regulatory limit such as BOD discharged to land irrigation was not more than 20 mg/l. Lab Report for final discharge was carried out by accredited laboratories monthly. The result was within the limit.
	7.8.4 Mill water use per tonne of FFB is monitored and recorded.	YES	Processed water is obtained from water catchments near the mill. The water usage per tonne of fresh fruit bunches (FFB) continued to be monitored monthly. The average factory water consumption to FFB Processed slightly high due to low crop season and mill cleaning.
7.9 Efficiency of fossil fuel use and the use of renewable energy is optimised.	7.9.1 A plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and documented.	YES	The plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and documented. Record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. The CU showed evident that they are compiling the data by monthly basis and document it for further action to improve on their efficiency of using the renewable and non-renewable energy. Apart from use of grid electricity, palm fibre and shells were also used to generate electricity through biogas plant.

Clause	Indicators	Comply Yes/No	Findings
7.10 Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.	7.10.1 (C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.	YES	The CU had used RSPO Palm GHG version 4 Calculator as a tool to calculate the GHG emissions. For input FY 2023, the report is sent via email to RSPO through the Palm GHG calculator and publicly reported. The input data was verified, and the following were determined:
	7.10.2 (C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (guided by the RSPO GHG Assessment Procedure for New Development).	YES	Auditor has verified through checking the www.globalforestwatch.com, Google Maps, Estate Maps and also through site visit to the sampled estates areas. Based on the observation during the audit, it is confirmed that there were no new planting or new development of areas at KHB Sandakan Region CU since November 2005. Hence, RSPO GHG Assessment Procedure for New Development was not applicable.
	7.10.3 (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.	YES	The Environmental Impact and Aspect Assessment and Pollution Prevention Plan was used to identify the GHG emissions. Some of the Greenhouse Gas emissions are through Land Conversation, Crop Sequestration, Fertiliser, N_2O from fertiliser, Fuel Consumption, Peat Oxidation. Plans to reduce or minimise them are in place. The CU also plan to reduce GHG by construct Biogas plant to capture Methane gas generated from the Effluent Treatment Plant to generate biogas engine to produce electricity for mill and domestic use.
7.11 Fire is not used for preparing land and is prevented in the managed area.	7.11.1 (C) Land for new planting or replanting is not prepared by burning.	YES	There was no land preparation in the CU by burning ever since KHB practice zero burning as per the policy dated 11/01/2016: a) During the field visit the signages "*Dilarang Membakar*" were clearly displayed and no evidence of open burning observed. b) It was observed that no fire had been used for land clearing in the 2023 replant visited during time of audit. Palms had been felled, chipped, windrowed and left to decompose.
	7.11.2 The unit of certification establishes fire prevention and control measures for the areas under its direct management.	YES	The CU had established fire prevention and control measures for the areas under direct management estate and POM. In the mill their water hydrant and valid fire extinguishers at the various operating stations. All estates visited had valid fire extinguishers at the office, employee quarters, chemical & fertiliser stores, diesel skid tank, etc.
	7.11.3 The unit of certification engages with adjacent	YES	The CU also engaged with adjacent to stakeholders on fire prevention and control measures by inviting them to join training conducted during stakeholder meeting in 11 August 2023.

Clause	Indicators	Comply Yes/No	Findings
	stakeholders on fire prevention and control measures.		
7.12 Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.	7.12.1 (C) Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.	YES	Auditors has verified through checking through www.globalforestwatch.com, Google Maps, Estate Maps and also through site visit to all estates. Based on the audit findings, it was confirmed that no land clearing at Syarikat Kretam Mill CU since Nov 2005.
	7.12.2 (C) HCVs, HCS forests and other conservation areas are identified as follows:	YES	The report titled "HCVF Assessment of Two Parcels of Forest at Masang Estate, Kota Kinabatangan" is available. This study was conducted by HCVF External Assessor, and was completed in October 2012. The assessment found that "there is no significant fauna in these forest parcels, and no Endangered, Rare, or Threatened (ERT) species are present. Since Parcel A and Parcel B are in close proximity, there is minimal difference in wildlife composition, including bird species. Many bird species are adapting to the oil palm plantation (OPP)." Additionally, "the two parcels of forestland, despite their small size, qualify as High Conservation Value Forests (HCVF) based on four criteria: HCV 1.2, HCV 1.4, HCV 4.1, and HCV 5." An extended assessment conducted by internal Assessor Kretam, titled "Baseline Biodiversity Assessment and Planning for Forest Area, Unplanted Area, Water Catchment Area, and Buffer Zones in KHB Plantation in Sandakan Region," was completed in May/July 2015, updated annually, with the latest review in October 2020. This study covered all High Conservation Values (HCV) within and adjacent to the Kretam Mill CU. The updated HCV assessment identified rare, threatened, and endangered species (RTEs) such as the Bearded Pig (Sus scrofa) and the Pig-tailed Monkey in the Masang, Bode, Bukit Sekong, and Sepagaya Estates. Management and action plans for all these estates were updated on March 21, 2024. For 2024, there is a new assessment titled "Baseline Biodiversity Assessment and Planning for Forest Area, Unplanted Area, Water Catchment Area, and Buffer Zones in KHB Plantation in Sandakan Region" was updated in July 2023 to include the newly certified Seraya Estate, with the next review scheduled for July 2028. This study covers all High Conservation Values (HCV) within and adjacent to the Kretam Mill CU. The updated HCV assessment identified rare, threatened, and endangered species (RTEs) such as the Bearded Pig (Sus scrofa), Pig-tailed Monkey, and Pygmy Elephant in the Masang Estate, Bode Estate, Sapagaya Estate, Bukit Sekong Estate, Seraya Estate, Kretam Mill, and Smallholders,
	7.12.2a For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.	YES	
	7.12.2b: Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.	YES	

Clause	Indicators	Comply Yes/No	Findings
			Management and action plans for all these estates were updated on March 21, 2024. Regarding HCV, Kretam Mill CU has identified four potential HCVs: 1.2, 1.4, 4.1, and 5 in Masang Estate and in Bode Estate. No HCVs were identified at Bukit Sekong Estate and Sepagaya Estate. The designated HCV area is 50 hectares and 200 hectares, totaling 250 hectares. Auditors verified this information through www.globalforestwatch.com, Google Maps, estate maps, and site visits to all estates. Based on the audit findings, it was confirmed that no land clearing has occurred at Syarikat Kretam Mill CU since November 2005.
	7.12.4 (C) Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).	YES	There was a presence of ERT species within HCV HCV 1.2, 1.4,4.1 and 5 in the CU. In managing the HCVs, the CU had a regular programme to educate its employees pertaining to the protection of the RTE as well as the protection of buffer zone and all protected areas. The CU has conducted a regular patrol of HCV areas, access and boundary of estates in its monitoring programme. Signage, such as “HCV attributes”, “No Hunting”, “No Fishing”, “Buffer Zone” was erected on sites. No use of chemicals had been applied in the buffer zone as prohibited by the CU. In general, the action plan has been implemented accordingly as per detailed of action plan concerning HCV contained in the report section’. Sighted HCV integrated management plan has been developed in consultation with relevant stakeholder Among issues discussed with relevant affected stakeholder were related to illegal hunting, the effected stakeholder has no issues related to HCV action plan, and the plan was updated Latest on 21/3/24 for all Estate, the plan was updated after result of monitoring last year (2023) by Sustainability team from HQ.
	7.12.5 Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peatland and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through	YES	No local community rights have been identified in the HCV areas at Kretam CU. Additionally, the nearest local communities are located 5 km from the Syarikat Kretam Mill CU. Therefore, this indicator is not applicable to this CU.

Clause	Indicators	Comply Yes/No	Findings
	FPIC, encouraging their involvement in the maintenance and management of these conservation areas.		
	7.12.6 All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.	YES	A training programme for year 2024 was available at All estates, Sighted training "Biodiversity Training" were conducted to workers, mandore and Estate Security for all estates, 3/5/24, 6/3/24, 10/5/24, 16/4/24, 7/5/24,17/2/24 (Sepagaya), 29/4/24 (Masang), 21/3/24 (Bode), 19/2/24 (Bukit Sekong). Awareness training like morning briefing has also been conducted. An appropriate disciplinary measure, was instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.
	7.12.7 The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan. *<u>AUDITORS' GUIDE:</u>* *<u>Reviewing HCV Management Plan</u>* *a) Review the plan.* *b) Review the appropriateness of the action taken identified to address the issue in the plan.* *c) Look into the monitoring of the action taken and the effectiveness of the implementation of the action plan.* *d) Update the management plan in accordance with the monitoring and implementation evaluation outcome.* *e) Provided overall conclusion for the*	YES	The implementation of HCV monitoring followed prescriptions in the "The HCV and RTE action plan was as in 'Monitoring Checklist of Biodiversity Area by Monthly'. The main approach taken included conservation of species and maintenance of connectivity between protected forest within and surrounding Kretam Mill CU. Management included demarcation, education (awareness briefing) and constant monitoring. The status of HCV and RTE species that are affected by plantation or mill operations had also been documented in the report. On-going monitoring of the HCV area at for all the estates were conducted on Monthly basis for the Water Catchmemnt, Buffer Zones and RTE. The results of this monitoring have been fed back into the management plan namely HCV & RTE Monitoring Management Plan dated 21/3/24 as per sighted by the auditor. During this Assessment sighted that, Syarikat Kretam Mill CU had already done new assessment and new Management Plan and already identify wildlife Wider landscape Level, and the RTE monitoring program, and the Plan Inventory Monitoring already identify RTE such as Elephant etc. enter the estate. ***Thus, Past Minor NCR MZK 02 2023 has been closed.***

Clause	Indicators	Comply Yes/No	Findings
	management plan established by the CH.		
	7.12.8 (C) Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.	YES	Auditors has verified through checking through www.globalforestwatch.com, Google Maps, Estate Maps and also through site visit to all estates. Based on the audit findings, it was confirmed that no land clearing at Syarikat Kretam Mill CU since Nov 2005.

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

Clause	Indicators		Comply Yes/No	Findings
5.5.2 Time-bound plan A time-bound plan for certifying all its management units and/or entities, including the units where the organization has mgmt. control and/or minor shareholding, is submitted to the CB during the initial certification audit. The time-bound plan shall contain a current list of all estates and mills.	(a)	As a minimum, all estates and mills shall be certified within 5 years after obtaining RSPO membership. Any new acquisitions shall be certified within a 3-year timeframe. Any deviations from these maximum periods requires approval by the RSPO Secretariat.	Yes	The TBP was updated in July 2023 indicated that all estates and mills under KHB Plantation were already certified.
	(b)	Progress towards this plan shall be verified and reported on in subsequent annual surveillance audits by the CB. Where the CB conducting the surveillance audit is different from the CB which first accepted the time-bound plan, the later CB shall accept the appropriateness of the time-bound plan at the moment of first involvement and shall only check continued appropriateness;	Yes	
	(c)	Any revision to the time-bound plan or to the circumstances of the company shall cause the time-bound plan to be reviewed by the CB. Changes to the time-bound plan are demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally	Yes	

		registered with the local notary or chamber of commerce (or equivalent);		
	(d)	Where there are isolated lapses in implementation of a time-bound plan, a minor non- compliance shall be raised. Where there is evidence of fundamental failure to proceed with implementation of the plan, a major non-compliance shall be raised.	Yes	
5.5.3 Requirements for uncertified management units:	(a)	No replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.12. Any new plantings since 1st January 2010 shall comply with the RSPO New Planting Procedure (NPP). For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB;	Yes	Not applicable due to there is no uncertified management units under KHB Plantation.
	(b)	Land conflicts, if any, are being resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8;	Yes	
	(c)	Labour disputes, if any, are being resolved through a mutually agreed process, in accordance with RSPO P&C criterion 4.2;	Yes	
	(d)	Legal non-compliance, if any, is being addressed through measures consistent with the requirements of RSPO P&C criterion 2.1;	Yes	
	(e)	The audit team shall assess compliance with these rules at each assessment of any of the applicable management units. Assessment of compliance with requirements 5.5.3 (a) – (d) above by the audit team based on self-declarations only by the company, with no other supporting documentation, shall not be acceptable. Verification of compliance shall be based on the following approach:	Yes	
		A positive assurance statement is made, based upon self-assessment (i.e. internal audit) by organization. This would require evidence of the self-assessment against each requirement;	Yes	
		Targeted stakeholder consultation, including consultation with the relevant NGO's will be carried out by the audit team.	Yes	

		Desktop study e.g. web check on relevant complaints	Yes	
		If necessary, the audit team may decide on further stakeholder consultation or field inspection, assessing the risk of any non-compliance with the requirements.	Yes	
	(f)	For requirements 5.5.3 (a)-(d) above, the classification of critical and non-critical is as stated in the RSPO P&C. If a non-compliance against a critical indicator in a non-certified management unit is identified, the current certification assessment cannot proceed to a successful conclusion unless it is actively addressed. Evidence of active engagement with RSPO in resolving the non-compliance shall be available.	Yes	
	(g)	Failure to address any outstanding non-compliances within uncertified unit(s) as defined in 5.5.3 (f) above may lead to suspension of certificate of the certified unit(s), in accordance with the provisions of these Certification Systems.	Yes	
5.6.6 The CB shall review whether oil palm operations have been established in areas which were previously owned by users and/or are subject to customary rights of local communities and indigenous peoples. If applicable, the CB shall consult directly with all of these parties to assess whether land transfers and/or land use agreements have been developed with their free, prior and informed consent and check compliance with the specific terms of such agreements. The CB shall have a mechanism in place to identify the interested parties and ensure a represented samples size of the interested parties are consulted in each audit.		No additional indicators *AUDITORS' GUIDE:* *1. Identify (and document) the identification of the previous users and owners of the land;* *2. Identify (i.e., locate a written copy of) the agreements/promises made at the time of the relevant land transfers and/or land use agreements;* *3. Determine whether the previous users/owners can now be contacted, and do so, as applicable;* *4. Interview the previous owners/users to assess whether the land transfer and land use agreements were entered into with their free, prior, informed consent;* *5. Evaluate whether there is ongoing compliance with the agreements (e.g., if promises were made at the original transfer date, to transfer developed land back to communities at a later date, were these promises kept in full?);* *6. Identify and follow up any disputes.*	Yes	As reported in 4.4.1 of this checklists, it has been verified that the land is now legitimately owned by Syarikat Kretam Mill Sdn Bhd CU from 1980-2005. The audit team had confirmed that there was no land issues related to previous owners.

The CB shall keep track which party that has been interviewed in the previous audits to ensure proper coverage of the parties throughout the certification cycle.				

ATTACHMENT 4

DETAILS OF NON-CONFORMITIES AND CORRECTIVE ACTIONS TAKEN

P & C Indicator	Specification Major/Minor	Detail Non-conformances	*Root Cause & Corrective Action* Taken by the CU	Verification Statement by Auditors
3.3.2 DA 01 2024	Major (Upgraded)	Finding: The mechanism for checking the consistent implementation of the social impact assessment plan was not effectively executed. Objective evidence: Based on interviews at Masang Estate with the Community Learning Center (CLC) teachers, several workers (especially parents who paid the transport charge), and Mr. Muslimim (who provides transport services), it was confirmed that there is a transport charge of RM25 per month for workers to transport students from their houses to the CLC. This finding is not in line with their plan, which stated that transport charges would be covered for the workers.	The root cause: i) The issues are due to miscommunication and inadequacy of clear communication about the transport charge between estate management, workers and the transport service provider. ii) The social action plan to provide free transportation to school children did not effectively implement or inadequately monitored, resulting in continued charges. iii) There may have been lack of proper oversight or accountability mechanism to ensure compliance with the plan. Correction: i) To provide free transportation (or transportation cost is absorbed by company) for workers children to the CLC for children between the age of 6 to 12 years old. ii) The SIA plan will be reviewed and revised to amend any ambiguous plan to ensure that the plan is clearly stated so that estates' management can implemented the plan correctly. Corrective action: i) Conduct a meeting with relevant parties (workers, CLC teachers and transport service providers) to clearly explain the plan for free transportation for CLC children and ils implementation. ii) The social action plan related to the transport of CLC children will be updated and reviewed to ensure it is clear and enforceable. iii) Implement regular audits to monitor compliance of the amended plan of free transportation for CLC children.	Root cause accepted. The auditor has verified the attached evidence, including: 1) Minutes of the meeting between Masang Estate management, workers, CLC teachers, and transport service providers dated 21/06/2024. The minutes clearly explain the plan and implementation of free transportation for CLC children. 2) The updated SIA management plan clearly describes the provision of transport for CLC children. It was concluded that the measures implemented as outlined above were effective in addressing the findings. **Status: Closed**

7.8.1a RMN 01 2024	Minor	Finding: The organization did not implement action identified as per water management plan. Objective evidence: Based on company water management plan reviewed on 31/3/2024 required Masang estate to conduct 2 points river water monitoring. However, the estate had yet to conduct river water analysis in 2024.	The root cause: The management has neglected to ensure timely river water analysis, failing to maintain adequate oversight as required. Correction: Masang Estate will identify the 2 points of river water sampling as per stated in the management plan and will proceed to conduct the river water analysis for year 2024 as per requirement. Corrective action: Sustainability Dept. will monitor the water samples from the estates for analysis purposes to ensure that the respective estates' management submits their waler samples accordingly (river water & treated water) for analysis as per requirement.	Root cause accepted. The corrective action plan has been reviewed and found adequate to address Minor Nonconformity. Evidence of the CAP will be verified during the next assessment. **Status: Open**

AUDITORS' GUIDE:

- *Please include a statement to reflect that the root cause provided by the CU is accepted.*
- *Each verification statement shall clearly state the evidence reviewed on the correction and/or corrective action to be accepted and closed by auditor.*
- ***Correction** is the **immediate action** to address the non-conformities.*
- ***Corrective Action** is the action taken **to eliminate the causes** of non-conformities and **to prevent the re-occurrence** of non-conformities.*

ATTACHMENT 5

STATUS OF NON-CONFORMITIES PREVIOUSLY IDENTIFIED

P & C Indicator	Specification Major/Minor	Detail Non-conformances	*Root Cause & Corrective Action* Taken by the CU	Verification Statement by Auditors
2.2.2 DA 02 2023	Minor	Finding: Evidence of legal due diligence of workers regularization agency for migrant workers was not available. Objective evidence: There is no evidence of due diligence of workers regularization agency for migrant workers i.e., Agensi Pekerjaan Amat Mercu Sdn. Bhd. during the audit process.	The root cause: The CU have limited information regarding these matters since the legal due diligence of workers regularization agency for foreign workers was conducted by HQ Office. Correction: The legal due diligence of workers regularization agency for foreign workers have been conducted and the documented legal due diligence shall be provided to the CU for filling. Corrective action: The CU sustainability team will liaise with HQ Office to ensure the copy of all documents related to legal due diligence will be kept in the estate office for safe keeping.	KHB Sandakan Region has engaged two recruitment agencies, Agensi Pekerjaan Amat Mercu Sdn. Bhd. for the Philippines and Indonesia, and Agensi Pekerjaan Kim Raya Sdn. Bhd. for Myanmar. The contract agreements dated 20/12/2023, 01/11/2023, reviewed include specific clauses ensuring compliance with relevant legal requirements. These clauses are designed to be verifiable by third parties, indicating a commitment to transparency and accountability in recruitment practices. Moreover, evidence of legal due diligence was provided, demonstrating the organization's proactive approach to ensuring ethical recruitment practices. **Status: Closed**
3.3.2 STK 01 2023	Minor	Finding: A mechanism to check consistent implementation of the use of PPE was not in place. Objective evidence: HIRARC has identified the Straw hat as PPE, However It was observed that some workers on, Bukit Sekong Estate – Sprayers in Block 15XB1, Masang Estate – Sprayers in Block 12PQ2 of Div 3 and Block 11PO10 of Div 2, Manurers in Block 04MB6 were using caps instead of straw hats.	Root cause: The estate management had identified 61 activities of risk assessment including identified the straw hats as PPE for sprayer and manuring activities. However, the management of Bukit Sekong and Masang Estate had overlooked by providing caps to the workers instead of straw hats Correction: The workers in Bukit Sekong (sprayer) and Masang (sprayer and manurer) will be provided with straw hats (PPE) free of charge. Corrective action: To issue PPE (straw hats) to all sprayer and manurer workers and to record the PPE issued in PPE record book.	The organization had established control measures based on the OHS hierarchy. Sighted full sets of SOPs for Safety and Health (Total of 44 SOPS) during the audit. Sampled of SOPs sighted were: Doc No / Subject KHB/G/SOP-26/S&H-04 / Harvester KHB/G/SOP-26/S&H-07 / Using Sharp Tool at Height KHB/G/SOP-26/S&H-09 / Sprayer KHB/G/SOP-26/S&H-13 / Tractor Driver KHB/G/SOP-26/S&H-23 / Fixing tyre and rim KHB/G/SOP-26/S&H-25 / Chemical Spillage The previous issues were satisfactorily closed. However, during this surveillance audit, it was identified that the mechanism for checking the consistent implementation of the social impact

				assessment plan was not effectively executed. **Status: Open (Upgraded to Major)**
3.8.11 MZK 01 2023	Major	Finding: Syarikat Kretam Mill POM was not inform its CB names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products Objective evidence: Sighted during document verification, it was found that, There is 1 New CPO Transporter namely Budaya Potensi Transport Sdn Bhd which is contract signed dated 25/11/2022, and mill failed to inform CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	The root cause: Due to unforeseen circumstances, RSPO criteria 3.8: *outsourcing activities under 3.8.11 auditee shall at its next audit inform CB of the names and contact details of any new contractor used for physical handling of RSPO certified palm product, was overlooked from* RSPO Principles & Criteria 2018. This causes due to miscommunication between Management Syarikat Kretam Mill Sdn. Bhd and the HQ, and also The Old SCCS SOP did not highlight this Issue. Correction: Syarikat Kretam POM have notified the CB via email on the addition of the new contractor for transporting the certified CPO on 15/04/2023. The indicator 3.8.11 in RSPO Principles & Criteria 2018 will be written under the Syarikat Kretam Mill Sdn. Bhd. General Chain of Custody SOP. Corrective action: Revise Syarikat Kretam Mill Sdn. Bhd. General Chain of Custody SOP with document number SCCS-02 for include the criteria 3.8 outsourcing activities with indicator 3.8.11 from RSPO P&C 2018.	During this ASA 2 Assessment there is no new contractor has been appointed by the POM, Sighted during document verification, Budaya Potensi Transport Sdn Bhd alongside with Juita Baru Sdn Bhd, Gordon Anchi Bersaudara has maintain as a CPO and PK contractor. **Status: Closed**
6.1.5 DA 01 2023	Major	Finding: The gender committee in the CU was not in place specifically on opportunities and improvements for women. Objective evidence: Based on the interview with the GC representative and verification of the minutes of the GC meeting, the gender committee's function was found to be very limited and focused on the awareness of sexual and physical harassments. It was also revealed that the committee did not fully comprehend the main goals of the committee's formation. The assessment team confirmed that there is no specific agenda discussed. The GC meeting is more like a training platform.	Root cause: The GC members at Estates and Mill was not familiarize with the requirement 6.1.5. Improvement Opportunities for women, Briefing on Gender Committee has been regularly conducted to emphasize the GC function; however, it was not effective as some GC members did not fully understand the contents. In addition, the management have overlooked the requirement 6.1.5 on the opportunity and development for women where no relevant activities and program to assist and contribute support for GC members due to lack of dedicated budget to organized the event. Correction: - To improve meeting agenda during Gender Meeting	A meeting was conducted, with the last meeting minutes dated 23/03/2024 in Masang Estate, 25/03/2024 in Sapagaya Estate, 15/03/2024 in Bukit Sekong Estate, 22/03/2024 in Bode Estate and 16/03/2024 in POM. The minutes included discussion points on complaints and grievances, raising awareness, identifying and addressing issues of concern, as well as opportunities and improvements for single moms, assistance and support for older female workers, assistance for widowers, as well as their retirement plan were highlighted. A dedicated budget was allocated by the committee to implement these opportunities and improvements for women.

		Issues concerns about the assistance or contributions to single moms, assistance and support for older female workers, assistance for widowers, as well as their retirement plan were not highlighted at the GC meeting. The findings showed that the role of the Gender Committee in practice does not reflect the role defined by Indicator 6.1.5, which includes to identifying and addressing issues of concern as well as opportunities and improvements for women. Moreover, there is no dedicated budget was provided to the committee to execute the opportunities and improvements for women.	to discuss various issue of concerns pertaining to the welfare of the GC members including the issues related to opportunities and improvements for GC members. - To provide support and create opportunity for development of women at all levels as per stated in the Gender Policy. Corrective action: - Refresher briefing to be conducted to the Gender Committee on the objective of the establishment of the committee, roles and responsibilities as per requirement 6.1.5. - To provide sufficient trainings to develop and increase the GC members awareness, enhance their skills and improve understanding on Gender Policy. - To improve Gender Committee commitment and responsibility to facilitate and organize relevant activities and program to assist and contribute support for GC member (i.e., allocate dedicated budget for Gender activities) as well as the opportunity for advancement of women at all levels in the CU.	It was noted that there were no issues related to sexual harassment or violence reported in the meeting minutes. Additionally, a WhatsApp group was established as an alternative method to monitor any issues. Interviews with the Chairman of the committee at Masang Estate, Mrs. Rainah Matiu (Chief Clerk), Sapagaya Estate, Mrs. Rubiana (Sustainability Clerk), Bukit Sekong Estate, Mrs. Halimah (Chief Clerk), and Bode Estate, Mrs. Kamsiah (Chief Clerk), POM, Mrs. Dewi (Mill Environmental Engineer) confirmed their willingness to carry out their duties and their understanding of their roles. **Status: Closed**
7.3.1 RAR 01 2023	Minor	Finding: waste management plan was not implemented accordingly Objective evidence: Disposal of domestic waste was not conducted accordingly, sighted domestic waste (i.e., bottle, drums, etc) has been disposed at back site of housing areas at Kampung Kenanga (Bode Estate) and Kampung Sebuda (Seraya Estate)	The root cause: Level of awareness on domestic waste disposal especially on 3R waste management (Reduce, reuse & recycle) amongst the workers were low, and even though notice and signboard already planted at the line site they still litter. Correction: The Domestic waste sighted (i.e.,bottle, drums) at Kg. Kenanga (Bode) and Kg. Sebuda (Seraya) will be collected and disposed accordingly as per waste management plan. Corrective action: The CU management will conduct refresher briefing and training on domestic waste disposal and 3R awareness (reduce, reuse and recycle). The environmental committee (respective estate management) will conduct inspection at the line site area on regular basis to ensure that all domestic waste is disposed accordingly. The line-site sanitation will be continued as per current practice.	During visit to worker's quarters, observed a proper waste collection center identified and disposed as per plan. The domestic waste being collect by estate workers twice weekly and being segregate before goes to dumping site. The secondary containments, signage, sump pits, spillage kits and SDS seen effectively display and available at chemical / pesticide store, diesel skid tank and fertilizer store. **Status: Closed**

7.12.7 MZK 02 2023	Minor	Finding: The Outcomes of HCV/RTE monitoring program was not fed back into the management Plan Objective evidence: Syarikat Kretam Mill CU had Management Plan already identify Wider landscape Level, and the RTE monitoring program, However, Outcomes of Latest HCV/RTE Monitoring was not fed back into the Latest management Plan to consider Plan Inventory Monitoring after the RTE such as Elephant etc. enter the estate.	Root cause: The biodiversity assessment for the newly acquired property Seraya Estate were still in progress during the audit and the Baseline Biodiversity Assessment and Planning Management Plan were due for reviewed in October 2025. Correction: The Baseline Biodiversity Assessment for the newly acquired property Seraya estate will be completed by September 2023. The outcomes of the assessment (including latest HCV/RTE inventory monitoring i.e., Elephant enter the estate) will be incorporated and be fed back into the Management Plan. Corrective action: The Baseline Biodiversity Assessment and Planning will be updated and reviewed by October 2023 to include Seraya estate and the latest outcomes of HCV/RTE inventory monitoring plan.	During this Assessment sighted that, Syarikat Kretam Mill CU had already done new assessment and new Management Plan and already identify wildlife Wider landscape Level, and the RTE monitoring program, and the Plan Inventory Monitoring already identify RTE such as Elephant etc. enter the estate. **Status: Closed**

ATTACHMENT 6 – Timebound Plan

Kretam Holdings Berhad
Time-bound Plan for RSPO Certification, as of July 2023

Name of the Unit of Certification (UoC)	Country	Name of the Mills and Supply Bases	Location Address	GPS Coordinates (in decimal degree)		Total Managed Area (Ha)	Certification Status (Certified / Not certified)
				Latitude	Longitude		
Abedon Oil Mill Sdn. Bhd.	Malaysia	Abedon Oil Mill Sdn Bhd	Po Box 60402, Lahad Datu, Sabah, 91113, Malaysia	5.312333° N	117.973889° E	13.8500	Certified
		Kolopis Estate		5.298056° N	117.956667° E	2,489.86	Certified
		Tanaki Estate		5.329972° N	117.938333° E	2,628.03	Certified
Silimpopon Mill	Malaysia	Silimpopon Mill	Km 128, Tawau Kalabakan Highway, Mukim Sg.Silimpopon, 91000 Tawau, Sabah	N 4°019'31.9	E 117°28'38.2	38.0600	Certified
		Silimpopon 1 Estate		N 4°019'44.76	E 117°27'32.88	3,934.8200	Certified
		Silimpopon 2 Estate		N 4°19'44.76	E 117°27'32.88	4,155.1800	Certified
Syarikat Kretam Mill	Malaysia	Syarikat Kretam Mill	Off Km 45 Sandakan-Lahad Datu Highway, Kinabatangan, Sandakan Sabah	N 050° 39' 25.8"	E 117°0 50' 15.1"	33.54	Certified
		Bode Estate		N 050° 38' 37.3"	E 117°0 49' 54.0"	3,472.82	Certified
		Masang Estate		N 050° 39' 47.3"	E 117°0 51' 55.8"	3,047.65	Certified
		Winpalm Estate		N 050° 43' 16.4"	E 117°0 53' 47.9"	130.97	Certified
		Sapagaya Estate	Km82, Jalan Lahad Datu / Sandakan, Kinabatangan, Sandakan Sabah.	N 050° 34' 52.9"	E 118°0 01' 06.3"	3,049.77	Certified
		Bukit Sekong Estate	Batu 60, Jalan Sukar, Kinabatangan, Sandakan Sabah.	N 050° 36' 12.8"	E 117°0 54' 09.8"	853.33	Certified
		Sukau Estate	Km136, Jalan Sukau / Sandakan, Kinabatangan, Sandakan Sabah.	N 050° 32' 54.3"	E 118°0 15' 43.0"	103.63	Certified
		Seraya Estate	Seraya Estate, Mile 50, Labuk Road, 90200 Kinabatangan, Sabah.	5.644234° N	117.601625°E	853.43	Certified