	SIRIM QAS INTERNATIONAL SDN. BHD. Building 4, SIRIM Complex, No. 1 ,Persiaran Dato' Menteri, Section 2, 40700 Shah Alam, Selangor, Malaysia.	**File Ref. : EK91260001**
	RSPO PUBLIC SUMMARY	

CLIENT : ABEDON 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	
Abedon Certification Unit	Abedon POM	5.312333°N	117.973889°E	P.O Box 60402, 91113, Lahad Datu, Sabah, Malaysia
	Kolopis Estate	5.298056°N	117.956667°E	56 KM, Jalan Lahad Datu - Sandakan, 90200, Kinabatangan, Sabah, Malaysia
	Tanaki Estate	5.329972°N	117.938333°E	56 KM, Jalan Lahad Datu - Sandakan, 90200, Kinabatangan, Sabah, Malaysia

MAP : See Attachment 1

AUDIT DATE : 9-13 September 2024 **DURATION : 13 auditor days**

TYPE OF AUDIT : ■ **Annual Surveillance Audit No. 2** ☐ **Recertification Audit**

STANDARD : MYNI 2019 FOR RSPO PRINCIPLE & CRITERIA 2018

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

VALIDITY OF RSPO CERTIFICATE : 01 NOVEMBER 2022 – 31 OCTOBER 2027

The following attachments form part of this report:

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

Report by Audit Team Leader		**Acknowledgement by Client's Representative**	
Name :	**ROZAIMEE BIN AB RAHMAN**	Name :	SPENCER JOSEPH
Signature :		Signature :	
Date :	**16/12/2024**	Date :	23.12.2024

SUMMARY OF AUDITS

~~Stage 2 audit /~~ **Recertification audit** *(Note: Transfer of certification from Intertek)*					
On-site audit date :	12 – 15 Sept 2022 (Intertek)		No. of auditor days :		
Audit team :					
No. of major NCR :	4	Indicator: 3.6.2 (c), 6.2.3 (c), 6.2.4 (c), 7.12.2 (c)		Closing date : 14/12/22	
No. of minor NCR :	1	Indicator : 7.3.2			
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)		
		/			
Supply base sampled :					
Justification of audit planning :					
Name of peer reviewer :					
Report approved by :		Approval date :			

Annual Surveillance Audit 1					
On-site audit date :	14 – 18 AUGUST 2023		No. of auditor days :	13 Auditor Days	
Audit team :	Mohd Zulfakar Kamaruzaman, Nor Ezani Ahmad, Rohazimi Mat Nawi				
No. of major NCR :	1	Indicator: 6.1.5		Closing date : 17/11/23	
No. of minor NCR :	5	Indicator : 2.1.2, 2.2.2, 3.5.1, 3.7.2, 6.7.4			
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)		
		/			
Supply base sampled :	POM, Tanaki Estate and Kolopis Estate				
Changes since the last audit :	No Changes				
Justification of audit planning :	Total allocation of auditor days for Abedon 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 = 9 days overall 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 : 24/11/2023		

Annual Surveillance Audit 2					
On-site audit date	:	9-13 September 2024		No. of auditor days :	13
Audit team	:	Rozaimee Ab Rahman, Mohd Zulfakar Kamaruzaman, Dzulfiqar Azmi			
No. of major NCR	:	1	Indicator:3.8.7 (SCCS)		Closing date: 12/12/24
No. of minor NCR	:	1	Indicator : 7.8.1b		
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	:	POM, Tanaki Estate and Kolopis Estate			
Changes since the last audit	:	No Changes			
Justification of audit planning	:	Total allocation of auditor days for Abedon 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 = 9 days overall 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 : 26/12/2024	

SUMMARY OF INFORMATION

TABLE 1

	STAGE 2 / RA	ASA 1	ASA 2	ASA 3	ASA 4
Projection Period / Reporting Period*	**Sept 2022 – Aug 2023**	**Sept 2023 – Aug 2024**	**Sept 2024 to Aug 2025**		
Certified FFB Processed (MT)	64,000	65,798	73,255		
Production of Certified CPO (MT)	13,450	12,981	14,346		
Production of Certified PK (MT)	2,900	3,100	3,355		
Certified Areas (Ha)	5,142.21	5,142.21	5,142.21		
Planted Areas (Ha)	4,370.71	4,370.71	4,370.71		
Production Areas (Ha)	3,130.76	2,981.78	3,595.46		
HCV Areas / Conservation Areas (Ha)	284.71	284.71	284.71		
REMARKS	-				

TABLE 2

	PO	PK
****Last years certified volume (MT)**	**16,068.00	**3,845.00
Last years actual certified sold (MT)	11,983.12	2,604.76
Last years actual sold under other schemes (MT)	0	0
Last years sold conventional (MT)	0	0
Last year actual sold CSPO credits (where applicable)	0	0
New year certified volume (MT)	14,346.00	3,355.00

***Based on volume extension approved in Oct 2024*

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	9
	1.6 Date of next audit	9
2.0	SCOPE OF CERTIFICATION AUDIT	
	2.1 Description of the certification unit	9
	2.2 Description of the Supply Base (including planting profile)	10
	2.3 Organization Information / Contact Person(s)	12
3.0	AUDIT FINDINGS	
	3.1 Changes to certified products in accordance to the production of the previous year	13
	3.2 Progress and changes in time bound plan	13
	3.3. Other changes (e.g. organizational structure, new contact person, addresses, etc.)	13
	3.4 Status of previous non-conformities * (refer to Attachment 5)	13
	3.5 Complaint received from stakeholder (if any)	13
4.0	DETAILS OF NON-CONFORMITY REPORT	14
	4.1 For P&C (refer to Attachment 3)	
	4.2 For SC (refer to Attachment 3 – Supply Chain Requirements for Mills)	
5.0	AUDIT CONCLUSION	14
6.0	RECOMMENDATION	15

List of Attachment

Attachment 1	:	Map of CU	16
Attachment 2	:	RSPO Audit Plan	19
Attachment 3		RSPO P&C Audit Checklist and Findings	24
Attachment 4	:	Details of Non-conformities and Corrective Actions Taken	84
Attachment 5	:	Status of Non-conformities Previously Identified	86
Attachment 6	:	Time-bound Plan	91

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
Rozaimee Ab. Rahman	Lead Auditor / Environment SCCS, & GHG	Holds a B.Sc. of Agriculture from University Putra Malaysia. He had more than 5 years of working experience in the oil palm operation.
Mohd Zulfakar Kamaruzaman	Auditor / Social (External), GAP, & HCV	Holds a B.Sc. Forestry from UPM. He had 5 years of working experience in the oil palm operation. He had a Lead Assessor certificate in ISO 9001, OHS 45001, ISO 4001 and qualified social Auditor under RSPO Training, He also attend DLW training in 2022 and worker welfare training in 2021 which is conducted by RSPO. He is a qualified RSPO P&C, RSPO Supply Chain and MSPO Lead Auditor.
Dzulfiqar Azmi	Auditor / Social & Safety	Holds a B. Sc. in Agriculture from University Teknologi Malaysia (UiTM). He had more than 5 years of working experience in the oil palm operation. He starts auditing in the sustainable scheme since 2018 and has successfully passed the RSPO Lead Auditor and ISO Integrated Management System lead assessor course in 2018.

1.3 Audit methodology

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 audit covered the Abedon palm oil mill and two (2) of its supply base. The two (2) supply bases are Tanaki Estate and Kolopis Estate. The audit included an on-site audit to the estates, mill and settlers' houses to verify the implementation of the requirement of the certification. Interviews with the CU's management, employees, contractors and other relevant stakeholders were also conducted during the audit.

1.4 Stakeholder Consultation

In summary, the stakeholders interviewed during the audit and the evidence from the stakeholder consultation carried out were as tabulated below.

Stakeholders interviewed	Evidence from stakeholder consultation
1) Employees / Workers Organizations (local / foreign / Orang Asli workers / male & female)	a. Workers work 6 days a week with one rest day (Sunday). They work 8 hours with a minimum of 30 minutes' break in between. b. Daily rated workers confirmed that they receive a minimum of RM1,500 per month. For piece-rated workers, so long they have achieved their target, they too will get a minimum of RM 1500 per month. They receive their salaries before 7th of every month. 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. There are no settlers within Abedon CU
3) Villagers / Local communities (including women representatives, displaced communities)	Kampung Paris 1, Paris 2, Paris 3, and Kampung Sungai Tekala
4) Suppliers	▪ Abedon CU and supplier contract were signed by both parties. Suppliers would be contacted to supply hardware items as and when the need arises. This happens approximately once in two months for suppliers. ▪ Fair dealings with the units in Abedon CU. ▪ Payments are made within 1 months of invoice.
5) Contract workers (local / foreign / Orang Asli workers / male & female)	No contract workers been employed.
6) Local & national NGOs	No issues were raised by local and national NGOs

7) Government agencies / Statutory bodies	No issues were raised by Government agencies / Statutory bodies
8) Independent growers / Smallholders	Interviewed the smallholders. No issues were raised by them.
9) Indigenous people	Not applicable. There are no indigenous people living within or in vicinity of Abedon CU.
10) Contractor	During this Audit, Auditor has found that legal due diligence has been conducted by KHB Headquarters, Sandakan.
11) Previous land owner (if any)	Through document checks and phone interviews with all the previous owners, the lands were sold to Kretam Holdings Bhd in 2020. They clarified that the conversion of their land title to the management of KHB was transparent and legally complied with, with no social complications and no objection. The auditor also conducted interviews with the former staff for Abedon Sdn Bhd that are still working, and they clarified that Kretam Holdings Berhad took over Abedon Sdn Bhd in 2012 with legal, no social complications from the village and no objection during the acquisition. The verification on the transfer process found that the previous landowner for all land under subsidiaries of Kretam Holdings Bhd. Verify through land title has been confirmed that Abedon Sdn Bhd has the right to use the land which their company legitimately owns.
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 8 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

Abedon Certification Unit (hereafter refer to Abedon CU) is one of the business units under the Kretam Holdings Berhad (hereafter abbreviated as KHB). Situated at 56 KM, Jalan Lahad Datu -Sandakan, 90200, Kinabatangan, Sabah, Malaysia, the CU consists of one mill i.e., Abedon Palm Oil Mill (APOM) and 2 supply bases i.e. Tanaki and Kolopis Estates.

Abedon CU is surrounded by neighboring oil palm stakeholders and smallgrowers. This can be shown in the CU's map and consultations with relevant stakeholders. There were no local communities nearby. Most of the local communities are within the Kampung Paris Territory.

The APOM has a processing capacity of 60 metric tonnes of fresh fruit bunches (FFB) per hour. The mill processes crops from KHB certified supply bases and Surrounding Smallholders and Smallgrowers. The CU has other management system certification schemes such as ISCC and MSPO.

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

The FFB is sourced from KHB certified supply bases (Kolopis and Tanaki Estate) and Surrounding Smallholders and Smallgrowers.

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 (September 2023 – August 2024)

Estates	FFB Production	
	Tonnes	Percentage (%)
Certified		
Kolopis	37,063.21	31.38%
Tanaki	30,951.11	26.20%
Bukit Sekong	531.79	0.45%
Sapagaya	1,925.59	1.63%
Syarikat Kretam Mill (Certified – Bode Estate, Masang Estate)	2,167.55	1.84%
Total	**72,639.25**	61.50%
Uncertified		
Syarikat Kretam Mill (smallholders)	1,981.30	1.68%
Smallholder	43,492.88	36.82%
Total	**45,474.18**	38.50%
Grand Total	**118,113.43**	100%

Table 2: Projected FFB production by supply base for the next reporting period (September 2024 to August 2025)

CU own estates	FFB Contribution	
	Tonnes	Percentage (%)
Kolopis Estate	37,865.00	51.69%
Tanaki Estate	35,390.34	48.31%
Total	**73,255.34**	**100.00%**

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

	Total (MT)
FFB Received	118,113.43
FFB Processed (certified)	72,639.25
CPO Production	24,013.50
PK Production	4,359.68
CPO Production (certified)	14,567.16
CPO delivered as Mass Balance	11,983.12
CPO delivered as non-RSPO certified	-
PK Production (certified)	2,621.64
PK delivered as Mass Balance	2,604.76
PK delivered as non-RSPO certified	-
Product sold under Book & Claim	-

Table 4: Projected FFB received and CPO & PK dispatch by the Mill of the next reporting period (September 2024 to August 2025)

	Total (MT)
FFB Received	140,691
FFB Processed – certified	73,255
CPO Production	14,346
PK Production	3,355

Table 5 Planted and certified area of the CU

Estate	Planted (ha)	Certified (ha)
Kolopis Estate	2,085.14	2,489.86
Tanaki Estate	2,285.57	2,652.35
Total	**4,370.71**	**5,142.21**

Table 6 Planting profile for *Abedon* CU

Estate	Year of planting	Planting Cycle	Mature >3 years (Ha)	Immature < 3 years (Ha)	Planted area	% of planted area mature	% of planted area immature
Kolopis Estate	2012	2nd Circle	391.95		391.95	100	
	2013	2nd Circle	466.44		466.44	100	
	2015	2nd Circle	261.14		261.14	100	
	2019	2nd Circle	280.29		280.29	100	
	2020	2nd Circle	268.17		268.17	100	
	2023	2nd Circle		417.15	417.15		100
			1,667.99	417.15	2,085.14	80%	20%
Tanaki Estate	2000	1st Circle	554.05		554.05	100	
	2004	1st Circle	24.32		24.32	100	
	2010	2nd Circle	95.07		95.07	100	
	2016	2nd Circle	39.52		39.52	100	
	2017	2nd Circle	47.32		47.32	100	
	2018	2nd Circle	330.30		330.30	100	
	2019	2nd Circle	223.21		223.21	100	
	2021	2nd Circle	613.68		613.68	100	
	2022	2nd Circle		174.44	174.44		100
	2023	2nd Circle		183.66	183.66		100
			1,927.47	358.10	2,285.57	84%	16%
	Total		**3,595.46**	**775.25**	**4,370.71**	**82%**	**18%**

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	:	Abedon Sdn Bhd, Lot 6, Block 44, Leboh Tiga, P.O.Box 1292,90714,Sandakan,Sabah
Phone no.	:	014-6744861
Fax no.	:	-
Email	:	spencer@kretam.com

3.0 AUDIT FINDINGS

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

No changes as of to date.

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 as of to date

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)

Not Applicable

4.0	DETAILS OF NON-CONFORMITY REPORT	
4.1	For P&C (Details checklist refer to Attachment 3) :	
	Total no. of minor NCR(s)	List :3.8.7
	Total no. of major NCR(s)	List : 7.8.1b
4.2	For SC (Details checklist refer to Attachment 3) :	
	Total no. of minor NCR(s)	List :
	Total no. of major NCR(s)	List :

5.0 AUDIT CONCLUSION

The audit team concludes that the organization has 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.

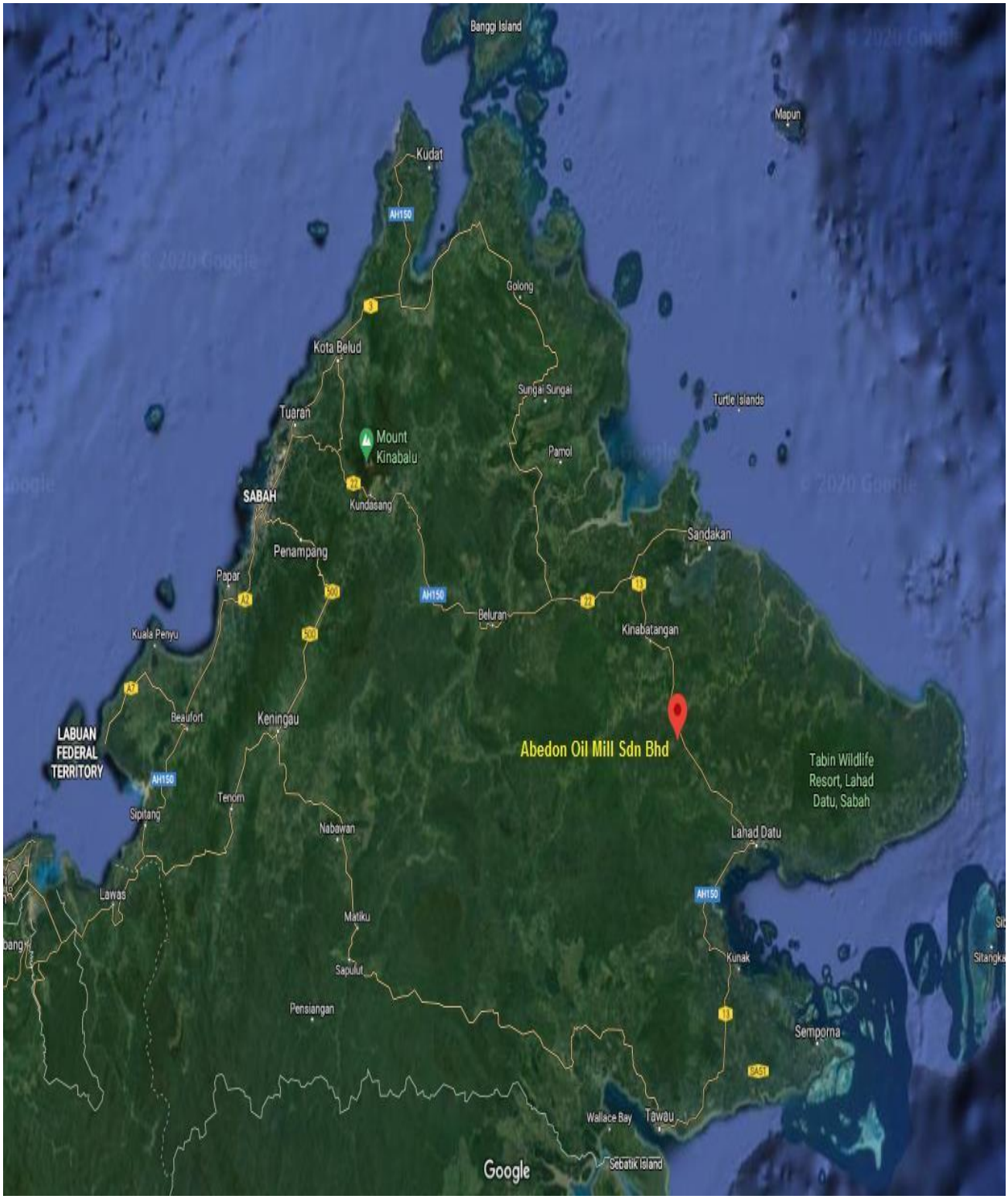
Note: Major NCRs which are not addressed within a further 90 days shall result in the certificate being withdrawn.

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.

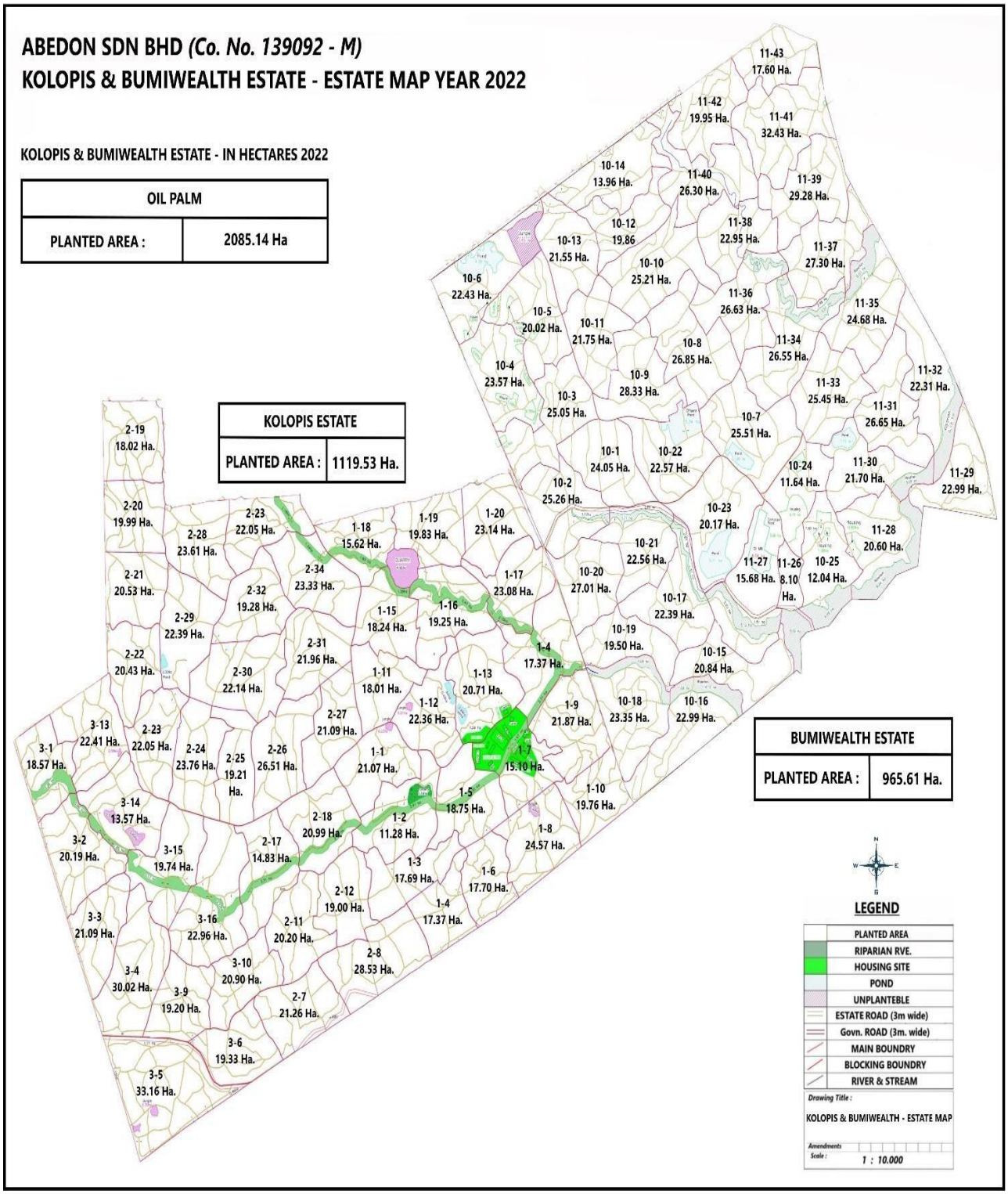
Audit Team Leader :	ROZAIMEE BIN AB RAHMAN		12/12/2024
	(Name)	(Signature)	(Date)

Attachment 1 – Map

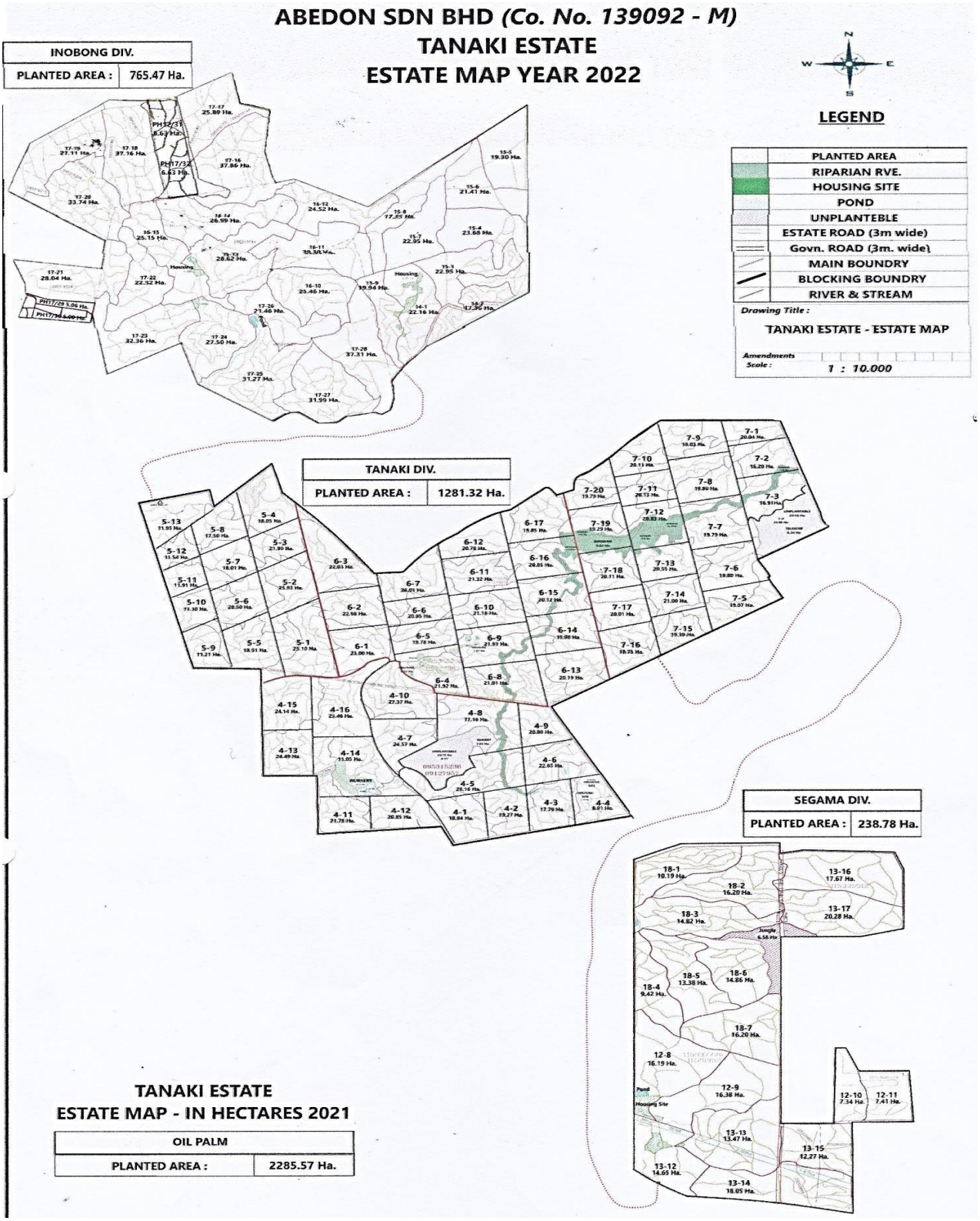
Abedon CU Location



Kolopis Estate



Tanaki Estate



Attachment 2 – Audit Plan

SURVEILLANCE 2 RSPO 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 : 9-13 September 2024.

3. Site of assessment : KRETAM ABEDON CU:

- Abedon POM
- Kolopis Estate
- Tanaki Estate

4. Reference Standard:

a. MYNI 2019 of RSPO P&C 2018 / ~~RSPO Independent Smallholder Standard, Nov 2019~~ / RSPO Management System Requirements and Guidance for Group Certification of FFB Production, March 2018, market Claim Communication 2022.
b. RSPO Certification System Documents
c. Company's audit criteria including Company's Manual/Procedures

5. Assessment Team

Lead Auditor : ROZAIMEE BIN AB RAHMAN (RAR) (SCCS, Safety & Environmental, GHG, metric template)

Auditor : DZULFIQAR AZMI (DA) (Social, TBP)
MOHD ZULFAKAR KAMARUZAMAN (MZK) (Social External, HCV, GAP, Mil)
Observer : N/A
ASI Witness : 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 and evaluation of records.

8. Audit Findings

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

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

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

9. Confidentiality Requirements

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

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

10. Working Language : English and Bahasa Malaysia

11. Reporting

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

12. Facilities Required

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

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

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

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

a) Reporting time frames for economic data are:
i. Calendar year (January to December): January 2023 to December 2023, and
ii. 12-month period counting up to two months before audit month: July 2023 to June 2024
b) Reporting time frames for demographic data:
i. For mill and estate workers: as of 31 December 2023
ii. For smallholders and outgrowers: January 2023 to December 2023
c) Reporting time frame for all other social and environmental data:
i. January 2023 to December 2023

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

Assessment Programme Details : As Below

<table>
<tr><th colspan="4">Day 1 9/9/24</th></tr>
<tr><th>Time</th><th colspan="3">Activities / areas to be visited</th></tr>
<tr><td>8.00 am</td><td colspan="3">Opening Meeting for Abedon POM Audit team introduction and briefing on assessment objectives, scope, methodology, criteria and programmes by SIRIM QAS Audit Team Leader.</td></tr>
<tr><td>8.20 am</td><td colspan="3">Briefing on the organization background and implementation of RSPO at CU (including actions taken to address previous audit findings) by company Management Representative.</td></tr>
<tr><td>8.30 am</td><td colspan="3">Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at Abedon POM</td></tr>
<tr><td rowspan="3">8.45 am</td><td colspan="3">To assign each audit team members – site and the P&C requirements</td></tr>
<tr><td>Zulfakar</td><td>Rozaimee</td><td>Dzulfiqar</td></tr>
<tr><td>Coverage of assessment: (Good Milling Practice, Social External)
▪ Site visit at all Facilities at workplace.
▪ Site inspection/interview at production area, Mill operate at 11 am in the morning
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Waste management including disposal site
▪ Aspects/impacts of mill management
▪ Pollution mitigating plans
▪ Management and disposal of waste including pesticides containers
▪ River system and Effluent Treatment/Discharge
▪ Training and skill development programs
▪ GHG Calculation
▪ Continuous improvement
▪ Interview with Villagers : Kg Paris 1,
▪ Workers Issues & welfare
▪ Training and skill development programs
▪ Continuous improvement
▪ Interview with Contractor (IA) and their workers (IA, DA) :
Contractor: Juita Baru Sdn Bhd,
Other areas identified during the assessment.</td><td>Coverage of assessment: (SCCS, Social – Internal)
▪ Site visit at all Facilities at workplace.
▪ Follow up from previous assessment findings.
▪ Workers Issues & welfare
▪ Timebound Plan, Metrics Template
▪ Training and skill development programs
▪ Continuous improvement
Site visit and assessment on Supply Chain Implementation including the:
▪ Model used
▪ General Chain of Custody
▪ System Requirements
▪ for the supply chain
▪ Documented procedures
▪ Purchasing and goods in
▪ Outsourcing activity
▪ Sales and goods out
▪ Processing
▪ Records keeping
▪ Registration
▪ Training
▪ Claims
Other areas identified during the assessment.</td><td>Coverage of assessment: (Social – Internal & External)
▪ Site visit at all Facilities at workplace.
▪ Interview with mill workers – female, male, various nationality, various job scope, contractor workers, check roll workers
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Discussion with relevant management (CSR, community affairs) , Decent Living Wage, and view documentation such as SIA, assessment and management plans.
▪ Interview with Union/workers representatives
▪ Interview with gender committee, worker representative, contractors, supplier, etc
▪</td></tr>
<tr><td>12.30 pm</td><td colspan="3">LUNCH BREAK & ZUHUR PRAYER</td></tr>
<tr><td>2.00 pm</td><td colspan="3">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="3">Audit team discussion / Interim closing / End of Day 1 audit</td></tr>
<tr><td>9.00pm</td><td colspan="3">Discussion LA and teams on potential NCRs</td></tr>
</table>

<table>
<tr><th colspan="4">Day 2 10/9/24</th></tr>
<tr><th>Time</th><th colspan="3">Activities / areas to be visited</th></tr>
<tr><td>8.00 am</td><td colspan="3">Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at Abedon POM</td></tr>
<tr><td rowspan="3">8.45 am</td><td colspan="3">To assign each audit team members – site and the P&C requirements</td></tr>
<tr><td>Zulfakar</td><td>Rozaimee</td><td>Dzulfiqar</td></tr>
<tr><td>Coverage of assessment: (Good Milling Practice, Environment)
▪ Site visit at all Facilities at workplace.
▪ Site inspection/interview at production area, Mill operate at 11 am in the morning</td><td>Coverage of assessment: (Safety)
▪ Site visit at all Facilities at workplace
▪ Site inspection/interview at production area, Mill operate at 11 am in the morning
▪ Follow up from previous assessment findings.
▪ Laws and regulations
▪ Controlled/open burning</td><td>Coverage of assessment: (Social – Internal)
▪ Site visit at all Facilities at workplace.
▪ Interview with mill workers – female, male, various nationality, various job scope, contractor workers,</td></tr>
</table>

	▪ Follow up from previous assessment findings. ▪ Laws and regulations ▪ Waste management including disposal site ▪ Aspects/impacts of mill management ▪ Pollution mitigating plans ▪ Management and disposal of waste including pesticides containers ▪ River system and Effluent Treatment/Discharge ▪ Training and skill development programs ▪ GHG Calculation ▪ Continuous improvement Other areas identified during the assessment.	▪ Safety & Health practice – witness activities at site ▪ Hazard identification and Risk Management ▪ Chemical management ▪ Training and skill development programs ▪ Continuous improvement Other areas identified during the assessment.	check roll workers ▪ Follow up from previous assessment findings. ▪ Laws and regulations ▪ Discussion with relevant management (CSR, community affairs) , Decent Living Wage, and view documentation such as SIA, assessment and management plans. ▪ Interview with Union/workers representatives ▪ Interview with gender committee, worker representative, contractors, supplier, etc ▪ Interview with Villagers : Kg Paris 2, ▪ Workers Issues & welfare ▪ Training and skill development programs ▪ Continuous improvement ▪ Interview with Contractor (IA) and their workers (IA, DA) : ▪ Contractor: Budaya Potensi Transport Sdn Bhd
12.30 pm	**LUNCH BREAK & ZUHUR PRAYER**		
2.00 pm	Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records		
5.00 pm	Audit team discussion / Interim closing / End of Day 2 audit		
9.00pm	Discussion LA and teams on potential NCRs		

Day 3 11/9/24			
Time	**Activities / areas to be visited**		
8.00 am	Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at **Kolopis Estate**		
8.45 am	To assign each audit team members – site and the P&C requirements		
	Zulfakar	**Rozaimee**	**Dzulfiqar**
	Coverage of assessment: (Social – External & HCV & environmental) ▪ Site inspection/interview at production area (**Site visit at Bumiwealth Division)** ▪ Interview with external stakeholders i.e. local communities, government agencies, etc. ▪ Site visit at HCV area ▪ HCV/RTE and action plan. ▪ Follow up from previous assessment findings. ▪ Laws and regulations ▪ view documentation such as SIA, assessment and management plans. ▪ Local sustainable development ▪ Support smallholder inclusion ▪ Complaints and grievances ▪ External stakeholders issues & welfare ▪ Training and skill development programs ▪ Continuous improvement ▪ **Field Block 15GC1 was confirmed no evidence of chemical activities at the buffer zones areas** ▪ **Interview with Contractor: Kontraktor Santa Jaya. & Pemborong Tetap Hasil** ▪ **Interview with Villagers : Kg. Paris 1**	**Coverage of assessment: (GAP, & Safety)** ▪ Site inspection/interview at production area **(Kolopis Division)** ▪ . ▪ Follow up from previous assessment findings. ▪ Laws and regulations ▪ Check Documentation GAP Requirement, Water Management Plan, Business Plan, Replanting Plan, IPM Plans, Chemical Management, Storage, PPE Issuance. ▪ Training and skill development programs ▪ Continuous improvement ▪ Site visit at all Facilities at workplace. ▪ Site inspection/interview at production area (**Main Division**) ▪ Follow up from previous assessment findings. ▪ Laws and regulations ▪ Safety & Health practice – witness activities at site ▪ Hazard identification and Risk Management ▪ Chemical management ▪ PPE ▪ Training and skill development	**Coverage of assessment: (Social – Internal)** ▪ Facilities provided at line site inspection (i.e. worker quarters, surau, community center, School/CLC, Humana/Crèche, provision shop & etc. ▪ Follow up from previous assessment findings. ▪ Laws and regulations ▪ 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. ▪ Workers Issues & welfare ▪ Training and skill development programs ▪ Continuous improvement ▪ Other areas identified during the assessment

	& 2 Other areas identified during the assessment	programs ▪ Site visit at Estate Boundary, adjacent and neighbouring land use ▪ **Boundary monitoring at Tung Hup Group of Plantation Berhad – block 15GC1** ▪ **Smallholders – block 24J4** ▪ **2024 planting (Kolopis Estate) replant visited during time of audit. Palms had been felled, chipped, windrowed and left to decompose** Other areas identified during the assessment	
12.30 pm	**LUNCH BREAK & ZUHUR PRAYER**		
2.00 pm	Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records		
5.00 pm	Audit team discussion / Interim closing / End of Day 3 audit		
9.00pm	Discussion LA and teams on potential NCRs		

Day 4 12/9/24			
Time	**Activities / areas to be visited**		
8.00 am	Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited at **Tanaki Estate**		
8.45 am	To assign each audit team members – site and the P&C requirements		
	Zulfakar	**Rozaimee**	**Dzulfiqar**
	Coverage of assessment: (Social – External & HCV & environmental) ▪ Site inspection/interview at production area (**Site visit at Inobong Division)** ▪ Interview with external stakeholders i.e. local communities, government agencies, etc. ▪ Site visit at HCV area ▪ HCV/RTE and action plan. ▪ Follow up from previous assessment findings. ▪ Laws and regulations ▪ view documentation such as SIA, assessment and management plans. ▪ Local sustainable development ▪ Support smallholder inclusion ▪ Complaints and grievances ▪ External stakeholders issues & welfare ▪ Training and skill development programs ▪ Continuous improvement ▪ **During site visit at Division 2 (Inobong) block 200DB10 and Division 1, Field Block 23DN3 was confirmed no evidence of chemical activities at the buffer zones areas Interview with Contractor: Kontraktor Santa Jaya. & Pemborong Tetap Hasil** ▪ **Interview with Villagers : Kg. Paris 1 & 2** Other areas identified during the assessment	**Coverage of assessment: (GAP, & Safety)** ▪ Site inspection/interview at production area **(Segama Division)** ▪ . ▪ Follow up from previous assessment findings. ▪ Laws and regulations ▪ Check Documentation GAP Requirement, Water Management Plan, Business Plan, Replanting Plan, IPM Plans, Chemical Management, Storage, PPE Issuance. ▪ Training and skill development programs ▪ Continuous improvement ▪ Site visit at all Facilities at workplace. ▪ Site inspection/interview at production area (**Main Division**) ▪ Follow up from previous assessment findings. ▪ Laws and regulations ▪ Safety & Health practice – witness activities at site ▪ Hazard identification and Risk Management ▪ Chemical management ▪ PPE ▪ Training and skill development programs ▪ Site visit at Estate Boundary, adjacent and neighbouring land use ▪ **Borneo Samudera Estate – block 00DB4** ▪ **Tung Hup Group of Plantation Berhad – block 00DB10, 16DD1**	**Coverage of assessment: (Social – Internal)** ▪ Facilities provided at line site inspection (i.e. worker quarters, surau, community center, School/CLC, Humana/Crèche, provision shop & etc. ▪ Follow up from previous assessment findings. ▪ Laws and regulations ▪ 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. ▪ Workers Issues & welfare ▪ Training and skill development programs ▪ Continuous improvement ▪ Other areas identified during the assessment

		▪ **Smallholder Mr Chukw Muo – block 00DB3 & 04DC2** ▪ **2022 and 2023 (Tanaki Estate), replant visited during time of audit. Palms had been felled, chipped, windrowed and left to decompose** Other areas identified during the assessment	
12.30 pm	**LUNCH BREAK & ZUHUR PRAYER**		
2.00 pm	Continue assessment / Verification on outstanding issues / Auditor to inform auditee on the required document / records		
5.00 pm	Audit team discussion / Interim closing / End of Day 4 audit		
9.00pm	Discussion LA and teams on potential NCRs		

Day 5 13/9/24	
Time	**Activities / areas to be visited**
8.00 am - 10 am	Continue unfinished area
10.00-11.00 pm	Verification on outstanding issues for CU Auditor to inform auditee on the required document / records Continue Audit Team discussion and preparation of assessment findings
11-12.00 pm	**Discussion and acceptance on assessment findings with Management Representative.** **Closing meeting at CU**

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 Abedon Certification Unit (Abedon 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 information procedure, company policies, sexual harassment reporting, consultation and communication procedure, and the procedure for complaints and grievances, etc. 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.
	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 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 information procedure, company policies, sexual harassment reporting, consultation and communication procedure, and the procedure for complaints and grievances are available through Kretam Holdings Berhad website at http://www.kretam.com/.
	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 in handling 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 Sandakan, DOE Sandakan and Labour Department Kinabatangan were also maintained.
	1.1.4 (C) Consultation and communication procedures are documented, disclosed, implemented, made available, and	Yes	Consultation and Communication Procedures are documented in KHB-HR-P08. 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

Clause	Indicators	Comply Yes/No	Findings
	explained to all relevant stakeholders by the nominated representative.		week of the completion of the investigation. The procedures are documented and disclosed to respective stakeholders. These documents are also available on the Company's website at www.kretam.com/index.php/rspo, and displayed on noticeboards 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.
	1.1.5 There is a current list of contact and details of stakeholders and their nominated representatives.	Yes	Stakeholder list FY 2024 was established in both mill and estates. Stakeholders such as internal stakeholder i.e., workers representative from joint consecutive committee, village 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, which 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 an 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 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 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.	Yes	Generally, the CU complies with the applicable legal requirements.
	2.1.2 A documented system for ensuring legal compliance is in place. This system has a means to track changes to the laws and regulations.	Yes	List of Related Laws, Regulation and Guidelines has been prepared by Sustainability Team and HR Team. The Sustainability Team will undertake the responsibility of identifying, managing, updating and tracking the legal requirement as well as monitoring the status of legal compliance. Mechanism to monitor Changes in the laws has been carried out through: • News release through daily newspaper • Law change traced by government published materials. • Circular from relevant government agencies, associations • Information from within the management unit – relevant department Thereafter the requirement emailed to the estates and mill for compliance. The respective Senior Management will be informed. The compliance status will be checked during the internal audits or other regulatory visits to the estates and mills.
	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 Abedon CU legal boundaries were clearly demarcated and visibly maintained. During the site review, physical markers were visibly maintained at Tanaki & Kolopis 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 estates. The legal boundaries of the 2 Estates had been identified and marked with post painted red and white.
2.2 All contractors providing operational services and supplying labour and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.	2.2.1 A list of contracted parties is maintained.	Yes	The list of contracted parties is maintained by each unit in its respective stakeholder list. The lists contain the names of contractors, designated contact persons, address, telephone/fax/email and type of contracted work done. The list of contracted parties maintained in stakeholders list which has been updated accordingly.
	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	Each contract issued to suppliers and contractors contain a clause requiring compliance with legal requirements. Sighted during the audit were contracts between with crude palm oil and palm kernel transporters, namely, there is evidence that agreements with third parties contain clauses on meeting applicable requirements. Legal due diligence is carried out by the Contracts Department at KHB HQ in Sandakan. This include obtaining the contractors' registered company names and addresses, contact numbers, evidence of company registration, details of contractors' principal activities, authorised and paid-up capital, list of shareholders, board of directors, bank details, financial auditors, and current trading/business licences.

Clause	Indicators	Comply Yes/No	Findings
	2.2.3 All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.	Yes	Each contract issued to suppliers and contractors contain a clause requiring compliance with legal requirements. It was verified that the contracts contain clauses specifying no child, forced or trafficked labour. Review of the worker's payslips, employment agreement and site visit found no young workers were being employed by the contractors.
2.3 All FFB supplies from outside the unit of certification are from legal sources.	2.3.1 (C) For all directly sourced FFB, the mill requires: • Information on geo-location of FFB origins. • Evidence of the ownership status or the right/claim to the land, or valid use of land by the grower/smallholder • One or more supporting documents for claims • Valid MPOB license	Yes	The information on geo-location of FFB origins is available as stated in "List of FFB Supplier with Coordinate [GPS]. Ownership status or the right/claim to the land, or valid use of land by the grower/smallholder were sighted during audit.
	2.3.2 For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1.	Yes	Audit found two indirectly sourced FFB in Abedon CU. The information on geo-location of FFB origins is available as stated in "List of FFB Supplier with Coordinate [GPS]. All the Licenses have been kept at Mill office

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	Abedon CU continued to have a business plans prepared annually with a projection for 5 years. 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. a) Crop yielding area b) Yield statement oil palm c) Total upkeep & cultivation d) Labour statement/Allocation of wages/Labour benefit summary e) Summary of vehicle and running schedule/Job allocation for vehicles

Clause	Indicators	Comply Yes/No	Findings
			f) Summary of workshop running schedule g) Summary of general charges h) Summary cost/ha & cost/mt FFB i) CAPEX The business plan and budget were available and kept in soft copy. The documents were 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. Information has been reviewed during the onsite audit.
	3.1.2 An annual replanting programme projected for a minimum of five years with yearly review, is available.	Yes	KHB Abedon CU continued to maintain replanting programs. The replanting programs until FY 2028 were sighted. The programme was reviewed once a year and is incorporated in their annual financial budget. There is a replanting in Kolopis in 2024, while there will be replanting in 2025 for Tanaki.
	3.1.3 The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken.	Yes	Abedon CU continued to conduct management review meetings, between Aug and Sept, 2024, chaired by the mill and estate managers, respectively and attended by the executives and staffs. 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 develops and implements action plans that allow demonstrable continuous improvement in key operations.	3.2.1 (C) The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification.	Yes	The continual improvement plan is developed in conjunction with the Social Management Plan. Among the commitment to continuous improvement are: 1) Construct new Junior Staff quarters and new workers quarters 2) To improve CLC Facilities 3) Provide Free transportation for workers and school children
	3.2.2 As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template.	Yes	The management unit has submitted RSPO P&C Metrics prior to the audit conducted and verified that the template that has been used are latest version and all information filled-in the template are reflecting Kretam Abedon CU. The metric template has been checked and verified during audit

Clause	Indicators	Comply Yes/No	Findings
3.3 Operating procedures are appropriately documented, consistently implemented and monitored.	3.3.1 (C) Standard Operating Procedures (SOPs) for the unit of certification are in place.	Yes	Abedon CU had SOPs for each of the process 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 safety and health, environmental, 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 are from seedlings in nursery to planting of young palms and plantation upkeep to mill FFB receipt, grading, processing, quality analysis and dispatch of CPO, PKO as well as security of the CU. Employment procedures for recruitment, selection, hiring, are documented and verified. For locals, the procedures are in SOP on Recruitment and Selection Procedure. The procedure details out the process of hiring (application form, screening, interview, requisition approval from HR Manager/Estate Manager, medical check-up and issuance of letter of offer). This procedure was confirmed by a Mill Manager at the Kretam Mill CU verified through the worker's personal file. For foreign worker, the employment procedures are provided in Recruitment of foreign worker Procedure. 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.
	3.3.2 A mechanism to check consistent implementation of procedures is in place.	Yes	Abedon 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.
	3.3.3 Records of monitoring and any actions taken are maintained and available.	Yes	Records of monitoring and the actions taken by estates in Abedon CU continued to be maintained. This was to ensure that the established procedures were consistently implemented. There was a system of having routine General Manager visits, Agronomist visit respectively to the estate and other audits by KHB Sustainability Department, to ensure

Clause	Indicators	Comply Yes/No	Findings
			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. (Onsite) Chief Plantation Officer, General Manager (Estates & POM), Manager (Estates & POM), Safety & Sustainability Team to inspect and report to ensure compliance against company policy and procedure with regards to operation, finance as well as safety, health and welfare requirements. Operating units visited maintain all records of monitoring and available for review. checklists were available and being used by the estates and mill for operations, health and safety monitoring, workers' welfare and environmental issues.
3.4 A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.	3.4.1 (C) In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/outgrower scheme, is documented.	Yes	There was no new planting in the CU. Environmental Aspect and Impact Assessment (EAI) and Social Impact Assessment (SIA) were conducted internally considering activities associated to estate operations. Thus, this indicator is not applicable. Environmental aspect impact assessment (EAIA) which covers upstream activities such as FFB reception until downstream processes was sighted during assessment. For KHB Abedon CU, the latest environment aspect impact assessment was reviewed in Jan 2024 for the estates and in Feb 2024 for POM covering all activities. The main purpose of this assessment was to evaluate and analyze the impact on soil, water, and air associated with the organization 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, pollution control, and ERT, HCV and land usage issues. The reviews done had involved respective Managers, Assistants and Sustainability Team with external and internal stakeholders such as worker's representative, Govt. agencies, neighboring estates, local villagers, suppliers and contractors. So far, no issues related to environmental have been highlighted during stakeholders' communication.
	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	A Social Impact Assessment (SIA) was prepared accordingly. Abedon CU established Social Impact Assessment prepared in June/July 2015 and latest updated in Jan 2023. There were two (2) estates, and one (1) palm oil mill included in the assessment. The SIA was done by the Sustainability Department. The report was prepared with the participation of the relevant stakeholders, such as Government Department and neighbouring villages communities and the assessment has mapped surrounding estate / neighboring. Reviewed SIA documents, among others, include a brief background introduction of the Abedon CU, assessment methodology, social impacts of the mill and estate operations, and management plans on identified impacts for both negative and positive issues. The management has assessed impact to determine possible social issues that could be affected by the replanting activity. In summary, the replanting program did not have a negative effect on the workers, and the harvesters who did not want to move to other areas/estates agreed to become field workers. The SIA will be valid for 5 years and updated every year to reflect and cover any changes in social impact due

Clause	Indicators	Comply Yes/No	Findings
			to the adoption of new technology, methodology, new development, changes of law and company procedures as necessary. Social Impact Assessment (SIA) and its timebound plan were reviewed during the audit. The SIA Report was conducted once every two years covering Lahad Datu Region (Abedon POM, Kolopis and Tanaki Estate), land use, ethnicity, population and gender distribution, amenities etc. Mitigation plans are identified to mitigate negative impacts. Plans are developed to promote positive impacts. The documented management and monitoring plans have been developed with the participation of affected stakeholders.
	3.4.3 (C) The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.	Yes	The social management and monitoring plan are being reviewed and updated on an annual basis at the CU. This considers inputs from external stakeholder meetings, JCC meetings, OSH Committee meetings, as well as Gender Committee meetings. A comprehensive summary of internal stakeholders was documented, identifying 55 positive social impacts and 33 negative impacts in Tanaki and Kolopis Estate. For POM, identify 23 positive social impacts and 14 negative impacts. The report includes a time-bound plan initiated in 2017, which was thoroughly reviewed and updated in July 2024. This plan outlines specific actions and strategies aimed at enhancing positive outcomes and mitigating negative effects, reflecting the company's commitment to continuous improvement and stakeholder engagement. The latest external stakeholders' consultation minutes meeting was held in June 2024, covering Lahad Datu Region. Evidence of the stakeholder consultations conducted is available, and the stakeholder feedback was recorded in the SIA Time Bound Plan. 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.
3.5 A system for managing human resources is in place.	3.5.1 Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives where applicable.	Yes	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. 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.
	3.5.2 Employment procedures are implemented, and records are maintained.	Yes	Employment procedures were implemented, and records are maintained. Foreign workers are managed by the Human Resources Department. Recruitment is often done through walk-ins and referrals from family members. As of May 2024, the company has appointed

<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>an employment agency to handle work pass processing. The company follows a no recruitment fees policy. All costs for levies, medical examinations (FOMEMA), multiple visas, JP visas, compounds, special passes, immigration clearances, service fees, and PLKS (Pas Lawatan Kerja Sementara) are covered by the company. Records for Malaysian workers include job applications, resumes, certificates, NRIC, and medical reports. For foreign workers, records include passports, work permits, personal files, and medical reports. The company keeps comprehensive records of appointments and processes. Interviews with new foreign workers recruited in 2024 confirmed their understanding of the job application process and affirmed that all recruitment costs were fully covered by the estate management.</td></tr>
<tr><td rowspan="2">3.6
An occupational health and safety (H&S) plan is documented, effectively communicated and implemented.</td><td>3.6.1 (C) All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.</td><td>Yes</td><td>The organization had established Master list of Safety and Health Risk Assessment with latest updated in March 2024 for 40 activities and location. Sighted that the identification of coverage of HIRARC on the activities included:
<table>
<tr><td>Harvesting</td><td>Pruning</td></tr>
<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>
</table>
HIRARC for the Abedon mill with latest review made in Jan 2024. The significant and routine activities for mill and estates were adequately covered with details as follows;
<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>Electrostatic precipitator (ESP)</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></td><td>The organization had established control measures based on the OHS hierarchy. Sighted full sets of SOPs for Safety and Health during the audit. The monitoring plan has been implemented and the results were monitored accordingly.</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
3.7 All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.	3.7.1 (C) A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and outgrowers, taking into account gender-specific needs, and which covers applicable aspects of the RSPO P&C, in a form they understand, and which includes assessments of training.	Yes	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 ▪ Storage & Management of Chemical Substance in Store ▪ Sprayer ▪ Water Catchment ▪ Accident Procedure ▪ Emergency Plan Procedure ▪ Using Sharp Tools at Height ▪ Rat Baiting ▪ Tractor Driver ▪ Chemical Handling, Premixing & Spraying Technique ▪ Fire Drill and Emergency Evacuation ▪ Defensive Driving ▪ IPM training & HCV briefing ▪ 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	Training records were maintained appropriately.
	3.7.3 Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply	Yes	Supply chain & traceability training conducted by Mill Engineer in March 2024 for PICs such as engineer, FFB grader, Shift supervisor, lab supervisor, sustainability clerk, weighbridge operator, and security. As for the contractor and FFB supplier, the training session was in June 2024.

Clause	Indicators	Comply Yes/No	Findings
	Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.		

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 Cert. 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**	Not applicable sincew this mill uses MB model
3.8.2	Mass balance Module A mill is deemed to be MB is the mill process FFB from both RSPO certified and uncertified	YES	Abedon POM decided to maintain the MB model for their supply chain system. Therefore, they are being audited against the general chain of custody requirement for the supply chain as well as Module E - CPO Mills: Mass Balance.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	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.		
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.	YES	As in table 3 & 4 in this report.
3.8.4	The mill shall also meet all registration and reporting requirements for the appropriate supply chain through the RSPO supply chain managing organisation.		The mill was observed to have met with registration and reporting requirements for supply chain through the RSPO Palm Trace.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.5	The site shall have written procedures and/or work instructions to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: Complete and up to date procedures covering the implementation of all the elements of the SC model req. Complete and up to date records and reports that demonstrate compliance with the SC model req (incl. training records). Identification of the role of the person having overall responsibility for and authority over the implementation of these reqs. and compliance with all applicable reqs. This person shall be able to demonstrate awareness of the org.'s proc. for the implementation of this std. The site shall have documented procedures for receiving and processing certified and non-certified FFBs.	YES	Abedon POM Organizational, management systems and the operational systems, documented policies and procedures of the organization holding certification, are sufficient and adequately implemented to meet the intent and requirements of the RSPO Supply Chain Certification Standard. Sighted POM has updated and established the name of the documented procedure named RSPO Supply Chain Certification Manual. Among the documented requirements related to Mill Supply Chain definition, purchasing FFB, arrived of FFB, received of FFB processing of FFB, overproduction, product sales, dispatch product, record keeping. The Mill Manager have overall responsible and authority over the implementation of RSPO supply chain requirement in RSPO Abedon POM. Assisted by Assistance Maintenance Engineer. Latest training on SCCS & traceability has been conducted in March & June 2024. Interview with sustainability committee member, mill manager, assistant mill manager & weighbridge operator was confirmed they are understood the supply chain requirements.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
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". The purpose of this procedure is to provide guidelines to conduct internal audit for RSPO SCCS & other similar standard. Audit checklist also been established using RSPO Supply Chain Certification Standard to cover all the elements and indicators, sighted latest SCCS Internal Audit report has been carried out on Abedon CU in Aug 2024 by the sustainability executive. Coverage of audit sufficient & comprehensive to cater for the new standard. No nonconformity has been raised during the internal audit. Management review was conducted in Sept 2024 and has covered input that could affect the management system and also include the output review on improvement in the effectiveness of the SCCS system and its process, customer feedback, process performance and product conformity, status preventive and corrective action, follow up action, changes on management system, recommendation, improvement on management system, and other resources needed.

<table>
<tr><th>Ref. in RSPO SCCS</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td>3.8.7</td><td>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.</td><td>NO</td><td>Kretam Abedon had continued to receive certified FFB from own Estate Which is Kolopis and Tanaki and Diversion From Certified CU Sapagaya Estate and Bukit Sekong Estate and Uncertified FFB from Surrounding Smallgrower and Small holders. The validity of the certificate of the supplier has been checked accordingly. Sighted sample FFB consignment note for Kolopis and Tanaki for the month of September 2023 to August 2024. Among the information available on the FFB consignment note are estate name, delivery date, no of FFB bunches, FFB weight, quantity, unique identification number. Monitoring records titled as “Mass Balance Worksheet - Monthly Input” has recorded the tonnage of certified FFB and its supplying estate. Verified through Abedon POM weighing system called ‘Mass Balance Worksheet - Monthly Input and random sample of weighbridge ticket from.

However, there was overproduction of certified tonnage CPO as per below:
<table>
<tr><th>Certified volume</th><th>Certified volume produced</th></tr>
<tr><td>12,981.00 mt</td><td>14,567.16 mt</td></tr>
</table>
Thus, #Major NCR RAR 02 2024 has been raised.</td></tr>
</table>

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
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).	YES	The procedure in handling sales and delivery was sighted and found adequate. Sales activities usually handled by the Sales and Marketing Department (HQ) on behalf of Abedon POM. Abedon POM has established the procedure "handling certified FFB /CPO/PK and non-certified FFB/CPO/PK" Management Units for FFB supplied to the mills unique identification has established to segregate certified FFB from his own estates with outsider crops. During interview with weighbridge clerks, they understand how to segregate the certified FFB and uncertified FFB. Documented procedures related to sales and goods out were sighted and found adequate. Based on verification during the audit, SPOM has delivered certified materials to end buyers. Therefore, the following are samples of certified CPO & PK sales which comply with the standard requirement.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
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 accredited CBs to the respective operations, systems, and all information, when this is announced in advance.	YES	There is contract document between Abedon POM and the transporters. Sighted in clause no 7(7.1). Transporter may be inspected by third parties appointed by CU if deemed necessary. There were explicit procedures for the outsourced process. “Outsource procedure – SCCS – 006. Inspection was carried out by Lab Supervisor or lab attendant and assisted by weighbridge operator and security as an additional effort to ensure no contamination.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.10	The site shall record the names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	YES	Abedon POM has outsource the transportation of certified CPO and certified PK, and the names and contract details were recorded.
3.8.11	The mill shall inform its CB in advance prior to conducting its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.	YES	No new contractors used and will be used in the future for the processing or production of RSPO certified materials.
3.8.12	The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Cert. Std. requirements.	YES	Sighted CPO and PK delivery notes, 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	YES	All records related to RSPO SC were maintained minimum for 2 years.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	of raw materials or products held in stock.		
	iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis.	YES	Not applicable since CU were used Mass Balance module
	iv) For Mass Balance Module, the mill: a. shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b. All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c. The mill can	YES	Sales activities usually handled by the Sales and Marketing Department Department (HQ) on behalf of Abedon POM. Personnel updated the RSPO IT platform system upon confirmed contract. Mill receives copy of transaction input to the system monthly based on contract summary (buyer weight being put in). RSPO Records for Oil Mills have been updated on a real time basis by relevant personnel and have 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). APOM had continued to keep record and balances of all receipts of RSPO-certified FFBs and deliveries of RSPO-certified CPO and PK on a three-monthly basis in the table 'Mass Balance Worksheet - Monthly Input.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	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).		
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, doc. and applied it consistently.	YES	Based on nature of their processing activities, Abedon POM's conversion factor shall be based on their oil extraction rate (OER) and kernel extraction rate (KER). These rates being monitored on daily basis as part of their process performance evaluation and consolidated at month end.
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.	YES	

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
3.8.15	Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.	YES	Not applicable since CU were used Mass Balance module
3.8.16	Registration of Transactions i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the dispatch date being the Bill of Lading or the dispatch documentation date. ii) Remove: RSPO certified volumes		Abedon POM usually handled by the procedure in handling of sale and delivery was sighted and found adequate. Sales activities usually handled by the Sales and Marketing Department (HQ) on behalf of Abedon POM. Personnel updated the RSPO IT platform system upon confirmed contract. The sampled shipping announcements were verified during the audit.

Ref. in RSPO SCCS	Indicators	Comply Yes/No	Findings
	sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform		
3.8.17	Claims The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.	YES	Relevant information on product claims (including applicable Supply Chain model and certificate number) being correctly indicated in the relevant outgoing paperwork. Abedon POM has not used 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	Abedon CU has a Policy to protect human rights and is contained in Code of Conduct & Human Rights Policy. 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 also aims to protect whistleblowers from reprisals or victimisation. All levels of workforce at Mill have been briefed on the Human Rights policies during the training session. For the contractor Mill PIC has explained during the agreement signing and as for the Stakeholder, they have been briefed during the Stakeholder Meeting during Awareness Briefing for ISCC, RSPO, MSPO, OSH & SCC for contractors. New workers were also briefed on the policies during 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.
	4.1.2 The unit of certification does not instigate violence or use any form of harassment in their operations.	Yes	Based on documentation reviewed, interviews conducted, and observations made, there was no evidence of any instigation of violence or use of any form of harassment within the CU as such issues never existed. There is no abusive language or threatening gestures observed during site visit nor reported by workers during interviews. This was also cross-checked with stakeholders during stakeholders' consultation. There is no evidence of instigation of violence, harassment or use of mercenaries or paramilitaries in any of the operations at Kretam Abedon CU.
4.2 There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.	4.2.1 (C) The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.	Yes	The system used by the Abedon CU in resolving disputes exists in the procedure called "Procedure on Complaint & Grievances". 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', ensuring anonymity of complainants, community spokespersons and whistleblowers and Code of Conduct & Human Right Policy", 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. 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.
	4.2.2 Procedures are in place to ensure that the system is understood by the affected parties, including by	Yes	Procedures are in place to ensure affected parties understand the Dispute and Resolution Procedures. Verbal explanation is given in an easy-to-understand language accompanied by pictorial explanations, and where relevant, flowcharts. If necessary, senior foreign workers who

Clause	Indicators	Comply Yes/No	Findings
	illiterate parties.		could speak and understand the Bahasa Malaysia act as translators to their other colleagues, especially the newly arrived ones.
	4.2.3 The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.	Yes	Abedon CU keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders. It was verified that from records, the grievances and complaints are from internal stakeholders and related to housing defects and repair jobs required. Complainants are aware of the status. An examination of the books showed that all the complaints were house repairs. There were no complaints from external stakeholders. Complaints have been resolved in a timely manner:
	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	A review of the Kretam Holdings Berhad conflict resolution mechanism found it include 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. Another procedure for addressing conflicts is in KHB Group's SOP on Free Prior Informed Consent SOP that states that the affected parties to get advice or take anyone e.g. NGO or lawyer as representative during the pre-finalization of the agreement.
4.3 The unit of certification contributes to local sustainable development as agreed by local communities.	4.3.1 Contributions to community development that are based on the results of consultation with local communities are demonstrated.	Yes	Abedon 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 an audit interview with the local communities from Kg Paris 1, 2, 3 and Kg Sungai Tekala. Other contributions to the local community developments based on consultation include villagers' access to free medical treatment at the estate clinic, and job opportunities.
4.4 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.	4.4.1 (C) Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents related to the history of land tenure and/or the actual legal or customary use of the land are available.	Yes	It has been verified that KHB Abedon CU had land titles for Kolopis Estate were sighted, which was under Abedon Sdn Bhd. There were four land titles that were transferred from the previous owner in 2020 to Abedon Sdn Bhd. Through document checks and phone interviews with all the previous owners, the land was sold to Kretam Holdings Bhd in 2020. The verification on the transfer process found that the previous landowner for all land under subsidiaries of Kretam Holdings Bhd. Verify through land title has been confirmed that Abedon Sdn Bhd has the right to use the land which their company legitimately owns.
	4.4.2 Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC	Yes	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Abedon CU since 2012. The audit team had confirmed that there was no land issues related to previous owners. The audit team has also interviewed villager representatives (also staff at the CU) from Kg Paris 1 and Kg Paris 2 and phone interviews with previous owner. It was confirmed

Clause	Indicators	Comply Yes/No	Findings
	process are available and include:		that there was no evidence of any land dispute at Abedon 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 information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.	Yes	
	4.4.2b Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken.	Yes	
	4.4.2c Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land.	Yes	
	4.4.3 (C) Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighboring communities where applicable, and relevant authorities).	Yes	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Syarikat Kretam Mill Sdn Bhd CU since 2012. 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 neighbouring estate. Hence, there was no map showing the legal, customary, or user right of other users since 2012. This requirement in this indicator does not apply to Abedon CU.

Clause	Indicators	Comply Yes/No	Findings
	4.4.4 All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements.	Yes	This requirement in this indicator does not apply to Abedon 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 Abedon 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 Abedon CU
4.5 No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions.	4.5.1 (C) Documents showing identification and assessment of demonstrable legal, customary and user rights are available.	Yes	Based on Social Impact Assessment (SIA) Report for Abedon CU and land title, there were no new plantings established on local peoples' land. It has been verified that the land is legitimately owned by Abedon CU since 2012. The audit team had confirmed that there was no land issues related to previous owners.
	4.5.2 (C) FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.	Yes	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Abedon CU since 2012. The audit team had confirmed that there was no land issues related to previous owners. The audit team has also interviewed villager representatives (also staff at the CU) from Kg Paris 1 and Kg Paris 2 and phone interviews with previous owner. It was confirmed that there was no evidence of any land dispute at Abedon CU.

Clause	Indicators	Comply Yes/No	Findings
	4.5.3 Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements are non-coercive and entered into voluntarily and carried out prior to new operations.	Yes	As reported in 4.4.1 of this checklist, it has been verified that the land is now legitimately owned by Abedon CU since 2012. The audit team had confirmed that there was no land issues related to previous owners. The audit team has also interviewed villager representatives (also staff at the CU) from Kg Paris 1 and Kg Paris 2 and phone interviews with previous owner. It was confirmed that there was no evidence of any land dispute at Abedon 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 above.
	4.5.5 Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.	Yes	As above.
	4.5.6 Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the	Yes	As above.

Clause	Indicators	Comply Yes/No	Findings
	issuance of a new concession or land title to the operator.		
	4.5.7 New lands are not acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations without consent under the right of eminent domain of the federal and state land acquisition legislations.	Yes	There were no new lands acquired for plantation and mills after 15/11/2018 as verified during this Assessment at Abedon CU. The current operation area including mill and estates as 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 institutions.	4.6.1 (C) A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.	Yes	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 the audit team during consultation with staff and workers at mill and visited estates.
	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 were no small scheme holdings at Syarikat Abedon CU. The Fresh Fruit Bunches are supplied from Kretam Holdings owned estates which are certified to RSPO and Outside Smallholder and Smallgrower.
	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.

Clause	Indicators	Comply Yes/No	Findings
4.7 For new planting, where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements.	4.7.1 (C) A mutually agreed procedure for identifying people entitled to compensation is in place.	Yes	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. From the interviews, it can be concluded that there was no evidence of any land dispute at Abedon 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	As above.
4.8 The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.	4.8.1 Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.	Yes	As above.
	4.8.2 (C) Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes are implemented and accepted by the parties involved. In the case of newly acquired plantations, the CU	Yes	As above.

Clause	Indicators	Comply Yes/No	Findings
	addresses any unresolved conflict through appropriate conflict resolution mechanisms.		
	4.8.3 Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant reqs.	Yes	As above.
	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.	Yes	As above.

Principle 5: Support smallholder inclusion

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

Clause	Indicators	Comply Yes/No	Findings
5.1 The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.	5.1.1 Current and previous period prices paid for FFB are publicly available and accessible by smallholders.	Yes	During the audit, it was verified that the current and past prices for FFB are being displayed at the noticeboard near the Abedon Palm Oil Mill weighbridge.
	5.1.2 (C) Evidence is available that the unit of certification regularly explains the FFB pricing to smallholders.	Yes	Abedon POM regularly explains the FFB Pricing to Smallholders during renewal of agreement with latest in Aug 2024. The stakeholder information briefing concerned to FFB qualities, FFB grading, calculation payment by MPOB, oil extraction rate (OER). The calculation method of pricing was made known and given to the Smallholders. Field days were organised monthly by the mill to all the small holders from the supplying list.
	5.1.3 (C) Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented.	Yes	The price for FFB has been adopted from MPOB Pricing. Thus, all prices are calculated by the MPOB.

Clause	Indicators	Comply Yes/No	Findings
	5.1.4 (C) Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable.	Yes	There is an agreement between FFB outsider suppliers with Abedon POM, the agreement has been signed on January 2023. During interviews with FFB Supplier above they stated that they are involved in decision-making processes and understand the contracts including involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where applicable which are not applicable to them because they are operate by themselves. Besides that, The Suppliers are free to choose their mill.
	5.1.5 Contracts are fair, legal and transparent and have an agreed timeframe.	Yes	It has been confirmed that the contract entered into are valid, fair and transparent as the terms of payment are being negotiated upon prior to signing. Contract with suppliers were in the English language, which is understood by the suppliers as verified during interviews.
	5.1.6 (C) Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.	Yes	Interviews conducted with contractors and suppliers, and 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.	Yes	Weighing Equipment in Abedon CU has been calibrated by yearly basis using accredited weighing company Metrology Corporation Malaysia Sdn Bhd.
	5.1.8 The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.	Yes	The unit of certification supports the Independent Smallholders through the training conducted on awareness on RSPO. KHB supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. Sighted that latest Stakeholder meeting in June 2024 to promote on RSPO certification. However, the Growers and villagers were not in favour in the implementation due to high cost.
	5.1.9 (C) The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.	Yes	Grievances mechanism for smallholders or growers that supplied FFB to the mill was established and sighted the training, stakeholder meeting and letter to FFB supplier, provided by the CU providing details related to payment and complaint channel. There were no comments and issues were dealt in a timely manner.
5.2 The unit of certification supports	5.2.1 The unit of certification consults with interested smallholders (irrespective of	Yes	Kretam Holdings Berhad (KHB) supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates,

Clause	Indicators	Comply Yes/No	Findings
improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains.	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.		and who holds and sells the certified material. Sighted that latest Stakeholder meeting in June 2024 to consults with interested smallholders including women or other partners in their supply base to assess their needs for support to improve their livelihoods. KHB Abedon provides support by providing loans for fertilizers to help the smallholder yield, the smallholder paid their fertilizer by monthly basis, sometimes loan will up to 5-month period.
	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.	Yes	Kretam Holdings Berhad (KHB) supports Independent Smallholders with 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) by collaboration with Wild Asia Smallholder Scheme.
	5.2.3 Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production.	Yes	Kretam Holdings Berhad (KHB) supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material. Sighted that latest Stakeholder meeting in June 2024, Abedon CU has taken the initiative to promote legality of FFB production by ask the collection center to provide details of their FFB Supplier Land Title and MPOB Licenses.
	5.2.4 (C) Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling.	Yes	There was no Scheme Smallholder available at Abedon CU. Thus, this indicator was not applicable.
	5.2.5 The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme.	Yes	Currently KHB has created a system to trace their stakeholder around their estates. Kretam Holdings Berhad (KHB) have their own report on the progress of the smallholder support program.

Principle 6: Respect workers' rights and conditions

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

Clause	Indicators	Comply Yes/No	Findings
6.1 Any form of discrimination is prohibited.	6.1.1 (C) A publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.	Yes	KHB has implemented the Code of Conduct & Human Rights Policy and the Social Policy. 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. Interviews were conducted with a diverse group of workers (foreign, local, male, and female) across all sampled units within Abedon CU. All workers interviewed confirmed that there was no form of discrimination. They reported being given equal employment opportunities and enjoying all the benefits and amenities provided by the company, regardless of their gender or nationality.
	6.1.2 (C) Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against including charging of recruitment fees for migrant workers.	Yes	Based on 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.
	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	The unit of certification demonstrates that recruitment selection, hiring, access to training, and promotion are based on the skills, capabilities, qualities, and medical fitness necessary for the available positions, in accordance with established procedures. These procedures are supported by clear flowcharts that outline the entire process from recruitment to termination. During the audit of 55 workers' files, it was observed that medical fitness is a criterion for job selection; however, this criterion is not discriminatory. Medical fitness ensures that workers are suitable for their roles, with registration cards indicating only "Fit for work" without specifying any illnesses.
	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 dresser, 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 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	Yes	The Code of Conduct & Human Rights Policy Statement demonstrates our commitment to advancing women within the organization and ensuring their protection. Quarterly meetings reviews were evident.

Clause	Indicators	Comply Yes/No	Findings
	address issues of concern, as well as opportunities and improvements for women.		These meetings addressed complaints, raised awareness, and tackled various issues, including support for single mothers, older female workers, widows, and retirement planning as well as opportunities and improvements for women. The committee also highlighted a dedicated budget to support these initiatives, underscoring our commitment to gender equality and women's welfare. Additionally, a WhatsApp group was set up to monitor and address any issues related to women's welfare quickly.
	6.1.6 There is evidence of equal pay for the same work scope.	Yes	During interviews with sampled local and foreign workers, they agreed that they have received equal pay for the work given. For general and estate 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.
6.2 Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW).	6.2.1 (C) Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages (English or Bahasa Malaysia) and explained to them in language they understand.	Yes	The employment contract is drafted according to the Sabah Labor Ordinance Cap.67. Both local and foreign employment adopt the same contract. At the estates, the piece rate pricing was structured in accordance with minimum wage regulations, ensuring compliance with legal standards. The rates were communicated transparently through the Mandore and displayed on the noticeboard to provide workers with clear and accessible information. 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. Among sample worker's contract agreements and documentation of pay and conditions were verified and checked.
	6.2.2 (C) Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed. This includes a form of record for work done by family members.	Yes	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. 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.
	6.2.3 (C) There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday	Yes	The employment contract is drafted according to the Sabah Labor Ordinance Cap.67. Both local and foreign employment adopt the same contract. The working hours as per contract agreement were, working hours at 48 hours per week. For overtime, it has been

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td></td><td>entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.</td><td></td><td>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.</td></tr>
<tr><td></td><td>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.</td><td>Yes</td><td>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.</td></tr>
<tr><td></td><td>6.2.5 The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.</td><td>Yes</td><td>All units within KHB Abedon CU 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 Kolopis and Tanaki Estate, monthly tamu and mobile local markets are also available where workers are able to have access to a wider variety of food items.</td></tr>
<tr><td></td><td>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</td><td>Yes</td><td>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 bonuses, 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.

<table><tr><th>Total Value of Prevailing Wage</th><th>Local Worker (RM)</th><th>Foreign worker (RM)</th></tr><tr><td>Tanaki Estate</td><td>2106.05</td><td>2230.00</td></tr><tr><td>Kolopis Estate</td><td>2125.62</td><td>2269.59</td></tr><tr><td>Abedon POM</td><td>2192.85</td><td>2192.85</td></tr></table></td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
	following: • An assessment is conducted to determine prevailing wages and in-kind benefits already being provided to workers. • There is annual progress on the implementation of living wages • Where a minimum wage, based on equivalent basket of goods, is stipulated in Collective Bargaining Agreements (CBAs), this should be used as the foundation for the gradual implementation of the living wage payment. • The unit of certification may choose to implement the "living wage" payment in a specific section as a pilot project; the pilot will then be evaluated and adapted before an eventual scale-up of the living wage implementation Until such time where the Malaysian version of "decent living wage" has been endorsed by RSPO and implemented by the unit of certification, the Malaysian minimum wage has to be paid.		
	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 Lahad Datu Region CU.
6.3 The CU 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 is available and is explained to all workers, in language that they understand, and is demonstrably implemented.	Yes	The statement recognizing freedom of association and the right to collective bargaining, in both English and Bahasa Malaysia, is included in the Code of Conduct & Human Rights Policy and Social Policy. This statement is publicly displayed on notice boards and was explained to all workers during morning muster. The policy is actively implemented through the Joint Consultative Committee (JCC), which allows employees to voice their concerns.

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.	6.3.2 Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages (English and/or Bahasa Malaysia) and made available upon request.	Yes	Although no official trade unions operate within the KHB Lahad Datu Region CU in Sabah, workers have appointed their own representatives to serve on the Joint Consultative Committee (JCC). The JCC includes both worker and management representatives, promoting open communication and balanced representation. This setup allows workers to express concerns, provide feedback, and participate in decision-making, helping to address social issues and improve employee satisfaction.
	6.3.3 Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers.	Yes	Interviews with workers' representatives in KHB Lahad Datu 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 company's Social Policy includes a formal statement protecting children and prohibiting child labor. This policy ensures that all employment complies with the minimum age requirements and national regulations, reflecting the company's commitment to the safety of workers and children. The policy has been communicated to internal and external stakeholders at the mill and estates within the KHB Lahad Datu Region CU. To reinforce this, a Child Labor Remediation Procedure, was established. It provides clear guidelines for verifying workers' ages and addressing any instances of child labor. The procedure outlines steps for age screening, offering support to affected children, and preventing future occurrences. The company demonstrates its commitment to this policy through service contracts and supplier agreements.
	6.4.2 (C) There is evidence that minimum age requirements are met. Personnel files show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure.	Yes	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 Lahad Datu Region CU. The computerized Lintramax 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 the documents reviewed, interviews conducted, and observations made, there was no evidence to suggest that any individuals below the age of 18 are employed at the estates or the POM. This was verified through the examination of employee master lists from each operating unit, which included workers' personal details and birthdates. Interviews with a representative sample of workers and staff, along with observations during field visits, further confirmed that all employees are over 18 years of age.

Clause	Indicators	Comply Yes/No	Findings
	6.4.4 The unit of certification demonstrates communication about its 'no child labour' policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live.	Yes	The company has a no child labor policy statement displayed on its noticeboards. Interviews with sample 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 Lahad Datu 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 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.
6.5 There is no harassment or abuse in the workplace, and reproductive rights are protected.	6.5.1 (C) A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce.	Yes	KHB implemented a Sexual Harassment Policy since Jan 2015. The policy underscores that sexual harassment is a violation of basic human rights and states that offenders will face disciplinary action, including possible termination of employment. The Sexual Harassment Policy and the flowchart for addressing social issues were further explained to female employees during Gender Committee meetings. This ensures that all employees are informed about the procedures for reporting and resolving any incidents, fostering 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.	Yes	KHB Lahad Datu Region CU developed a Social Policy since July 2022, which protects reproductive rights for all employees, especially women. The Labour Standard recognizes employees' rights to reproductive health and their ability to make decisions regarding reproduction. Interviews with female workers show that this policy is being implemented, as they receive 60 days of paid maternity leave, and pregnant workers are assigned lighter duties. Female workers interviewed showed a clear understanding of their reproductive rights and were fully aware of the policy. The policy was communicated through Morning Muster, JCC Meetings, and the Gender Committee. It ensures employees can make family planning and reproductive decisions free from discrimination, coercion, or violence.
	6.5.3 Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified.	Yes	Management has assessed the needs of new mothers through consultations, with support from the Gender Committee. Actions have been taken to address the identified needs.
	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 Complaints and Grievance Procedure since Sept 2020, ensuring anonymity and protection for complainants to make them feel safe when raising concerns. Additionally, a Sexual Harassment Reporting Procedure was put in place providing clear guidelines and timelines for addressing reported incidents. A dedicated complaint panel was created to handle grievances promptly and effectively.

Clause	Indicators	Comply Yes/No	Findings
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 • Lack of freedom of workers to resign • Penalty to the workers for termination of employment • Debt bondage • Withholding of wages	Yes	Interviews with representatives' samples of foreign workers revealed several positive aspects of their employment conditions: Passport Security: Workers retain their passports, which are secured in safety lockers provided by management. Passports are only surrendered for permit renewal, showing responsible document handling. Contract Fairness: There are no reports of contract substitution, indicating fair employment practices. Many workers are dependent of existing employees and join the company through informal channels like walk-ins and referrals from family members which benefit both the company and the workers. They understand the job application process and that all recruitment costs are covered by the estate or POM management. Voluntary Overtime: Overtime work is voluntary and appropriately paid, with no forced overtime. Workers also have the freedom to leave the premises as they choose, showing respect for their autonomy. Employment Termination: There are no disciplinary measures related to resignation or termination, reflecting a commitment to respecting workers' decisions. Workers confirmed that there is no debt bondage or wage withholding, highlighting fair and ethical treatment.
	6.6.2 (C) Where temporary or migrant workers are employed, a specific labour policy and/or procedures are established and implemented.	Yes	KHB has established a Foreign Workers Policy, 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.
6.7 The unit of certification ensures that the working environment under its control is safe and without undue risk to health.	6.7.1 (C) The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded.	Yes	The letter of appointment for the Managers signed by the Deputy General Manager was sighted. The Managers subsequently assigned duties of ESH coordinator to the Assistants for the downline implementation of ESH practices in the estates. Similar appointments were 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. 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 to safety, environmental and health.
	6.7.2 Accident and emergency procedures are in place and instructions are clearly	Yes	Accident and emergency procedures were available in adherence to the Kretam Holdings Berhad Group, Safety and Health SOP.

Clause	Indicators	Comply Yes/No	Findings
	understood by all workers. Accident procedures are available in national languages (English and/or Bahasa Malaysia) and explained in the language understandable to the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.		For accident cases, reporting were carried out in accordance with OSH requirement and JKKP8 were submitted in Jan 2024.First aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed by HA. During the site visit at workshop, chemical store, premix areas, spraying and manuring operators were sighted emergency shower was available and eye wash was provided to PIC on site.
	6.7.3 (C) Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.	Yes	All Training and Briefing on the operations were provided for workers to educate them on safe working practices to ensure applicable precautions are adhered. During site visit at all estates and mill all PPE has been provided free of charge and was sighted all workers wearing appropriate PPE. 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 was given to employees of estate and mill visited. All the PPE is provided free of charge to all workers at their place of work to cover all potentially hazardous operations. During site spraying activities, manuring activities, harvesting activities and LF collection, they were seen wearing PPE such as face masks respirators, goggles, rubber boots, nitrile gloves, apron and hard hats, to cover all potentially hazardous operations. Sanitation facilities for those applying pesticides were available near to the chemical store area, after completed spraying activities, the workers will change out of PPE, wash and put on their personal clothing at the area. Meanwhile, during site inspection estate and mill workshop, most of the moving part and rotating machinery were installed with machine guarding and properly covered. Noted also the set of oxygen and acetylene cylinders in the workshop available with “flash back arrestors”.
	6.7.4 All workers are provided with medical care and covered by accident insurance. Costs incurred from work-related incidents leading to injury or sickness are covered in accordance with Malaysian law.	Yes	The Mill and Estates provide medical care and insurance coverage for all the workers. Local Workers and foreign workers – covered by SOCSO. In addition, the estates and mill provide medical care to all workers using their own Medical Assistant services. Cases requiring additional/serious treatment are referred to Hospital Kinabatangan which located near to certification unit. Abedon CU provides medical care to Group Estate workers with Klinik Ladang established within the premises.
	6.7.5 Occupational injuries are recorded using Lost Time Accident (LTA) metrics.	Yes	Records of all accidents are kept and filed. The methodology of occupational injuries is recorded using LTA. (Lost Man day MC.) This is summarized officially in the JKKP 8. Records are kept for a minimum 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

Clause	Indicators	Comply Yes/No	Findings
			corrective action been implemented, and these been sighted been reviewed during safety meetings.

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

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

Clause	Indicators	Comply Yes/No	Findings
7.1 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management (IPM) techniques.	7.1.1 (C) IPM plans are implemented and monitored to ensure effective pest control.	Yes	KHB Abedon CU had established and documented a common IPM plan which was reviewed yearly for 2 Estates Kolopis and Tanaki. 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. 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 such as census forms, monitoring forms and other information related to the IPM implementations will be kept in proper filling for estate management to review. The IPM program among others includes pest management of rats, bagworms, nettle caterpillars, rhinoceros beetles and ganoderma. For bagworm control the program includes the planting of beneficial plants such as *Cassia cobanensis, Antigonan leptopu*s and *Turnera subulata* and for Rhinoceros beetles are by Pheromone Trap. In order to minimize the 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 continued until bait acceptance fell below 20%.
	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	KHB Abedon CU had 2 policies on Zero Buring a main policy and sub policy i.e., the Environmental Policy of Kretam Holding Berhad Group and Zero Burning Policy of Kretam Holdings Berhad. As advocated, all 2 estates had practised Zero burning and there was no evidence on use of fire for any purpose inclusive of for pest control.

<table>
<tr><th>Clause</th><th>Indicators</th><th>Comply Yes/No</th><th>Findings</th></tr>
<tr><td rowspan="4">7.2
Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.</td><td>7.2.1 (C) Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritized.</td><td>Yes</td><td>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 updated periodically. The registers were updated accordingly at every division.
<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></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>KHB Abedon CU continued to record areas where pesticides were used. 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. Records were maintained in store issue chits, bin cards, program sheets, field cost books and progress reports.</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 KHB Abedon CU continued to apply pesticides by proven methods that minimise risk and impact. 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 Sections and IPM Plan. In the implementation of the IPM plans the following practices were adopted by KHB Abedon CU. Established growth of beneficial plants (Cassia cobanensis, Antigonan leptopus and Tunera subulata) to attract natural predators and reduce use of insecticides. The chemicals used for the nurseries are as provided in the Planting Manual and where necessary by the GM/Agronomist during the visits.</td></tr>
<tr><td>7.2.4 There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national</td><td>Yes</td><td>There was no evidence of prophylactic use of pesticides in KHB Abedon 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. KHB Abedon CU only used pesticides that were officially registered under the</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
	best practice guidelines.		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 KHB Abedon CU since 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 KHB Abedon CU had not use chemicals categorized as World Health Organization (WHO) type 1A or 1B or listed by the Stockholm or Rotterdam Conventions. Except for Amine and Cypermethin which were Class II chemicals, all others were of Class III & IV. Paraquat had not be used since July 2017 and was replaced by a systemic herbicide and glufosinate ammonium. The Chemical Registers had listed all Chemicals, Diesel, Petrol, Lubricants and Fertilisers. Checks made on the chemical stores confirmed that all the 2 Estates had only used class II, lll & lV chemicals.
	7.2.5a Judgment of the threat and verify why this is a major threat.	Yes	
	7.2.5b Why there is no other alternative which can be used.	Yes	
	7.2.5c Which process was applied to verify why there is no other less hazardous alternative.	Yes	
	7.2.5d What is the process to limit the negative impacts of the application.	Yes	
	7.2.5e Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.	Yes	
	7.2.6 (C) Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.	Yes	Records showed that pesticides were handled, used and applied by trained persons and as per the MSDS/SDS of the pesticide, Kretam Holdings Berhad SOPs on Safety & Health - Sprayer and Rat Baiting. The staffs and workers such as the storekeepers, sprayers, fertilizer and rat bait workers were trained, and they had understood the hazards involved and how the chemicals should be used in a safe manner. The estates had an SOP for use of PPE during work. All workers involved in pesticide application were provided with appropriate PPE and replaced when damaged. PPE issue and replacements records were verified by the auditors. It was also observed that PPE was used by workers working in the fields. The estates had a SOP for handling chemical/pesticide management. The employees involved in the chemical handling such as the storekeepers, sprayers, fertilizer and rat bait workers were trained in chemical handling training, and they understood the hazards of the chemicals and how the chemicals should be used in a safe manner. The

Clause	Indicators	Comply Yes/No	Findings
			trade and generic names of the chemicals were made known to them through the SDS training. It was also noted that SDS are available at chemical and fertilizers during the audit. Training on pesticides/chemical handling was carried out regularly by the CU, and training records were reviewed during audit.
	7.2.7 (C) Storage of all pesticides is in accordance with recognised best practices.	Yes	The storage of pesticides at Abedon CU was found to be in compliance with the Occupational Safety and Health Act 1994 (Act 514) as well as in the Pesticides Act 1974 (Act 149) and Regulations. The chemical and fertiliser stores (with cemented floors and roofing) are locked & handled only by authorized personnel i.e. storekeeper. The stores in estate and mill were ventilated (equipped with exhaust fans). All the chemicals were arranged/segregated according to the type. At the chemical and fertilizer store, sighted relevant SDS were displayed. Adequate safety signage has been placed at both internal and external of the building. A proper premixing area with eye wash facilities and bathing area is available near to the chemical stores. The wastewater from the washing of empty chemical containers and PPE, and chemical mixing was pumped to a storage tank for reuse in chemical mixing. This is to avoid any contamination of chemicals onto the ground. Triple rinsing activities continued to be implemented for empty pesticide containers. The detailed procedure for this purpose is available in SOP for Scheduled Wastes Management and SOP for Triple Rinsing.
	7.2.8 All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.	Yes	Empty pesticide containers were punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. Inventory and consignment documents verified for confirmation of proper management and disposal. The scheduled wastes generated at Abedon CU not more than 180 days @ 20mt.
	7.2.9 (C) Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.	Yes	Aerial spraying was not practiced by all the visited estates and there was no evidence to show that any had been carried out.
	7.2.10 (C) Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.	Yes	The medical surveillance for pesticide operators was carried out by an OHD and registered clinic. Reports have indicated that all employees were reported to be fit to work.
	7.2.11 (C) No work with pesticides is undertaken by persons under the age of	Yes	The organization had a Social Policy and SOP Sprayer which stated that no work with pesticides shall be undertaken by pregnant or breast-feeding women. On all 2 estates

Clause	Indicators	Comply Yes/No	Findings
	18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.		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. For Mill, records showed that pesticides were handled, used and applied by trained people and as per the SDS of the product. The staff and workers such as the storekeepers, slab operator, boiler, water treatment plant operator, etc were trained and they understood the hazards involved and how the chemicals should be handled in a safe way. The trade and generic names of the chemicals were made known to the workers through the SDS training. SDS was also displayed at all storage areas as observed during the audit. The training included the safety aspects and usage of PPE when handling pesticides. All workers involved in pesticide & chemical application were provided with appropriate PPE and replaced when worn-out. PPE issuance & replacement records were verified by the auditors.
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 plans to avoid or reduce pollution have been documented and implemented. Procedures and guidelines 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 matured maintenance, FFB collection, workshop, schedule waste / chemical / fertilizer store and etc. The waste disposed was seen only household and food waste and disposed via landfill. As for the line-site cleaning, it scheduled on a weekly basis by Hospital Assistant.
	7.3.2 Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.	Yes	Standard Operating Procedure-Waste Disposal was established and in the waste management plan, the documentation and identification of all waste product such as scheduled wastes, domestic wastes, clinical wastes, recyclable wastes such as metal, tins, plastics, bottles, mill wastes and polluting material e.g., EFB and POME.
	7.3.3 The unit of certification does not use open fire for waste disposal.	Yes	The CU did not use open fire for waste disposal. They had 2 policies on Zero Burning in-place to guide the CU.
7.4 Practices maintain soil fertility at, or where improve soil fertility to, a level that ensures optimal and sustained yield.	7.4.1 Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.	Yes	KHB Abedon CU continued to implement the good agriculture practices as per Planting Manual 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 and Oil Palm Manuring Recommendations 2024 by Boris Agriculture Services Sdn. Bhd. All the Estates in KHB Abedon 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

<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>some EFB application. Fertilizers application, which was of paramount importance for maintenance of soil fertility, was carried out based on the recommendation made by the Boris Agriculture Services Sdn. Bhd. Annual fertilizer recommendations were made based on annual foliar sampling. Soil sampling was carried out yearly consistence with foliar sampling. Fertilizer application program was monitored using program sheets, bin cards, Field Cost book and Fertilizer Quality Assessment by Boris Agriculture Services Sdn. Bhd</td></tr>
<tr><td></td><td>7.4.2 Periodic tissue and soil sampling is carried out to monitor and manage changes in soil fertility and plant health.</td><td>Yes</td><td>Fertilizer application, which was of paramount importance for maintenance of soil fertility, was carried out based on the recommendation made by the agronomist from Borneo Samudera Sdn Bhd. Annual fertilizer recommendations were made based on annual foliar sampling done in Aug 2023. At the same time, soil sampling was carried out in March 2016, by Boris Agri-Services Sdn Bhd and updated by Borneo Samudera Sdn Bhd Report.</td></tr>
<tr><td></td><td>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.</td><td>Yes</td><td>All 2 Estates continued to have a nutrient recycling strategy in place. Palm fronds were stacked in the fields to decompose and EFB applied. EFB was applied at 40 tons /Ha/year in single layers in plots between palms. Records of application and maps were reviewed by the audit team. No POME was applied in both estates.</td></tr>
<tr><td></td><td>7.4.4 Records of fertiliser inputs are maintained.</td><td>Yes</td><td>KHB Abedon CU continued to monitor their fertilizer inputs as recommended by their agronomist from Boris Agriculture Services Sdn. Bhd. The records of the fertiliser inputs were maintained in the Fertilizer Application Record Books and the Bin Card.</td></tr>
<tr><td>7.5 Practices minimise and control erosion and degradation of soils.</td><td>7.5.1 (C) Maps identifying marginal and fragile soils, including steep terrain, are available.</td><td>Yes</td><td>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 2 estates were classified as follows and was last updated on September 2015 by Boris Agri-Services Sdn Bhd.

<table><tr><th>Kolopis Estate</th><th>Tanaki Estate</th></tr><tr><td>Kinabatangan</td><td>Kinabatangan</td></tr><tr><td>Lungmanis</td><td>Lungmanis</td></tr><tr><td>Rumidi</td><td>Rumidi</td></tr><tr><td>Kretam</td><td>Kretam</td></tr><tr><td>Lokan</td><td>Lokan</td></tr><tr><td>Bidu-Bidu</td><td>Bidu-Bidu</td></tr></table>
There were no problematic soils (e.g. podzols and acid sulphate soils) on KHB Abedon CU. The estates maintained the following maps and documents for proof of recognized legal rights. Documents were sighted and verified. The terrain in KHB Abedon CU was rolling (6 to 12 mainly flat and undulating, 79.52%, which is 0°-15°. Only 1.91% of KHB Abedon CU was slopes >25°.</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
	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 KHB Abedon 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 by Boris Agriculture Services 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”.
7.6 Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.	7.6.1 (C) To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils, including steep terrain, are taken into account in plans and operations.	Yes	The KHB Abedon 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 considered in plans and operations.
	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 by Boris Agriculture Services Sdn. Bhd on September 2015. 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	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 KHB Abedon CU as supported by the soil maps of respective estates.

Clause	Indicators	Comply Yes/No	Findings
November 2018 and all peatlands are managed responsibly.	7.7.2 Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peat land Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).	Yes	This is not applicable as there is no peat soil in all estates in the KHB Abedon CU as supported by the soil maps of respective estates.
	7.7.3 (C) Subsidence of peat is monitored, documented and minimised.	Yes	
	7.7.4 (C) A documented water and ground cover management programme is in place.	Yes	
	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	

Clause	Indicators	Comply Yes/No	Findings
	7.7.6 (C) All existing plantings on peat are managed according to the 'RSPO Manual on Best Management Practices (BMPs) for existing oil palm cultivation on peat', version 2 (2018) and associated audit guidance.	Yes	This is not applicable as there is no peat soil in all estates in the KHB Abedon CU as supported by the soil maps of respective estates.
	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	
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 in Jan 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. Water supplies are made to all housing areas and office complexes in the respective estates and POM as the sources are from the internal water pond and catchment. River water quality (upstream and downstream) is tested twice a year to ensure the water supply is in usable condition. The water sampling was sent to third party lab. Based on the result, water quality monitoring is generally within WHO and Class IIB of INWQS at all monitoring parameters. The CU also maintained monitoring records of water usage which recorded every day and summarized on a 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.	Yes	For Estate, the continued availability of water sources and to avoid negative impacts on other users in the catchment has been concluded in the Environmental Compliance Report (ECR) for Tanaki Estate, provided by appointed third party. The ECR assessment was carried one every 4 months. Based on the ECR, 4 water sampling points are selected from small river or water course. Based on the result, water quality monitoring is generally within

<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>Class IIB of INWQS at all monitoring points.
For POM, final discharge samples were taken on a monthly basis and sent to an accredited laboratory for analysis. Among the parameters required by the DOE to be monitored are bio-oxygen demand (BOD), suspended solid (SS), oil and grease (O&G), ammoniacal nitrogen (AN) total nitrogen (TN) and pH value. The result was within the limit.</td></tr>
<tr><td></td><td>7.8.1b Workers have adequate access to clean water.</td><td>NO</td><td>Water supplies are made to all housing areas and office complexes in the respective estates and POM as the sources are from the internal water pond and catchment.
The worker’s quarters have adequate clean water supply by estate and mill management, the management also done the analysis to ensure water was safe for domestic use. Domestic water analysis results showed no adverse quality. Water analysis, both raw and treated water, conducted twice a year (In Compliance with WHO) and send the water sampling at the third-party lab. Based on the result; water quality monitoring is generally within WHO at all monitoring parameters.
However, during monitoring total coliform at these 2 divisions in Dec 2023, the following non-compliance on total coliform was noted:
<table>
<tr><td>Division</td><td>Results</td><td>Drinking water quality standard</td></tr>
<tr><td rowspan="2">Div. X</td><td>Total coliforms = 40</td><td>ND in 100ml</td></tr>
<tr><td>pH = 6.4</td><td>6.5-9.0</td></tr>
<tr><td rowspan="2">Div. Y</td><td>Total coliforms = 30</td><td>ND in 100ml</td></tr>
<tr><td>Manganese = 0.174</td><td>0.1</td></tr>
</table></td></tr>
<tr><td></td><td>7.8.2 (C) Water courses and wetlands are protected, incl. 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).</td><td>Yes</td><td>Water courses and wetlands were 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).</td></tr>
<tr><td></td><td>7.8.3 Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially BOD, is regularly monitored.</td><td>Yes</td><td>Sighted the valid Jadual Pematuhan for the milling process. It has been noted that the mill is providing the quarterly return to DOE in timely manner and the effluent results including BOD were within regulatory requirement.</td></tr>
<tr><td></td><td>7.8.4 Mill water use per tonne of FFB is monitored and recorded.</td><td>Yes</td><td>The water usage was monitored and recorded. Volume for 2023 vs 2024 were reviewed during audit.</td></tr>
<tr><td>7.9
Efficiency of fossil fuel use and the use of renewable energy is optimised.</td><td>7.9.1 A plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and documented.</td><td>Yes</td><td>The plan for efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and documented. Record on energy consumption for both renewable and non-renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Among the plan for improving fossil fuel are:</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>

Closely monitored operation of tractors
Minimise the electricity usage at workers housing
Replace light bulb with energy saving bulb
To switch off and unplug all the electrical equipment after used.
Minimise the lubricant oil usage through using small tractor for FFB evacuation

</td></tr>
<tr><td>7.10
Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions.</td><td>7.10.1 (C) GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.</td><td>Yes</td><td>
Sighted & received data GHG calculator calculated for year 2023 for Kretam Abedon CU. GHG emission has been identified and assessed to the estate and mill through list of waste, EIA, pollution prevention plan, etc. for year 2023/2024. CU calculated the emission through RSPO Palm GHG calculator version 4 (data as table below).

<u>Summary of Net GHG Emissions</u>

<table>
<tr><th>Emissions per Product</th><th>tCO2e/tProduct</th></tr>
<tr><td>CPO</td><td>0.95</td></tr>
<tr><td>PK</td><td>0.95</td></tr>
</table>

<table>
<tr><th>Land Use</th><th>Unit</th></tr>
<tr><td>OP planted on Mineral Soil</td><td>8195.19</td></tr>
<tr><td>OP planted on peat</td><td>0</td></tr>
<tr><td>Total oil palm planted</td><td>8195.19</td></tr>
<tr><td>Conservation (forested)</td><td>284.71</td></tr>
<tr><td>Conservation (non-forested)</td><td>0</td></tr>
<tr><td>OER</td><td>19.52</td></tr>
<tr><td>KER</td><td>4.06</td></tr>
</table>

<u>Summary of Field Emissions and Sinks</u>

<table>
<tr><th></th><th colspan="3">Own Crop</th></tr>
<tr><th></th><th>tCO2e</th><th>tCO2e/ha</th><th>tCO2e/tFFB</th></tr>
<tr><td>Emissions</td><td></td><td></td><td></td></tr>
<tr><td>Land Conversion</td><td>42030.00</td><td>9.62</td><td>0.62</td></tr>
<tr><td>*CO2 Emissions from Fertiliser</td><td>4220.33</td><td>0.97</td><td>0.06</td></tr>
<tr><td>**N2O Emissions fertilizer</td><td>2725.61</td><td>0.62</td><td>0.04</td></tr>
<tr><td>Fuel Consumption</td><td>860.42</td><td>0.20</td><td>0.01</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>Peat Oxidation</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Sinks</td><td></td><td></td><td></td></tr>
<tr><td>Crop Sequestration</td><td>-39838.88</td><td>-9.11</td><td>-0.58</td></tr>
<tr><td>Conservation Sequestration</td><td>0</td><td>0</td><td>0</td></tr>
<tr><td>Total</td><td>9997.49</td><td>2.29</td><td>0.15</td></tr>
</table>
<u>Mill Emissions and Credits</u>
<table>
<tr><th></th><th>tCO2e</th><th>tCo2e/tFFB</th></tr>
<tr><td>Emissions</td><td></td><td></td></tr>
<tr><td>POME</td><td>0</td><td>0</td></tr>
<tr><td>Fuel Consumption</td><td>783.78</td><td>0.01</td></tr>
<tr><td>Grid Electricity Utilisation</td><td>0</td><td>0</td></tr>
<tr><td>Credits</td><td></td><td></td></tr>
<tr><td>Export of Grid Electricity</td><td>0</td><td>0</td></tr>
<tr><td>Sales of PKS</td><td>0</td><td>0</td></tr>
<tr><td>Sales of EFB</td><td>0</td><td>0</td></tr>
<tr><td>Total</td><td>783.78</td><td>0.01</td></tr>
</table>
</td></tr>
<tr><td></td><td>7.10.2 (C) Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (guided by the RSPO GHG Assessment Procedure for New Development).</td><td>Yes</td><td>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 Abedon CU since November 2005. Hence, RSPO GHG Assessment Procedure for New Development was not applicable.</td></tr>
<tr><td></td><td>7.10.3 (C) Other significant pollutants are identified and plans to reduce or minimise them implemented and monitored.</td><td>Yes</td><td>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 minimize them are in place.</td></tr>
<tr><td>7.11
Fire is not used for preparing land and is prevented in the</td><td>7.11.1 (C) Land for new planting or replanting is not prepared by burning.</td><td>Yes</td><td>There was no land preparation in the CU by burning ever since KHB practiced zero burning. During the field visit the signages “Dilarang Membakar” were clearly displayed and no evidence of open burning observed.
It was observed that no fire had been used for land clearing in the 2022 and 2023 (Tanaki</td></tr>
</table>

Clause	Indicators	Comply Yes/No	Findings
managed area.			Estate), and at 2024 planting (Kolopis Estate) 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, BOMBA tank, etc.
	7.11.3 The unit of certification engages with adjacent stakeholders on fire prevention and control measures.	Yes	The CU also engaged with adjacent stakeholders on fire prevention and control measures by inviting them to join training conducted during stakeholder meeting in June 2024.
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	No new clearing was conducted to any additional land, primary forest, or HCV since first planting. Auditors have verified through checking through www.globalforestwatch.com, Google Maps, Estate Maps and also through site visits to all estates. Planting was carried out inside the designated area itself. Only replanting was carried out and is done in the existing area at both Tanaki Estate and Kolopis Estate.
	7.12.2 (C) HCVs, HCS forests and other conservation areas are identified as follows:	Yes	The HCV (High Conservation Value) Assessment for the Abedon CU (Conservation Unit) was carried out by the KHB Sandakan Region Biodiversity Team. This team is composed of experts from diverse fields, including plantation management, sustainability, and environmental science. The assessment incorporated feedback from various government agencies, including the Department of Forestry, the Department of Irrigation and Drainage, the Sabah Wildlife Department, and the Environmental Protection Department. The HCV Assessment considered the overall landscape surrounding the Abedon CU, taking into account both the immediate and surrounding areas. A revised Baseline Biodiversity Assessment was conducted in Dec 2022. This assessment includes specific actions for addressing the conservation of rare, threatened, or endangered (RTE) species within the Abedon CU, particularly those inhabiting small, High Conservation Value (HCV) areas, including unplanted slopes exceeding 25 degrees. These areas are categorized based on their ecological importance. The total HCV/Conservation area was 284.71 Ha.
	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
	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	The Biodiversity Team had identified the HCVs available within and surrounding its area. A management plan has also been developed to maintain/enhance the presence of the area. A riparian zone of 5 - 20 meters was provided for the stream running across/adjacent to the estates. Signages were placed at strategic location around the area to avoid any chemical spraying/ fertilising being carried out around the area. The plan was developed in consultation with the relevant authorities, especially the Sabah DID, Sabah Wildlife Department and also communities within the area. Continuous revision of the plan conducted annually with latest revision in July 2024. The plan has included the findings of summary of monitoring Plan which included the RTE Monitoring, evidence and Traces of RTE, HCV Monitoring area and it is also noted that HCV monitoring for both HCV area and RTE was performed in weekly interval. Sighted were form “Senarai haiwan yg terdapat di ladang” which can be filled in by workers when they have sighted any animal at field.
	7.12.5 Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peatland and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.	Yes	The HCV/environmentally sensitive areas mapped and do not diminish the rights of the local communities.
	7.12.6 All 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 “Environment and Biodiversity Briefing/Training” were conducted to workers, mandore and Estate Security for all estates. 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.

Clause	Indicators	Comply Yes/No	Findings
	7.12.7 The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.	Yes	The management plan documented also consists of the ongoing monitoring of all environmentally sensitive areas present in the plantation such as steep slopes, swampy areas and RTE species within the plantation area. Any unwanted incidences and occurrence of RTE species in the plantation is reported and documented. Report on the occurrence of wildlife species encountered in the estates was also made available during the audit. Monitoring of HCV was conducted in weekly interval which includes monitoring for signs of open burning, illegal hunting activities, fauna sightings, signboard etc. The overall management plan on the status of HCV area and RTE species of the CU is collated, reviewed, and monitored by the sustainability team in consultation with other stakeholders, especially the Forestry and Wildlife Departments and the community. It was also noted that the electrical fencing has been erected along the side of main road at one of the divisions, due to elephant intrusion of their immature palm.
	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	There has been no new land clearing done for the development of new planting. RaCP is not applicable to this site.

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 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 permitted only where the organization can demonstrate to the CB that they are justified. The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or chamber of commerce (or eq.);	Yes	

	(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	As above
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 reqs.	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.	Yes	

		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.		
	(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. 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.		No additional indicators	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

ATTACHMENT 4

DETAILS OF NON-CONFORMITIES AND CORRECTIVE ACTIONS TAKEN

<table>
<tr><th>P & C Indicator</th><th>Specification Major/Minor</th><th>Detail Non-conformances</th><th>Root Cause & Corrective Action Taken by the CU</th><th>Verification Statement by Auditors</th></tr>
<tr>
<td>3.8.7</td>
<td>Major</td>
<td>Requirement: 3.8.7- The site shall inform the CB immediately if there is a projected overproduction of certified tonnage.

Finding:
Abedon CU did not inform the Certification Body (CB) about the overproduction of certified tonnage.

Objective evidence:
During the verification of the Mass Balance accounting system, an overproduction of certified CPO tonnage was noted as follows:

<table>
<tr><th>Certified volume (license)</th><th>Certified volume produced</th></tr>
<tr><td>12,981.00 mt</td><td>14,567.16 mt</td></tr>
</table>
</td>
<td>The issue: Certified CPO production volume exceed in palm trace license approved volume. Client did not request CPO volume extension for this licenses period before CB did the RSPO surveillance audit.

The root cause: Overproduction of Certified CPO tonnage is due to certified crops received increase and OER% improved resulting CPO production increase and over the estimate volume. PIC did not notice or overlook on these matters

Correction: Client immediately requests for 3-month volume extension to SIRIM QAS INTERNATIONAL SDN. BHD through email. Request Extension Form already sent on 12/9/2024.

Corrective action: Client adopts a monthly monitoring system (checklist) for certified FFB, CPO & PK. For RSPO IT platform procedure, client revise the procedure to include the monitoring mechanism above.</td>
<td>Root cause accepted. Effective monitoring not in place.
Sighted an evidence of email request the extension made on date 12/09/2024, and the extension has been approved by RSPO in Oct 2024. Also sighted CU revised the current procedure AOM-ADM-SCCS-005, dated 12/09/2024 to include the monitoring the overproduction monthly and established a checklist.

Status: closed</td>
</tr>
<tr>
<td>7.8.1 b</td>
<td>Minor</td>
<td>Requirement: 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: 7.8.1b Workers have adequate access to clean water.

Finding:
Monitoring of water sources and to avoid negative impacts and</td>
<td>The issue: The treated water quality tab test result shows parameters for pH and Manganese does not comply with the drinking water quality standard.

The root cause: There is no specific person-in-charge designated to monitor the water quality test results which cause the</td>
<td>Root cause and corrective action plan accepted; the effectiveness of corrective action plan will be verified during next audit.

Status: open</td>
</tr>
</table>

<table>
<tr>
<td></td>
<td></td>
<td>to ensure workers has adequate clean water was not implementing according to water management plan.

Objective evidence:
During the monitoring of treated water analysis conducted by the third-party lab at Div. X and Div. Y on 08/12/2023, non-compliance with the following parameters was noted:

<table>
<tr><th>Division</th><th>Results</th><th>Drinking water quality standard</th></tr>
<tr><td rowspan="2">X</td><td>Total coliforms = 40</td><td>ND in 100ml</td></tr>
<tr><td>pH = 6.4</td><td>6.5-9.0</td></tr>
<tr><td rowspan="2">Y</td><td>Total coliforms = 30</td><td>ND in 100ml</td></tr>
<tr><td>Manganese = 0.174</td><td>0.1</td></tr>
</table>

The recommendation made by the water management plan to increase the dosage of Soda Ash if pH is below 7 was not complied with (the total dosage remains at 850 grams since year 2023).

There was no follow-up conducted for the non-compliant parameters.</td>
<td>lack of oversight and follow-up action. As a result, the recommendations in the water management pian are not effectively implemented.

Corrective Action: To engage with mill on water treatment services to assists and provide recommendation for any non-complaint parameter.

To appoint a person in charge to be responsible in monitoring the water quality in all divisions.

To communicate the water management plan to PIC to ensure implementation and monitoring are carried out accordingly.</td>
<td></td>
</tr>
</table>

ATTACHMENT 5

STATUS OF NON-CONFORMITIES PREVIOUSLY IDENTIFIED

P & C Indicator	Specification Major/Minor	Detail Non-conformances	Corrective Action & Verification by Assessor
MZK 01 2023 6.1.5	Major	Requirement: 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. 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. 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.	The Code of Conduct & Human Rights Policy Statement demonstrates our commitment to advancing women within the organization and ensuring their protection. Quarterly meetings review progress, with recent minutes from: Tanaki Estate: 20/06/2024, 18/03/2024 Kolopis Estate: 11/06/2024, 19/03/2024 POM: 20/07/2024, 22/03/2024 These meetings addressed complaints, raised awareness, and tackled various issues, including support for single mothers, older female workers, widows, and retirement planning as well as opportunities and improvements for women. The committee also highlighted a dedicated budget to support these initiatives, underscoring our commitment to gender equality and women's welfare. Additionally, a WhatsApp group was set up to monitor and address any issues related to women's welfare quickly. *As a result, the previous Major NCR has been satisfactorily closed*
3.7.2 RMN 01	Minor	Requirement: 3.7.2 Records of training are maintained, where appropriate on an individual basis. Finding: Record of training not appropriately maintained.	Tanaki Estate • Training for harvester on 24/10/2023 & 27/02/2024 • Training for sprayer on 17/10/2023 • Welding & oxy training on15/06/2023 • Accidents procedure training on 04/08/2023

		Objective evidence: Found that no evidence of training records for Authorized Entrant and Stand By person for employees whom enter confined space on 1/3/2023 (boiler feed water tank).	• Fired drill training on 03 & 12/08/2024 • Chemical spillage handling training on 11/08/2023 & 12/06/2024 • Buffer zone awareness training on 13/01/2023 & 19/01/2024 • 1st aider training on 06/06/2023 • Manuring training on 14/06/2023 • Whistle blowing training on 04/08/2023 • Heat stress management training on 16/02/2024 • Fire extinguisher training on 23/04/2024 • SW handling training on 19/04/2024. Kolopis Estate • Sprayer training on 09/03/2024 • Training for harvester on 28/02/2024 • Bees and safety guide training on 15/03/2024 • Training for manuring operator on 07/03/2024 • 1st aid training on 10/06/2024 • Fire drill & emergency evacuation training on 22/07/2024 • Hygiene procedure training on 22/05/2024 • Health talk on 11/05/2024 • Chemical handling training on 17/05/2024 • Buffer zones awareness training on 26/01/2024 • SW handling training on 25/02/2024 • Safe fertilizer application training on 16/06/2023 • Slashing training on 21/11/2023. Abedon POM • Confined space training on 06/02/2024 • Water treatment plant training on 30/01/2024 • Workplace inspection training on 1-15/01/2024 • Working at height training on 06/02/2024 • ERP training on 02-03/03/2024 • Workshop operator training on 18/03/2024 • Fire drill training on 01/06/2024 • Chemical handling training on 27/12/2023 • Health talk on 16/12/2023. • AESP training for confined space operator conducted by NIOSH on date 16/10/2023 & 24/04/2024, thus previous NCR was satisfactory closed.

<table>
<tr>
<td>6.7.4
RMN 02</td>
<td>Minor</td>
<td>Requirement: 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.

Finding: No medical claim for workers detected with hearing problem been submit.

Objective evidence:
Report of JKKP 7 for 3 workers at mill were sighted for year 2022 and 2023 which detected from audiometric test that had hearing problem occurred from occupational. At the time of audit, no evidence that Abedon Oil Mill had submit SOCSO application for all stated cases.</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 (August) payment has been verified:

<table>
<tr><th></th><th>Estate/Mill (SOCSO)</th><th>Total amount</th><th>Total employee</th></tr>
<tr><td>1</td><td>Tanaki Estate</td><td>12,945.70</td><td>322</td></tr>
<tr><td>2</td><td>Kolopis Estate</td><td>9123.20</td><td>238</td></tr>
<tr><td>3</td><td>Abedon POM</td><td>5757.80</td><td>100</td></tr>
</table>

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 located near to certification unit.

Abedon CU provides medical care to Group Estate workers with Klinik Ladang established within the premises.

Sighted at Abedon POM 2 cases of hearing impairment as per reported in JKKP 7 has been reported to PERKESO in March 2024. Results from PERKESO investigation as per below:
• 1 case – not approved no occupational disease’
• 1 case – approved by PERKESO and issueance of hearing equipment – currently in progress – related to bank account system – payment channel by PERKESO to Pro hearing Audiolab System Sdn Bhd

Also sighted 1 case accident on date12/09/2023 as submission insurance claim has been made by CU on 27/09/2023 – sighted approval PERKESO on date 24/10/2023 total amount RM 1630.22

Thus, previous NCR was satisfactory closed.</td>
</tr>
<tr>
<td>NEA 01 2023
2.2.2</td>
<td>Minor</td>
<td>Requirement:
2.2.2 All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party. Evidence of legal due diligence of all contracted third parties, recruitment agencies (licensed/accredited) for migrant workers, service providers and labour contractors, is available.</td>
<td>Each contract issued to suppliers and contractors contain a clause requiring compliance with legal requirements. Sighted during the audit were contracts between with crude palm oil and palm kernel transporters, namely, there is evidence that agreements with third parties contain clauses on meeting applicable requirements.
During this Audit, Auditor has found that legal due diligence has been conducted by KHB Headquarters, Sandakan. Sighted the records namely ‘Contractors and their Employee Profile records 2024’ that contain everything from contractors name,</td>
</tr>
</table>

		Finding: Insufficient evidence of legal due diligence by contractors. Objective evidence: It was noted that the appointment of contractor to perform specific task at Abedon CU was arranged by KHB Headquarters, Sandakan. However, it was found that there is insufficient evidence of legal due diligence conducted prior awarding contract to contractors.	detail of their workers until their workers training and found that this evidence has enough to close minor non-conformance NEA 01 2023.
NEA 02 2023 2.1.2	Minor	Requirement: 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. Finding: Insufficient evidence of monitoring for renewal of Pas Lawatan Kerja Sementara (PLKS) Objective evidence: Kolopis Estate At the time of audit, it was found that PLKS on 1 worker has expired 6 May 2023 and FOMEMA was only conducted on 22 May 2023. The PLKS of the workers is currently in-progress for renewal. Tanaki Estate At the time audit, it was found that PLKS of 3 workers has expired or near to expiry date. It was noted that the renewal is in-progress. However, the submission to PLKS renewal agency is inconsistent as the renewal may require longer period of time which lead to failure to obtain the renewal prior to its expiry.	A review of the Workpass Renewal Flowchart, dated 08/11/2023, showed that the process from receiving the master list of deductions from HQ to returning the passports takes 150 days. This timeframe matches the expected operational schedule. Verified the passports of 42 foreign workers from Indonesia and the Philippines and confirmed that the submission for PLKS renewal followed the correct procedures. All renewals were completed before the workers' current permits expired. This demonstrates good coordination between the estate, HQ, and the agency, reducing the risk of delays or legal issues. *Previous nonconformities have been satisfactorily addressed.*
NEA 03 2023 3.5.1	Minor	Requirement: 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. Finding: There is no SOP Employment for recruiting foreign workers via walk in process.	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 ▪ Recruitment of Foreign Worker Procedure ▪ Foreign Worker Resignation & Termination Procedure

		Objective evidence: It was noted that KHB Group has established Recruitment of Foreign Workers Procedure for recruitment of documented foreign workers. However, there is no procedure established for SOP Employment for recruiting foreign workers via walk in process.	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. Based on the Standard Operating Procedure Recruitment of Foreign Worker, sighted clear procedure on walk in process and timeline for the working pass application. In addition, observed clear procedures or mechanism to ensure zero recruitment fees has been emphasized in the Foreign Worker Policy. Based on interviews with sampled new workers engaged, it is 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. *As a result, the previous Minor NCR was satisfactorily closed.*

ATTACHMENT 6 – Timebound Plan

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
ABEDON OIL MILL SDN BHD	*MALAYSIA*	*KOLOPIS ESTATE*		5.298056° N	117.956667° E	2,489.86	Certified
ABEDON OIL MILL SDN BHD	*MALAYSIA*	*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 MILL	*MALAYSIA*	*SILIMPOPON 1 ESTATE*		*N 4°019'44.76*	*E 117°27'32.88*	*3,934.8200*	*Certified*
SILIMPOPON MILL	*MALAYSIA*	*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
SYARIKAT KRETAM MILL	*MALAYSIA*	*BODE ESTATE*	OFF KM 45 SANDAKAN-LAHAD DATU HIGHWAY, KINABATANGAN, SANDAKAN SABAH	N 050° 38' 37.3"	E 117°0 49' 54.0"	3,472.82	Certified

SYARIKAT KRETAM MILL	*MALAYSIA*	*MASANG ESTATE*	OFF KM 45 SANDAKAN-LAHAD DATU HIGHWAY, KINABATANGAN, SANDAKAN SABAH	N 050° 39' 47.3"	E 117°0 51' 55.8"	3,047.65	Certified
SYARIKAT KRETAM MILL	*MALAYSIA*	*WINPALM ESTATE*	OFF KM 45 SANDAKAN-LAHAD DATU HIGHWAY, KINABATANGAN, SANDAKAN SABAH	N 050° 43' 16.4"	E 117°0 53' 47.9"	130.97	Certified
SYARIKAT KRETAM MILL	*MALAYSIA*	*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
SYARIKAT KRETAM MILL	*MALAYSIA*	*BUKIT SEKONG ESTATE*	BATU 60, JALAN SUKAR, KINABATANGAN, SANDAKAN SABAH	N 050° 36' 12.8"	E 117°0 54' 09.8"	853.33	Certified
SYARIKAT KRETAM MILL	*MALAYSIA*	*SUKAU ESTATE*	KM136, JALAN SUKAU / SANDAKAN, KINABATANGAN, SANDAKAN SABAH	N 050° 32' 54.3"	E 118°0 15' 43.0"	103.63	Certified
SYARIKAT KRETAM MILL	*MALAYSIA*	*SERAYA ESTATE*	SERAYA ESTATE, MILE 50, LABUK ROAD, 90200 KINABATANGAN	5.644234° N	117.601625°E	853.43	Certify on August 2023