RSPO ISH CERTIFICATION AUDIT REPORT
(LKM TRADING)

Audit Application Number:	IS25-000812
Assessment Type:	Milestone B - Annual Surveillance Audit 1
Phases	Multiphase Audit
Date of Assessment:	14 January 2026 – 16 January 2026
Audit Report Number:	01
Revision Number:	REV 0
Audit Report Date:	17 April 2026

Table of Contents

1. Certification Body Background 3

1.1 Description of Certification Body 3

2. Organisation Details and Certification Scope 4

2.1 Organisational Overview 4

2.2 RSPO Membership Information 4

2.3 Certificate Information 5

3. Description of the Management Unit 6

3.1. Area Statement of the Management Unit 9

3.2. Age Profile of the Management Unit 9

3.3. Replanting Program of the Management Unit 9

3.4. Projected Certified Volume for Next License 10

3.5. Information of Previous & Current License 11

4. Audit Programme 12

4.1 Audit Methodology 12

4.2 Audit Team Member 12

4.3 Audit Plan 13

4.4 Sampling Details 15

4.5 Audit Team Leader and Audit Team Information 16

5. Audit Findings & Result 20

6. Summary of Audit Findings 79

7. Nonconformity(ies) Issue in This Audit 80

8. Opportunity for Improvement (OFI) Issue in This Audit 81

9. Non-conformity (ies) Raised in the Previous Audit 82

10. Stakeholder Consultation 84

10.1 For Audit Report 84

10.2 For Public Summary Report 85

11. Audit Conclusion & Recommendation 85

12. Acknowledgment of Internal Responsibility and Formal Sign-off Assessment Findings 88

13. Appendix 1: Maps 90

14. Appendix 2: History of the changes in the current certification cycle 95

1. Certification Body Background

1.1 Description of Certification Body

Certification Body Information	
Name of Certification Body	SIRIM QAS International Sdn. Bhd.
Address of Certification Body (Accredited Office)	Building 4, SIRIM Complex, No. 1 ,Persiaran Dato' Menteri, Section 2, P.O. Box 7035, 40911 Shah Alam, Selangor, Malaysia.
Background of the Certification Body	SIRIM QAS International Sdn. Bhd. is the leading certification, inspection and testing body in Malaysia. SIRIM QAS International provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally and nationally recognised standards. Attestation of this fact is the accreditation of the various certification and testing services by leading national and international accreditation and recognition bodies such as the Department of Standards Malaysia (STANDARDS MALAYSIA), the United Kingdom Accreditation Services (UKAS) and the International Automotive Task Force (IATF). SIRIM QAS International is a partner of IQNet, a network currently comprising of leading certification bodies in Europe, North and South America, East Asia and Australia. SIRIM QAS International has vast experience in conducting audits related to RSPO certification. It has certified more than a hundred palm oil mills and several estates to ISO 14001 & ISO 45001. SIRIM QAS International has also conducted many audits for sustainable production of palm oil products against the requirements of the RSPO P&C. SIRIM QAS International was approved by the RSPO as a RSPO certification body on 21 March 2008 and re-accredited by ASI on 3 October 2019 (accredited 2014).
Phone Number (Accredited Office)	603-5544 6448
Websites	https://www.sirim-qas.com.my/
Contact Person Name	Kamini Sooriamoorthy
Email	kamini@sirim.my
Accreditation Information	
ASI Code	ASI-ACC-065
Technical Scope	RSPO P&C; RSPO SCC
Geographical Scope	Worldwide for SCCS (excluding China), Malaysia and Indonesia for P&C
Accredited Since	27 September 2014

2. Organisation Details and Certification Scope

2.1 Organisational Overview

Management Unit Information	
Name of Management Unit	LKM Trading
Address of the Management Unit	Sungai Segama, Jalan Jeroco, 91109 Lahad Datu, Sabah.
Country	Malaysia
Website	Not applicable
Description of the Management Unit	LKM Trading (Group 3) became a member of the Roundtable on Sustainable Palm Oil (RSPO) on 8 January 2019, under membership number 1-0268-19-000-00. The Independent Smallholder (ISH) Group comprises six (6) members, managing a total of 174.381 hectares of certified area, of which 146.961 hectares are planted. The group is located at Sungai Segama, Jalan Jeroco, Lahad Datu, Sabah. The smallholders' holdings are situated in close proximity to Hap Seng Plantations' facilities, namely Bukit Mas Palm Oil Mill (POM), Jeroco 1 POM, and Jeroco 2 POM. The ISH group is supported by Hap Seng Plantations.
Management Representative Name	Chua Soon Lee @ Liew Soon Lee
Management Representative Designation	Group Manager
Management Representative Email	slchua@yahoo.com

2.2 RSPO Membership Information

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

2.3 Certificate Information

Certificate Information	
Certificate No.	RSPO-PC 00131
prisma Document Reference No.	*(N/A until notified)*
prisma Management Unit ID	MU25-015979
prisma Trading Account ID	TA25-016644
Scope of Certification	Production of Sustainable Fresh Fruit Bunches
Supply Chain Model	**Identity Preserved (IP)**
Applicable Standards / Normative Reference	☒ RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard 2020 ☒ 2024 RSPO Independent Smallholder (ISH) Standard
National Interpretation (NI)	Not Applicable
Initial Date of Certification	16 March 2020
Start Date of Certificate – Phase E	16 March 2025
Expiry Date of Certificate – Phase E	15 March 2027
Start Date of Certificate – Phase MS A	16 March 2025
Expiry Date of Certificate – Phase MS A	15 March 2026
Start Date of Certificate – Phase MS B	16 March 2025
Expiry Date of Certificate – Phase MS B	15 March 2030
Name of Peer Reviewer	Only for the case of IC or RC

3. Description of the Management Unit

Information of Independent Smallholder Group					
Name of Independent Smallholder Group	Address of Independent Smallholder Group	Area Summary (Ha)		GPS Coordinates	
		Total Certified Area	Total Planted Area	Latitude	Longitude
LKM Trading	Sungai Segama, Jalan Jeroco, 91109 Lahad Datu, Sabah.	174.381	146.961	5º 18' 31.89" N	118º 29' 53.51" E

Information of Independent Smallholder Group Members												
No.	Name of Smallholder	prisma Smallholder Profile ID	Smallholder Plot Name	Prisma Smallholder Plot ID	Location	Date of Joining	Phase	GPS Coordinates		Area Summary (Ha)		Forecasted Annual FFB Production
								Latitude	Longitude	Total Certified Area	Total Planted Area	
1.	Chua Soon Lee @ Liew Soon Lee And Chua Soon Nyee	SH25-063719	Chua Soon Lee @ Liew Soon Lee And Chua Soon Nyee	SHPL25-015240	Kinabatangan	08 January 2019	Milestone B	5.308858	118.498197	30.385	29.555	396.00
2.	Chua Soon Dee @ Liew Soon Dee And Chua Soon Yee @ Liew Soon Yee	SH26-000065	Chua Soon Dee @ Liew Soon Dee And Chua Soon Yee @ Liew Soon Yee	SHPL25-015240	Kinabatangan	08 January 2019	Milestone B	5.308858	118.498197	30.385	29.555	396.00
3.	Lim Engit Fun	SH25-060700	Lim Engit Fun	SHPL25-015236	Kinabatangan	27 January 2023	Milestone B	5.387303	118.710397	29.101	27.551	620.00
4.	Noriza Ariffin	SH25-063417	Noriza Ariffin	SHPL25-015327	Kinabatangan	16 October 2024	Eligibility	5.340980	118.525086	31.84	11.03	145.00

5.	Chen Tet Khiong @ Tsen Tet Khong	SH25-063718	Chen Tet Khiong @ Tsen Tet Khong		Kinabatangan	09 December 2025	Eligibility	5.367305	118.757805	26.50	25.27	500.00
6.	Chin Fui Chuen	SH25-063717	Chin Fui Chuen		Kinabatangan	09 December 2025	Eligibility	5.367305	118.757805	26.17	24.00	500.00
Total										**174.381**	**146.961**	**2557.00**

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

1) In 2025, two (2) smallholder members were joined under Eligibility on 09 December 2025. Total of ISH are 6 members.
2) The yellow highlights indicate samples taken from the 4 existing smallholders.
3) The blue highlights represent samples taken from 2 new smallholders.

3.1. Area Statement of the Management Unit

Name of the Independent Smallholder Group	Certified Area (Ha)	Planted Area (Ha)			Un-Planted Area (Ha)		
		Oil Palm Planted on Non-Peatland	Oil Palm Planted on Peat	Other Crop(s)	HCV	Conservation	Facilities / Others*
LKM Trading	174.381	146.961	0.00	0.00	0.52	0.00	26.90
TOTAL	**174.381**	**146.961**	**0.00**	**0.00**	**0.52**	**0.00**	**26.90**
Remarks: To include additional information wherever applicable.							

3.2. Age Profile of the Management Unit

Name of the Independent Smallholder Group	Land size (Ha) by age of the Oil Palm				Total Production Area (Ha)	Total PlantedArea (Ha)
	0 - 3 Phase 1	4 – 6 Phase 2	7 – 18 Phase 3	>19 Phase 4		
LKM Trading	0.00	0.00	21.68	125.281	146.961	146.961

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

3.3. Replanting Program of the Management Unit

Name of the Independent Smallholder Group	Size of Land by Years (Ha)					Total Area (Ha)
	2026 *(current year)*	2027 *(current year+1)*	2028 *(current year+2)*	2029 *(current year+3)*	2030 *(current year+4)*	
LKM Trading	0.00	0.00	0.00	0.00	0.00	0.00
Total Area (Ha)	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
Remarks: To include additional information wherever applicable.						

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

3.4. Projected Certified Volume for Next License

Information of New License		
Next License Period	Start Date	16 March 2026
	End Date	15 March 2027
Projected IS-FFB Volume (MT) - Phase E	458.00	
Average Production Yield (MT/Ha) - Phase E	18.98	
Projected IS-CSPO Volume (MT)- Phase E	91.60	
Projected IS-CSPKO Volume (MT) - Phase E	10.08	
Projected IS-CSPKE Volume (MT) - Phase E	12.60	
Projected IS-FFB Volume (MT) - Phase MS A	0.00	
Average Production Yield (MT/Ha) - Phase MS A	0.00	
Projected IS-CSPO Volume (MT) - Phase MS A	0.00	
Projected IS-CSPKO Volume (MT) - Phase MS A	0.00	
Projected IS-CSPKE Volume (MT) - Phase MS A	0.00	
Projected FFB (ISH) Volume (MT) - Phase MS B	1412.00	
Average Production Yield (MT/Ha) - Phase MS B	16.29	
Remarks: To include additional information wherever applicable.		

3.5. Information of Previous & Current License

Information of License	Previous Year License		Current Year License	
License Period	Start Date	11 February 2025	Start Date	16 May 2025
	End Date	17 May 2025	End Date	14 May 2026
Actual Production Period Reported	From	11 February 2025	From	16 May 2025
	To	17 May 2025	To	16 January 2026
Projected IS-FFB Volume (MT) - (for phase E)	180.00		58.00	
Projected IS-CSPO Volume (MT) - (for phase E)	36.00		11.60	
Projected IS-CSPKO Volume (MT) - (for phase E)	9.00		1.305	
Projected IS-CSPKE Volume (MT) - (for phase E)	4.95		1.595	
Projected IS-FFB Volume (MT) - (for phase MS A)	0.00		434.00	
Projected IS-CSPO Volume (MT) - (for phase MS A)	0.00		86.80	
Projected IS-CSPKO Volume (MT) - (for phase MS A)	0.00		9.765	
Projected IS-CSPKE Volume (MT) - (for phase MS A)	0.00		11.935	
Projected FFB (ISH) Volume (MT) - (for phase MS B)	1100.00		1100.00	
Actual Production of FFB	1050.00		524.00	
Actual FFB Volume Sold as RSPO Certified (MT) - (for phase MS B)	1050.00		524.00	
Actual FFB Volume Sold as Conventional (MT) - (for phase MS B)	0.00		0.00	
Actual FFB Volume Sold as Other Scheme (MT) - (for phase MS B)	0.00		0.00	
Total Actual FFB Volume Sold (MT) - (for phase MS B)	1050.00		524.00	
Actual IS-CSPO Credits Volume Sold	0.00		0.00	
Actual IS-CSPKO Credits Volume Sold	0.00		0.00	
Actual IS-CSPKE Credits Volume Sold	0.00		0.00	
Remarks: To include additional information wherever applicable.				

4. Audit Programme

4.1 Audit Methodology

The on-site assessment was carried out from 14 to 16 January 2026. The audit programme is provided in Section 4.3. Where applicable, a 30-day Public Notification was issued through the RSPO and SIRIM websites prior to the initial certification and recertification audits.

The audit approach was to assess the independent smallholders as a single RSPO Certification Unit. The assessment covered a range of occupational health and safety, environmental, best management practices, and social aspects. These included considerations of topography, palm maturity, proximity to High Conservation Value (HCV) areas or wildlife corridors, designated conservation areas, engagement with local communities, as well as workers' welfare and safety.

The collection of objective evidence was undertaken through site inspections, observation of activities and processes, interviews with staff, workers and their families, as well as external stakeholders, and a review of relevant documents and monitoring records. Compliance was assessed using the Independent Smallholder Standard 2024 as the normative reference. Feedback received from external stakeholders was also considered during the assessment.

The minimum sampling requirement was four estates. For certification units comprising more than four (4) estates, the sample size was determined using the formula $N = (\sqrt{y}) \times z$, where y represents the total number of estates and z is the risk-based multiplier. Similarly, sampling of smallholders was determined using the formula $(\sqrt{y}) \times z$, where y refers to the total number of group members and z is defined through risk assessment. Details of the sampled smallholders are provided in Section 4.4 of this P&C audit.

Stakeholder meetings were conducted to obtain their views on the performance of the certification unit in relation to RSPO requirements and to identify areas for potential improvement. At the beginning of each session, the interviewer explained the audit objectives, followed by an assessment of the relationship between the stakeholder and the company before proceeding with discussions. All stakeholder feedback was recorded and incorporated into the assessment findings.

The interviews with male and female workers and staff were conducted privately at the workplace. Fieldworkers were interviewed informally in small groups at the field sites. Additionally, dependents of workers and staff were engaged through informal group discussions at their housing areas. Separate visits were also made to each local community to meet with village heads and residents. No management representatives were present during any internal or external stakeholder interviews. The list of stakeholders consulted is presented in Section 10.

4.2 Audit Team Member

Auditor Name	Role	CAB Auditor Number
Dzulfiqar Azmi (DA)	Lead Auditor	ASI1GIVNPH
Mohd Zulfakar Kamaruzaman (MZK)	Auditor	ASI17IDGG4
Rozaimee Ab Rahman (RAR)	Auditor	ASI1AU6HF7

4.3 Audit Plan

Date	Time	Auditor Profile ID	Location	Activity
14 January 2026	09.00 am	ASI1GIVNPH ASI17IDGG4 ASI1AU6HF7	ISH Office	▪ Opening Meeting for **LKM Trading.** Audit team introduction and briefing on assessment objectives, scope, methodology, criteria and programmes by SIRIM QAS Audit Team Leader. Briefing on the organization background and implementation of RSPO ISH (including actions taken to address previous audit findings) by ISH Group Members/Group Manager. ▪ Travel to smallholder's plots and their facilities
14 January 2026	10.00am to 6.00pm	ASI1GIVNPH	▪ Chua Soon Lee @ Liew Soon Lee and Chua Soon Nyee (MS B) ▪ Lim Engit Fun (Upgraded to MS B)	▪ Interview with Group Manager ▪ Interview with Group Members ▪ Site inspection at smallholder's plots and their facilities
		ASI17IDGG4 ASI1AU6HF7	▪ Chua Soon Dee @ Liew Soon Dee and Chua Soon Yee @ Liew Soon Yee (MS B) ▪ Chen Tet Khiong (New Member – E) ▪ Chin Fui Chuen (New Member – E)	▪ Interview with Group Manager ▪ Interview with Group Members ▪ Site inspection at smallholder's plots and their facilities
15 January 2026	09.00am to 6.00pm	ASI1GIVNPH	ISH Office	**Reviewed and assessed Internal Control System:** ▪ The smallholder group is established as an independent legal entity. ▪ The group manager is responsible for managing the group for certification. ▪ The Smallholder group's Internal Control System (ICS) shall contain documented policies, procedures, and group management requirements. ▪ The smallholder group's business plan is established with the participation and contribution of the group members. ▪ The smallholder group's Internal Control System (ICS) is integrated with the group's management plan. ▪ The smallholder group develops and implements procedure(s) and system(s) for tracking of FFB

				production (i.e., separate record for certified and non-certified, if any) by the group members. ▪ The group has a procedure and system for premium distribution.
	09.00am to 6.00pm	ASI17IDGG4	ISH Office	**Reviewed and assessed documents:** Principle 2: RSPO Smallholders comply with the law and respect communities' rights ▪ Smallholders have the rights to use the land in accordance with national, local, or customary practices. ▪ Smallholders have not acquired lands from indigenous peoples, local communities, or other users without their Free, Prior and Informed consent (FPIC), based on a simplified FPIC approach. Principle 3: RSPO Smallholders safeguard human rights, protect workers' rights, and ensure safe and decent working conditions ▪ There shall be no forced labour in the smallholder plots. ▪ Smallholders shall not hire or exploit children in the operation(s) at the smallholder plots. ▪ Smallholders shall ensure workers (if any) are paid at least the legal minimum wage. ▪ Workers understand their rights, have access without retaliation to file a complaint or grievance to the Group Manager or relevant third parties, including RSPO. ▪ Working conditions and facilities are safe and meet minimum legal requirements. ▪ There is no discrimination, intimidation and harassment (including threats), sexual harassment, abuse, and/or violence in smallholder plots.
	09.00am to 6.00pm	ASI1AU6HF7	ISH Office	**Reviewed and assessed documents:** Principle 1: RSPO Smallholders implement professional operations to optimise productivity and secure sustainable livelihood improvements ▪ Smallholders implement Best Management Practices (BMPs) on their plots. Principle 4: RSPO Smallholders protect the environment, conserve biodiversity, enhance ecosystems, and sustainably manage natural resources ▪ High Conservation Values (HCVs)

				and High Carbon Stock (HCS) forests in smallholder plots, identified through the RSPO Simplified HCV Approach and Independent Smallholder - Land Use Risk Identification (IS-LURI) are managed to ensure that they are maintained and/or enhanced. ▪ Fire is not used on the smallholder plots for land preparation or for pest and disease management, and no open burning for waste management within the smallholder plots. ▪ Riparian reserves are identified and managed to ensure maintenance and/or improvement, in accordance with national legislation or the latest version of the RSPO Best Management Practices (BMPs) Manual for Management and Rehabilitation of Riparian Reserves. ▪ Pests and diseases, weeds and invasive species are managed using appropriate techniques, including Integrated Pest Management (IPM).
16 January 2026	09.00 am to 6.00 pm	ASI1GIVNPH ASI17IDGG4 ASI1AU6HF7	ISH Office	▪ Continue the assessment and verification of outstanding issues to ensure full compliance. The auditor will clearly communicate to the auditee the required documents, records, and any corrective actions needed. ▪ Closing Meeting

4.4 Sampling Details

No. of Smallholders	Phase	Risk Factor	Sampling Calculation Result	Total Sampled
3	**Eligibility x = (√y) x 0.5**	**Not Applicable**	**0.86**	**3**
0	**Milestone A x = (√y) x 0.8**	**Not Applicable**	**N/a**	**N/a**
3	**Milestone B x = (√y) x (z)**	Low Risk	**1.7**	**3**

4.5 Audit Team Leader and Audit Team Information

Audit Team Leader: Dzulfiqar Azmi (DA)	
Requirements	**Description**
At least five (5) years of field experience in the palm oil sector, health and safety, or environmental management. These include experience in HCV and HCS assessment, social auditing or involvement in human rights activities;	Had more than 5 years in the palm oil sector, health and safety, environmental management and social human right management.
A supervised (by a qualified lead auditor) period of training in practical audits against the RSPO P&C and/or RSPO ISH standard, with a minimum of 15 days audit experience in at least three (3) audits;	Had attended training RSPO P&C and RSPO ISH standard and completed evaluation and qualified as lead auditor RSPO since 2020.
Successfully completed a refresher course for RSPO endorsed P&C lead auditor course every three (3) years after the initial qualification as lead auditor	Successfully completed refresher course for RSPO endorsed P&C lead auditor course every three (3) years after the initial qualification as lead auditor in 2023.

Audit Team Member(s): Mohd Zulfakar Kamaruzaman (MZK) Rozaimee Ab Rahman (RAR)		
Requirements	**CAB Auditor Number**	**Description**
Possess a bachelor's degree or tertiary education in related disciplines, such as agriculture, environmental science or social sciences, etc;	ASI1GIVNPH (DA)	Holds a B.SC. (Hons) in Plantation Technology and Management from Mara Technological University (UiTM).
	ASI17IDGG (MZK)	Hold B. Sc. Forestry from University Putra Malaysia
	ASI1AU6HF7 (RAR)	Holds a B. Sc. of Agriculture from UPM.
At least three (3) years of field experience in the palm oil sector, health and safety, or environmental management. These include experience in HCV and HCS assessment, social auditing or involvement in human rights activities	ASI17IDGG (MZK)	He had more than 5 years of working experience in the oil palm operation and experience in HCV and HCS assessment auditing since 2015.
	ASI1AU6HF7 (RAR)	He had 7 years of working experience in the oil palm operation.
	ASI1GIVNPH (DA)	Completed RSPO endorsed P&C lead auditor course in 2018 by Chemark Training.

Successfully completed an RSPO endorsed P&C lead auditor course	ASI17IDGG (MZK)	Completed RSPO endorsed P&C lead auditor course in 2015 by Wild Asia.
	ASI1AU6HF7 (RAR)	Completed RSPO endorsed P&C lead auditor course in 2017 by Chemark Training.
Successfully completed the 5-day lead auditor course for ISO 9001 or ISO 14001 or ISO 45001;	ASI1GIVNPH (DA)	Successfully attended Integrated Management System lead assessor course in 2017.
	ASI17IDGG (MZK)	Successfully attended 5-day lead auditor course for ISO 9001, ISO 14001 and ISO 45001 in 2015.
	ASI1AU6HF7 (RAR)	Successfully attended 5-day lead auditor course for ISO 9001, ISO 14001 and ISO 45001 in 2016, 2018.
Demonstrable understanding of the latest version of RSPO Certification Systems	ASI1GIVNPH (DA)	Capable of demonstrating knowledge and application of the latest version of the RSPO Certification Systems.
	ASI17IDGG (MZK)	Capable of demonstrating knowledge and application of the latest version of the RSPO Certification Systems.
	ASI1AU6HF7 (RAR)	Capable of demonstrating knowledge and application of the latest version of the RSPO Certification Systems.
For auditors auditing the ISH standard, auditors shall additionally be trained on the ISH standard either by the endorsed trainer or RSPO;	ASI1GIVNPH (DA)	Attend and passed training lead assessor for ISH by RSPO on year 2023
	ASI17IDGG (MZK)	Attend and passed training lead assessor for ISH by RSPO on year 2023
	ASI1AU6HF7 (RAR)	Attend and passed training lead assessor for ISH by RSPO on year 2022
A supervised (by a qualified auditor/lead auditor) period of training in practical audit against the RSPO P&C, with a minimum of 10 days of audit experience in at least two (2) audits.	ASI1GIVNPH (DA)	Had completed and pass evaluation of RSPO lead auditor since 2018.
	ASI17IDGG (MZK)	Had completed and pass evaluation of RSPO lead auditor since 2015.
	ASI1AU6HF7 (RAR)	Had completed and pass evaluation of RSPO lead auditor since 2016.
Knowledgeable and experience of the local/regional laws	ASI1GIVNPH (DA)	He possesses extensive knowledge and experience in understanding, interpreting, and applying local and regional laws.
	ASI17IDGG (MZK)	He possesses extensive knowledge and experience in understanding, interpreting, and applying local and regional laws.

	ASI1AU6HF7 (RAR)	He possesses extensive knowledge and experience in understanding, interpreting, and applying local and regional laws.
Knowledgeable in Best Agricultural Practices, and Integrated Pest Management, pesticide and fertiliser use;	ASI1GIVNPH (DA)	He has over 5 years of working experience in oil palm operations.
	ASI17IDGG (MZK)	He has over 5 years of working experience in oil palm operations.
	ASI1AU6HF7 (RAR)	He had 7 years of working experience in the oil palm operation.
Experience in health and safety auditing on the farm/plantation and in the palm oil mill, for example against the ISO 45001 Occupational Health and Safety Management standard;	ASI1GIVNPH (DA)	He has over 5 years of extensive experience in oil palm operations and auditing health and safety practices.
	ASI17IDGG (MZK)	He has over 5 years of extensive experience in oil palm operations and auditing health and safety practices.
	ASI1AU6HF7 (RAR)	He has over 5 years of extensive experience in oil palm operations and auditing health and safety practices.
Experience in handling workers' welfare or social auditing experience, such as experience with the SA8000 or other international sustainability scheme that has the social auditing requirements. The auditor auditing the social requirements shall have successfully attended the internationally recognised social auditing standard training, such as the SA8000, Social Systems (SMETA) Auditor Training or social training recognised by RSPO;	ASI1GIVNPH (DA)	He attended SA 8000 training in 2018 and SMETA training in 2021. He has over 5 years of experience in oil palm operations and social auditing, demonstrating a strong understanding of ethical practices and compliance with social standards.
	ASI17IDGG (MZK)	He attended SA 8000 training in 2018 and SMETA training in 2021. He has over 5 years of experience in oil palm operations and social auditing, demonstrating a strong understanding of ethical practices and compliance with social standards.
	ASI1AU6HF7 (RAR)	He attended SA 8000 training in 2018 and SMETA training in 2021. He has over 5 years of experience in oil palm operations and social auditing, demonstrating a strong understanding of ethical practices and compliance with social standards.
Experience in handling of land rights, gender and indigenous peoples' issues;	ASI1GIVNPH (DA)	He attended SA 8000 training in 2018 and SMETA training in 2021. He has over 5 years of experience in oil palm operations and social auditing, handling of land rights, gender and indigenous peoples' issues.
	ASI17IDGG (MZK)	He attended SA 8000 training in 2018 and SMETA training in 2021. He has over 5 years of experience in oil palm operations and social

		auditing, handling of land rights, gender and indigenous peoples' issues.
	ASI1AU6HF7 (RAR)	He attended SA 8000 training in 2018 and SMETA training in 2021. He has over 5 years of experience in oil palm operations and social auditing, demonstrating a strong understanding of ethical practices and compliance with social standards.
Experience in environmental and ecological auditing or assessments, such as experience with High Conservation Value (HCV)/High Carbon Stock (HCS) assessments, organic agriculture or the ISO 14001 Environmental Management Systems standard;	ASI1GIVNPH (DA)	He has experience auditing the ISO 14001 Environmental Management Systems standard since 2019.
	ASI17IDGG (MZK)	He holds a B.Sc. in Forestry from Universiti Putra Malaysia and has extensive experience in auditing High Conservation Value (HCV) and High Carbon Stock (HCS) assessments, as well as organic agriculture practices.
	ASI1AU6HF7 (RAR)	This criterion and indicator have not been audited.
Where applicable, knowledge on the ISH context	ASI1GIVNPH (DA)	Attend and passed training lead assessor for ISH by RSPO on year 2023
	ASI17IDGG (MZK)	Attend and passed training lead assessor for ISH by RSPO on year 2023
	ASI1AU6HF7 (RAR)	Attend and passed training lead assessor for ISH by RSPO on year 2022
Fluent in one of the main national languages	ASI1GIVNPH (DA)	He is fluent in both Bahasa Malaysia and English.
	ASI17IDGG (MZK)	He is fluent in both Bahasa Malaysia and English.
	ASI1AU6HF7 (RAR)	He is fluent in both Bahasa Malaysia and English.

5. Audit Findings & Result

Principle 1: RSPO Smallholders implement professional operations to optimise productivity and secure sustainable livelihood improvements

Criteria 1.1: Smallholders have the capacity to effectively manage their smallholder plot(s).

Indicator 1.1 E	Smallholders shall commit to participating in the capacity building programme developed by the Group Manager.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	LKM Trading is a registered Malaysian company supporting independent oil palm smallholders under RSPO ISH requirements, with members formally contracted and committed to sustainability obligations, capacity building, and legal, environmental, and labour compliance, supported by land use change analysis confirming no remediation liability.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 1.1 MS A	Smallholders shall have undergone capacity building programme(s) e.g., training(s) organised by group manager on farm business planning, operations, and monitoring. The training(s)* shall include: A) Record keeping for production data (including inputs, cost, yields, use of labour, etc.); and B) Record keeping for transaction data of Fresh Fruit Bunch (FFB) sales **Refer to the relevant topics under Indicator A2.3 E in the 'Internal Control System Requirements for Smallholder Groups'*
Phase	Milestone A
Audit Findings	

Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 1.1 MS B	Smallholders shall manage Smallholder Plots effectively, and maintain records of FFB production and sales of all FFB (i.e., separate records for certified and non-certified, if any) from smallholder plots.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	LKM Trading have maintained proper RSPO ISH certified FFB traceability records, including annual production and sales documentation with weighbridge tickets and delivery records across multiple palm oil mills, supported by an active certification license (PRISMA ID: LIC25-00021755) valid from May 2025 to March 2026.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 1.2: Smallholders implement Best Management Practices (BMPs) on their plots.

Indicator 1.2 E	Smallholders shall commit to implementing relevant Best Management Practices (BMPs) on their plots.
Phase	Eligibility
Audit Findings	

Audit Findings (Public Summary)	Noriza Binti Ariffin, Chen Tet Khiong, and Chin Fui Chuen, as new E Phase members, have formally signed the RSPO ISH Smallholder Declaration on 9 December 2025, committing to implement good agricultural practices, comply with social and environmental requirements, and adhere to all group sustainability, labour, and conservation obligations including BMPs and no-deforestation principles.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 1.2 MS A	Smallholders shall have completed training(s) on relevant Best Management Practices (BMPs) that includes Good Agricultural Practices (GAPs). ***Procedural Note*** *RSPO shall establish a list of minimum required Best Management Practices for independent smallholders*
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 1.2 MS B	Smallholders shall implement relevant Best Management Practices (BMPs) that includes Good Agricultural Practices (GAPs) in their plots.
Phase	Milestone B
Audit Findings	

Audit Findings (Public Summary)	All smallholders have implemented Best Management Practices (BMPs) and Good Agricultural Practices (GAP), supported by agronomic guidance from Hap Seng Plantations, including fertilizer recommendations and productivity monitoring based on FFB sales records, to improve yield, soil health, and sustainable farm management.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Principle 2: RSPO Smallholders comply with the law and respect communities' rights

Criteria 2.1: Smallholders have the rights to use the land in accordance with national, local, or customary practices.

Indicator 2.1 E	Smallholders shall make available evidence of Rights to use the land, or that they are in the process of obtaining recognition of the Rights. This shall include coordinates and maps of smallholders plots
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	In the 2nd year of the Eligibility Phase, smallholders Noriza Binti Ariffin, Chen Tet Khiong, and Chin Fui Chuen are operating under valid MPOB licences and MSPO certification, managing verified oil palm landholdings with documented land titles and mapped coordinates prepared by Hap Seng Plantations' Agronomy Department (March 2025), confirming traceable and legally registered production areas.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 2.1 MS A	Same as Eligibility.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 2.1 MS B	Smallholders shall provide evidence of land ownership or Rights to use the land, and clearly demarcate the boundaries of Smallholders Plots. Smallholders shall maintain the demarcation, and only operate within the boundaries
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	LKM Trading smallholders have verified legal land tenure and mapped oil palm plots with documented titles, leases, and coordinates confirmed through official land records and transfer history, ensuring compliance with national land laws and traceable ownership for RSPO ISH certified production areas.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 2.2: Smallholders have not acquired lands from indigenous peoples, local communities, or other users without their Free, Prior and Informed consent (FPIC), based on a simplified FPIC approach.

Indicator 2.2 E	For existing plots, smallholders can demonstrate that they have not acquired land without Free, Prior and Informed consent (FPIC) of indigenous peoples, local communities, or other users. ***Procedural Note*** *Upon completion of the RSPO Simplified FPIC approach for ISH, 2.2 Milestone A and 2.2 Milestone B will be revisited for potential revision. For existing certified independent smallholders, transitional measures will be put in place if 2.2 Milestone A and 2.2 Milestone B are revised.*
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	No land disputes were recorded for LKM Trading smallholder members, as confirmed through stakeholder consultations and interviews with local community leaders and estate representatives, with all land acquisition and documentation verified by auditors and found to be in compliance with legal requirements and community acceptance.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 2.2 MS A	Same as Eligibility.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 2.2 MS B	Same as Eligibility.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	No land disputes were recorded for LKM Trading MS B Phase smallholder members, as confirmed through stakeholder consultations and audits, with land acquired since 2004 from previous landowners and verified through complete documentation held at the LKM Trading office, and with no issues identified by local community representatives, village leaders, or neighbouring estates.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 2.3: Smallholders shall implement processes to manage conflict on land and resource use.

Indicator 2.3 E	Smallholders shall declare existing disputes on land and resources, if any, and commit to resolve them.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	No land disputes or conflicts were identified for LKM Trading E Phase smallholder members, as confirmed through stakeholder consultations and audits, with land acquired since 2007 and 2016 from previous landowners and Sabah Land Development, supported by verified documentation and stakeholder interviews confirming no issues with local communities or neighbouring estates.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 2.3 MS A	Smallholders shall be trained on management of conflict on land and resources.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 2.3 MS B	Smallholders shall demonstrate that they are managing conflict(s) on Smallholder Plot, where applicable.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	No land disputes or conflicts were identified for LKM Trading MS B Phase members, as confirmed through stakeholder consultations and audits, with land acquired since 2004 from previous landowners and Sabah Land Development, and verified documentation and stakeholder interviews confirming no issues with local communities, neighbouring estates, or land resource use.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 2.4: Smallholder plots are located outside of areas classified as national parks or protected areas, as defined by national, regional, or local law(s), or as specified in National Interpretations.

Indicator 2.4 E	Smallholder Plots are located outside of areas classified as national parks or protected areas as defined by national, regional, or local law(s), or as specified in National Interpretations.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	Noriza Binti Ariffin and the two new E Phase members' plots were verified to be located outside protected or conservation areas based on satellite imagery, mapped coordinates, and LUCA assessments, with RSPO-approved disclosures confirming no land use change liability identified for these smallholder sites.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 2.4 MS A	Same as Eligibility.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 2.4 MS B	Same as Eligibility.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	All E Phase smallholder plots were verified through site visits, satellite imagery, and HCV and biodiversity assessment reviews to be located outside of national parks and other legally protected areas, confirming compliance with applicable national, regional, and local conservation requirements.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 2.5: For new plantings, smallholders shall not clear any land without obtaining free, prior and informed consent (FPIC) from the Affected Communities.

Procedural Note
A simplified FPIC process for independent smallholders shall be developed by RSPO. Compliance for Criteria 2.5 and its Indicators shall be inactive until the RSPO Simplified FPIC approach for ISH is endorsed and adopted for implementation.

Indicator 2.5 E	Smallholders shall commit to identify Affected Communities, if any, and conduct the simplified FPIC process on areas of new plantings.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	No new planting was recorded for LKM Trading E Phase smallholder members, with all existing plantations established since 2007 and 2016 through documented land acquisition from previous landowners, confirmed through stakeholder consultations, audits, and interviews showing no land disputes or conflicts with local communities or neighbouring estates.
Results	☒Conform ☐Major Nonconformity

	☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 2.5 MS A	Smallholders shall be trained on the simplified FPIC process on new plantings.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 2.5 MS B	Smallholders shall conduct the simplified FPIC process where Affected Communities are found in areas of new planting.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	No new planting was recorded for LKM Trading MS B Phase members, with plantations established since 2004 through documented land acquisition from previous landowners, Sabah Land Development, and villagers, and verified through audits and stakeholder consultations confirming no land disputes, community issues, or requirement for FPIC-related negotiated agreements.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Principle 3: RSPO Smallholders safeguard human rights, protect workers' rights, and ensure safe and decent working conditions

Criteria 3.1: There shall be no forced labour in the smallholder plots.

Indicator 3.1 E	Smallholders shall commit to not use forced labour, and commit to complete training on awareness and prevention of forced labour on their plots. Smallholders shall address and end forced labour on smallholder plots from the Eligibility stage, if any. Smallholders shall comply with legal requirements prescribed by national, state, or provincial regulations when hiring workers.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	All smallholders have committed to eliminating forced labour through contractual agreements, sustainability policies, and training provided by the Group Manager; however, interviews indicated that understanding of forced labour requirements among some members remains insufficient, leading to a Major NCR under ICS A1.4(E).
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 3.1 MS A	Smallholders shall complete training on awareness and prevention of forced labour, including the International Labour Organization (ILO)'s Indicators of Forced Labour.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 3.1 MS B	There shall be no evidence of forced labour on smallholder plots. The following practices are prohibited, but not limited to: A) Payment of recruitment fees by workers; B) Contract substitution; C) Restriction of worker's movement by locking them in worksite or accommodation; D) Intentional isolation of workers by denying them means of communication; E) Physical and sexual violence; F) Intimidation and threats; G) Retention of identity and personal documents, including (but not limited to) passports; H) Withholding of wages; I) Debt bondage; J) Involuntary and excessive overtime; K) Lack of freedom of workers to resign; and L) Abusive working and living conditions
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	All smallholders have completed training on free and fair labour practices and implemented measures to ensure voluntary employment in line with human rights principles, with verification confirming acceptable labour conditions, no indicators of forced labour, and appropriate contractual arrangements for both employed and outsourced workers, leading to closure of the previously raised non-conformity.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 3.2: Smallholders shall not hire or exploit children in the operation(s) at the smallholder plots. Assistance by children living in the smallholder's household is acceptable on family farms under adult supervision, and must not interfere with their education programmes. Children shall not be exposed to hazardous working conditions.

Indicator 3.2 E	Smallholders shall commit to not use child labour in their plots. Smallholders shall also commit to complete training on prevention of child labour. Smallholders shall address and end child labour on smallholder plots from the Eligibility stage, if any
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	All smallholders have committed to eliminating child labour through sustainability policies, contractual agreements, and awareness training conducted by the Group Manager, with verification confirming no evidence of child labour on any smallholder plots.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 3.2 MS A	Smallholders shall complete training on awareness and prevention of child labour. Training on child labour shall include, but is not limited to: A) Child labour awareness; B) Compliance with the minimum age of workers as defined by local, state, or national law, or international law in the absence of local, state, or national laws; C) Not exposing children to hazardous work; D) Providing adult supervision of children on family farm and/or young workers on the smallholder plots; and E) Ensuring the practice of children's right to education is unrestricted and respected
Phase	Milestone A
Audit Findings	

Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 3.2 MS B	Smallholders shall not use child labour in smallholder plots. The following conditions must be met when children living in Smallholder Households assist in Family Farms, or where young workers are hired in smallholder plots: A) Shall be under adult supervision; B) Shall not interfere with their health, safety and education; and C) Shall not be exposed to hazardous working conditions.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	All smallholders have completed child labour awareness training and implemented measures to ensure compliance with human rights principles, with verification confirming no use of child labour and employment practices involving either hired workers or locally contracted labour without evidence of child labour risks.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 3.3: Smallholders shall ensure workers (if any) are paid at least the legal minimum wage

Indicator 3.3 E	Where there are workers at the smallholder plot(s), smallholders shall commit to pay at least the legal minimum wage without discrimination against vulnerable groups, including women and migrant workers.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	All smallholders are committed to paying at least the legal minimum wage without discrimination, as supported by sustainability policies, contractual agreements, and verified payment records showing that employees and contractors are remunerated in accordance with Malaysia's minimum wage requirements.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 3.3 MS A	Where there are workers at the smallholder plot(s), smallholders shall pay at least the legal minimum wage (excluding overtime premiums) without discrimination against vulnerable groups, including women and migrant workers.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 3.3 MS B	Same as MS A.
Phase	Milestone B
Audit Findings	

Audit Findings (Public Summary)	All smallholders have completed training and implemented measures to ensure compliance with legal minimum wage requirements without discrimination, supported by verified payroll and payment records confirming that workers and contractors are remunerated in accordance with Malaysia's minimum wage standards.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 3.4: Workers understand their rights, have access without retaliation to file a complaint or grievance to the Group Manager or relevant third parties, including RSPO.

Indicator 3.4 E	Where there are workers at the smallholder plot(s), smallholders shall commit to respect the rights of workers to file a complaint or grievance without retaliation.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	All smallholders have demonstrated compliance with RSPO requirements on workers' rights, including the right to raise grievances without retaliation, supported by policies, contracts, training, and verification through interviews and field observations confirming no reported grievances and no use of child labour.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 3.4 MS A	Where there are workers at the smallholder plot(s), smallholders shall complete training on handling workers' complaint(s) or grievance(s), and socialise to workers their rights and the mechanism to file a complaint or grievance.
Phase	Milestone A
Audit Findings	

Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 3.4 MS B	Where there are workers at the smallholder plot(s), smallholders shall ensure that the workers are aware of, and have access to, the complaint or grievance mechanism(s) without retaliation.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	Verification through worker and contractor interviews confirmed that all employees and contracted workers are aware of and have access to grievance mechanisms without retaliation, with no issues reported across both directly employed staff and locally contracted labour at LKM Trading smallholder operations.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 3.5: Working conditions and facilities are safe and meet minimum legal requirements.

Indicator 3.5 E	Smallholders shall commit to providing safe working conditions and facilities, based on the health and safety risk identification, conducted together with Group Manager
Phase	Eligibility
Audit Findings	

Audit Findings (Public Summary)	All smallholders are committed to providing safe working conditions based on health and safety risk assessments (HIRARC) conducted with the Group Manager, supported by documented policies, updated risk evaluations, and regular safety trainings including PPE use, first aid, and safe work procedures, with records confirming implementation at farm level.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 3.5 MS A	Smallholders shall complete training(s) on health and safety risks associated with farm work (including chemical use) and how to mitigate them. Smallholders shall ensure that workers, and family or household members (if any), working at the smallholder plot(s) are able to demonstrate awareness of the same.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 3.5 MS B	Workers, and family or household members (if any), working at the smallholder plot(s) shall have access to safe working conditions and facilities, based on health and safety risk identification as follows, but not limited to: A) Safe and adequate housing, where applicable; B) Basic first aid supplies; C) Appropriate Personal Protective Equipment (PPE), for the type of work; D) Adequate drinking water; E) Access to sanitation facilities, where appropriate; and

	F) Access to toilets
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	Verification through site inspections, document review, and worker interviews confirmed that all employees at LKM Trading smallholder operations are provided with safe working conditions and adequate facilities, including proper housing, PPE, first aid supplies, drinking water, and sanitation and toilet facilities in line with occupational health and safety requirements.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 3.6: There is no discrimination, intimidation and harassment (including threats), sexual harassment, abuse, and/or violence in smallholder plots.

Indicator 3.6 E	Smallholders shall commit to no discrimination, no intimidation, no harassment (including threats), no sexual harassment, no abuse, and no violence in smallholder plots.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	All smallholders are committed to no discrimination, no intimidation, no harassment (including threats), no sexual harassment, no abuse, and no violence on the farm at the time of eligibility, as verified through interviews with the smallholders. This commitment is further supported by the Sustainability Agriculture Policy dated 11/12/2020 and Smallholder Declaration, under LKM Trading contract agreement signed date 19/10/2024 and 09/12/2025.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 3.6 MS A	Smallholders shall complete training(s) on discrimination, intimidation and harassment (including threats), sexual harassment, abuse, and violence, and are aware of the need for a safe workspace.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 3.6 MS B	Workers shall be able to access the complaint or grievance mechanism(s) (*Refer to Indicator 3.4 MS B*) in the event there are incidents on discrimination, intimidation and harassment (including threats), sexual harassment, abuse, and/or violence in smallholder plots.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	An established and functional grievance mechanism (“Prosedur Aduan”, Ref. LKM.P1.03) has been implemented since 2021, with clear internal and external complaint channels, worker awareness confirmed through interviews and briefings, accessible process flow displayed at housing areas, and records showing no grievances reported recently except a resolved issue in 2023.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Principle 4: RSPO Smallholders protect the environment, conserve biodiversity, enhance ecosystems, and sustainably manage natural resources

Criteria 4.1: High Conservation Values (HCVs) and High Carbon Stock (HCS) forests in smallholder plots, identified through the RSPO Simplified HCV Approach and Independent Smallholder - Land Use Risk Identification (IS-LURI) are managed to ensure that they are maintained and/or enhanced.

Indicator 4.1 E	Smallholder shall commit to avoiding development in, and protect, HCVs and HCS forests, and to manage rare, threatened or endangered (RTE) species, if any, based on the results of the Land Use Change Analysis (LUCA) conducted in the pre-membership stage assisted by the RSPO Secretariat.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	Noriza Binti Ariffin, Chen Tet Khiong, and Chin Fui Chuen, as E Phase smallholders, have formally signed the RSPO Smallholder Declaration on 9 December 2025, committing to comply with good agricultural practices, legal, social, and environmental requirements, including labour rights, grievance mechanisms, safety, and protection of high conservation value areas under the RSPO ISH standard.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 4.1 MS A	Smallholders and permanent workers, if any, shall complete training on management of HCVs and HCS forests, application of precautionary practices, and are aware of identified HCVs, HCS forests, RTE species, and important ecosystems, if any.
Phase	Milestone A
Audit Findings	

Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 4.1 MS B	Smallholders shall implement precautionary practices to manage HCVs and HCS forests, and to manage and maintain RTE species, where applicable.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	No HCV forest or HCS areas were identified within LKM Trading smallholder plots, except for HCV 4 riparian buffer zones along local waterways, which are actively protected and maintained through demarcation, restricted agrochemical use, natural vegetation regeneration, and implementation of a water management plan, with ongoing monitoring confirming no RTE species recorded other than common wildlife.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 4.2: Where the existing smallholder plot has been planted and cleared after November 2005, or is on an area identified as HCS forest after November 2019 up to the Eligibility period, a RSPO Remediation and Compensation Procedure (RaCP) process for smallholders is applicable.

Indicator 4.2 E	Smallholders shall provide information on all owned smallholder plots (planted with oil palm and unplanted) after November 2005 to Group Manager based on the results of Land Use Change Analysis (LUCA) conducted in the pre-membership stage assisted by the RSPO Secretariat.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	Noriza Binti Ariffin's plots were verified to be located outside protected areas based on satellite imagery and LUCA assessments, with RSPO documentation confirming completion of the LUC process for LKM Trading and final RaCP review indicating no conservation liability identified for the smallholder group.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 4.2 MS A	Smallholders and Group Manager(s) shall develop a remediation and compensation plan through a participatory process, based on the RSPO Remediation and Compensation Procedure (RaCP) process for smallholders.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 4.2 MS B	Smallholder shall implement the approved remediation plan.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	A review of Lim Engit Fun's land records confirmed that five estate blocks were planted after November 2005, making them subject to RSPO eligibility requirements and LUCA assessment; however, overall documentation indicates the land was cleared in 2004 with planting beginning in 2005 under LKM Trading management, and no further applicability issues were identified for the current members.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 4.3: Do any smallholders within the group have plans for new planting of oil palm? If no, SKIP.
Since November 2019, new planting by independent smallholders, if any:
A) Do not replace any HCVs;
B) Do not replace any HCS forest as defined by RSPO Simplified HCV Approach and IS-LURI
C) Are not on steep slopes (more than 25 degrees, or as in National Interpretations);
D) Are not on peat areas of any depth;
E) Are not located in restricted areas or protected by national laws; and
F) Are not on riparian reserves.

Indicator 4.3 E	**If no plan(s) for new planting, SKIP** Smallholders shall commit to provide information on all planned new planting, including*: A) No new planting on HCVs or HCS forests; B) No new planting on steep slopes (more than 25 degrees, or as in the National Interpretation); C) No new planting on peat until HCVs and/or HCS forest(s) are identified; D) No new planting in restricted areas or protected by national laws; and/or E) No new planting on riparian reserves.

	**Refer to Indicator A1.2.E and Annex 2 – Smallholder Declaration*
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as LKM Trading did not have a new Plan for New Planting.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 4.3 MS A	For any new planting, before any land preparation commences, smallholders with the support of the Group Manager shall develop an integrated management plan through a participatory process to maintain or enhance HCVs, as well as HCS forests after November 2019, as identified by the RSPO Simplified HCV Approach and Independent Smallholder - Land Use Risk Identification (IS-LURI).
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as LKM Trading did not have a new Plan for New Planting.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 4.3 MS B	For any new planting, smallholders shall have and implement an RSPO approved integrated management plan, that is shared with those involved in the participatory process before any land preparation commences.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as LKM Trading did not have a new Plan for New Planting.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Criteria 4.4: Do any smallholders within the group have existing plots on peat? If no, SKIP.

For existing planting on peat, subsidence and degradation of peat soils are minimised by use of Best Management Practices (BMPs).

Indicator 4.4 E	For existing planting on peat, smallholders shall commit to minimising subsidence and degradation of peat soils* according to the latest version of the 'RSPO Smallholder Best Management Practices Manual for Existing Oil Palm Cultivation on Peat'. The Group Manager shall confirm presence of peat on existing plots within the smallholder plots. **Refer to Indicator A1.2.E and Annex 2 - Smallholder Declaration*
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as LKM Trading did not have existing planting on peat.

Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 4.4 MS A	For existing planting on peat, smallholders shall have undergone training(s) and develop an action plan, together with the Group Manager, to minimise risk of fire, to apply BMPs for planting on peat, and to manage water systems in the certification unit, according to the latest version of the 'RSPO Smallholder Best Management Practices Manual for Existing Oil Palm Cultivation on Peat'.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as LKM Trading did not have existing planting on peat.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 4.4 MS B	For existing plots on peat, smallholders shall implement the action plan conducted by Group Manager, according to the latest version of the 'RSPO Smallholder Best Management Practices Manual for Existing Oil Palm Cultivation on Peat', including fire and water management, and monitoring of subsidence rate(s) for existing planting on peat.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as LKM Trading did not have existing planting on peat.

Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Criteria 4.5: Do any smallholders within the group have plans for replanting plots that are located on peat? If no, SKIP

Smallholder plots on peat are replanted only on areas with low risk of flooding or saline intrusion, as demonstrated by a risk assessment.

Indicator 4.5 E	Smallholders shall commit to providing information on all plans for replanting and commit that replanting will only be in areas with low risk of flooding or saline intrusion* based on an approved flood risk assessment, in accordance with the latest version of the 'RSPO ISH Flood Risk Assessment Template' **Refer to Indicator A1.2.E and Annex 2 - Smallholder Declaration*
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as LKM Trading did not have existing planting on peat and does not plan to be replanting on peat.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 4.5 MS A	For existing planting on peat, smallholders shall have undergone training(s), as organised by Group Manager, on identification of future risks of flooding or saline intrusion based on the latest version of the 'RSPO ISH Flood Risk Assessment Template' and alternate land development strategies
Phase	Milestone A

Audit Findings	
Audit Findings (Public Summary)	Not Applicable as LKM Trading did not have existing planting on peat and does not plan to be replanting on peat.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 4.5 MS B	Prior to replanting on peat, smallholders shall participate in a risk assessment process conducted by Group Manager according to the latest version of the 'RSPO ISH Flood Risk Assessment Template'. Where there are plots identified as high risk, smallholders shall halt any replanting programme(s) and adopt alternate land development strategies, where applicable.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as LKM Trading did not have existing planting on peat and does not plan to be replanting on peat.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Criteria 4.6: Fire is not used on the smallholder plots for land preparation or for pest and disease management, and no open burning for waste management within the smallholder plots*.

For country-specific implementation, National Interpretations should be used as a reference.

Indicator 4.6 E	Smallholders shall commit to not using fire for land preparation, or for pest and disease management unless in exceptional circumstances, and no open burning for waste management within the smallholder plots*. The Group Manager shall record evidence of prior open burning by members joining the group. **Refer to Indicator A1.2.E and Annex 2 - Smallholder Declaration*
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	Noriza Binti Ariffin, Chen Tet Khiong, and Chin Fui Chuen have formally signed the Smallholder Declaration on 9 December 2025, committing to zero burning practices and full compliance with RSPO requirements, including environmental protection, labour rights, occupational safety, and implementation of best management practices on their smallholder plots.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 4.6 MS A	Smallholders shall not have physical evidence of using fire for land preparation, or for pest and disease management unless in exceptional circumstances, and no open burning for waste management within the smallholder plots (after Eligibility). Smallholders shall have undergone training(s) as organised by Group Manager. The training(s) shall include: A) Alternatives to fire for land preparation and farm waste management (where appropriate and possible); B) Alternatives to fire for pest and disease management; C) Fire prevention and how to respond to and manage fires in their community and village; and D) List of relevant national and local agencies i.e., Fire and Rescue Department / Fire and Rescue Service, local government authorities, national disaster management agencies (if any) and their roles in regulations, and strategies aimed at preventing and managing fire incidents.

Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 4.6 MS B	Smallholders shall not use fire for land preparation, or for pest and disease management, and no open burning for waste management within the smallholder plots (after Eligibility). For pest and disease management, fire may be used only in exceptional circumstances, where no other effective measures exist and with prior approval of relevant authority(ies).
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	During site visits at LKM Trading and Lim Engit Fun, no evidence of fire use for land preparation or open burning for waste management was observed, and all smallholders have formally signed the RSPO Smallholder Declaration on 9 December 2025, committing to full compliance with sustainability principles including environmental protection, labour rights, occupational safety, and implementation of best management practices.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 4.7: Riparian reserves are identified and managed to ensure maintenance and/or improvement, in accordance with national legislation or the latest version of the RSPO Best Management Practices (BMPs) Manual for Management and Rehabilitation of Riparian Reserves.

Indicator 4.7 E	Smallholders shall commit to no new planting in riparian reserves to ensure its maintenance and/or improvement in accordance with national legislation or the latest version of the 'RSPO Best Management Practices (BMPs) Manual for Management and Rehabilitation of Riparian Reserves' (whichever standard is higher shall prevail). The Group Manager shall identify riparian reserves within the smallholder plots.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has identified riparian buffer zones within the group, and all smallholders including Noriza Ariffin, Chen Tet Khiong, and Chin Fui Chuen have committed through the contract agreement signed on 9 December 2025 to avoid new planting in riparian areas, as verified through interviews and map reviews prepared by Hap Seng Plantation's Agronomy Department, with no evidence of rivers passing through the newly assessed estate areas.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 4.7 MS A	Where riparian reserves exist within and/or along the boundaries of the smallholder plots, smallholders shall have undergone training(s) as organised by the Group Manager, and demonstrate awareness of riparian reserve management. Smallholders shall develop an action plan, with the support of the Group Manager to maintain and/or enhance the riparian reserves.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity

	☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 4.7 MS B	Where riparian reserves exist within and/or along the boundaries of the smallholder plots, smallholders shall implement the action plan developed with the support of the Group Manager to maintain and/or enhance the riparian reserve, in accordance with national legislation or the latest version of 'RSPO Best Management Practices (BMPs) Manual for Management and Rehabilitation of Riparian Reserves' (whichever standard is higher shall prevail).
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	LKM Trading has implemented and maintained protection of riparian buffer zones classified as HCV 4, including along Sg. Litang Kecil, through conservation measures such as restricted agrochemical use, natural vegetation regeneration, boundary demarcation, and no construction of water barriers, as verified through site visits, interviews, training records, and updated HCV assessments confirming ongoing conservation and compliance with no new planting in riparian areas.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 4.8: Pesticides are used in ways that do not endanger the health and safety of workers, family, communities, and/or the environment.

Indicator 4.8 E	Smallholders shall commit to perform Best Management Practices (BMPs) for pesticides, and phasing out paraquat and prohibited pesticides by MS B, with the following actions: A) Immediately stop purchasing these pesticides; B) Phase out use of remaining stock by MS A; C) Provide information for the Group Manager to keep record of pesticide purchase and use; and D) Has proper management in handling pesticide containers. The prohibited pesticides shall include prohibited pesticides: A) Categorised under World Health Organization Class 1A or 1B;

	B) Meeting the criteria for carcinogenicity Categories 1A and 1B, mutagenicity Categories 1A and 1B, or reproductive toxicity Categories 1A and 1B, according to the Globally Harmonized System on Classification and Labeling of Chemicals (GHS); C) Listed by the Stockholm or Rotterdam Conventions; and/or D) Restricted or prohibited under national regulations.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	Noriza Binti Ariffin, Chen Tet Khiong, and Chin Fui Chuen have formally committed through the Smallholder Declaration signed on 9 December 2025 to phase out paraquat and prohibited pesticides under international conventions, eliminate the use of fire for land preparation and waste management, and fully comply with RSPO sustainability requirements including environmental protection, labour rights, and best management practices.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 4.8 MS A	Smallholders shall have undergone training(s) as organised by the Group Manager on BMPs for pesticides and prohibited pesticides. The training(s) shall include: A) Identifying list of safe chemical use, record keeping of pesticide, handling, storage and safe disposal of pesticides and pesticide containers; B) Awareness on the risks for pregnant and breastfeeding women and young workers; C) Prohibited pesticides that are categorised as World Health Organization (WHO) Class 1A or 1B, or meet the criteria for carcinogenicity Categories 1A and 1B, mutagenicity Categories 1A and 1B, or reproductive toxicity Categories 1A and 1B, according to the Globally Harmonized System on Classification and Labeling of Chemicals (GHS), or are listed by the Stockholm or Rotterdam Conventions or national regulations, or paraquat; and D) The use of appropriate personal protective equipment (PPE) to handle pesticides.
Phase	Milestone A
Audit Findings	

Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 4.8 MS B	Smallholders shall implement BMPs for all pesticide use and end the use of prohibited pesticides. The implementation of BMPs on pesticide use shall include: A) Pesticides and pesticide containers handling, storage and disposal; B) Prohibiting use of pesticides by pregnant and breastfeeding women and young workers; and C) Elimination of paraquat and pesticides listed as WHO Class 1A or 1B, Categories 1A and 1B under GHS, and/or the Stockholm or Rotterdam Conventions, unless when authorised by relevant authorities for pest outbreaks.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	LKM Trading has implemented BMPs for pesticide management and largely practices manual weed control with no evidence of prohibited pesticide use or chemical purchases for estate operations, while Lim Engit Fun applies only approved herbicides for weeding with no evidence of prohibited chemicals, and all smallholders have formally committed through the RSPO Smallholder Declaration to responsible pesticide use, environmental protection, and compliance with sustainability requirements.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria 4.9: Pests and diseases, weeds and invasive species are managed using appropriate techniques, including Integrated Pest Management (IPM).

Indicator 4.9 E	Smallholders shall commit to managing pests and diseases, weeds and invasive species, if any, using appropriate techniques, including Integrated Pest Management (IPM).
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	Noriza Binti Ariffin, Chen Tet Khiong, and Chin Fui Chuen have formally signed the Smallholder Declaration on 9 December 2025, committing to implement Integrated Pest Management (IPM), avoid the use of fire for land preparation and waste management, and comply with RSPO sustainability requirements including environmental protection, labour standards, and best management practices on their smallholder plots.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator 4.9 MS A	Smallholders shall have undergone training(s) as organised by the Group Manager and demonstrate awareness on Best Management Practices (BMPs) for managing pests and diseases, weeds, and invasive species using appropriate techniques, including Integrated Pest Management (IPM) and safe chemical use
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator 4.9 MS B	Smallholders shall implement Integrated Pest Management (IPM) approaches to minimise use of pesticides at the smallholder plots.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	LKM Trading Group had a documented integrated pest management (IPM) system. The IPM technique includes the planting of beneficial plants i.e., as Cassia cobanensis, Antigonan leptopus and Turnera sublate. The establishment beneficial plant planting was sighted during the field visit such as soft grasses and nephrolepis biseratta were maintained in the field. The progression to meet the recommended ratio is continuing. There was also cultivation on the poly bags prior to the field transfer.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

The Internal Control System Requirements for Smallholder Groups

Criteria A.1: The smallholder group is established as an independent legal entity.

Indicator A.1.1 E	The smallholder group shall appoint a Group Manager.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	LKM Trading Group 3 has established an Internal Control System (ICS) in compliance with the RSPO Independent Smallholder Standard, with an updated organizational structure as of 9 December 2025 assigning defined roles for group management, OHS and environment, farm monitoring, mapping, and data/document control to support effective implementation and monitoring of smallholder compliance.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement

	☐Not Applicable (justification required)

Indicator A.1.1 MS A	Same as Eligibility.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator A.1.1 MS B	Same as Eligibility.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	The audit results are the same as Eligibility.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.1.2 E	The Group Manager shall have and maintain documented evidence of the smallholder group's RSPO membership that include: A) Legal formation (if necessary as per country of register requirements); B) Fair and transparent decision-making and governance; and C) Additional documents per requirements for group formation and management, where applicable
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has maintained documented evidence of RSPO group membership through LKM Trading's valid business registration and licensing, supported by a revised Smallholder Declaration dated 9 December 2025 and verified records of all group members, including their MPOB licences, joining dates, and validity periods, confirming structured governance and compliance with RSPO Independent Smallholder requirements.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.1.2 MS A	Same as Eligibility.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator A.1.2 MS B	Same as Eligibility.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	The audit results are the same as Eligibility.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.1.3 E	The Group Manager shall establish group membership requirements in consultation with group members and implement the requirements for smallholders participating as group members.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	In consultation with group members, the Group Manager has established group membership requirements and implemented these requirements for participating smallholders through a revised contract agreement dated 09 December 2025. The membership requirements clearly define the roles and responsibilities of both the Group Manager and group members, including compliance with the RSPO Independent Smallholder Standard, participation in ICS activities, and adherence to applicable occupational health and safety, environmental, and social requirements. Implementation of these requirements was verified through document review of the signed contract agreements, as well as interviews with sampled group members, who demonstrated awareness and understanding of their obligations as group members.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.1.3 MS A	Same as Eligibility.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator A.1.3 MS B	Same as Eligibility.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	The audit results are the same as Eligibility.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.1.4 E	The Group Manager shall ensure all members understand the group's membership requirements and the commitments stated in the Smallholder Declaration *(Refer to Indicator A1.2 E and Annex 2).*
Phase	Eligibility
Audit Findings	

Audit Findings (Public Summary)	The Group Manager has been unsuccessful to effectively ensure that all group members understand and comply with the group membership requirements and the commitments stipulated in the Smallholder Declaration. Based on interviews conducted with E Phase members (Noriza Ariffin, Chen Tet Khiong, and Chin Fui Chuen), the interviewed members were unable to explain the commitments outlined in the Smallholder Declaration and the Group Sustainability Policy, demonstrating an inadequate understanding of their roles, responsibilities, and obligations as group members. ***As a result, Major NCR DA 01 2026 was raised.***
Results	☐Conform ☒Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.1.4 MS A	Same as Eligibility.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.1.4 MS B	Same as Eligibility.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	Based on interviews conducted with Milestone B smallholders, it was confirmed that they have an adequate understanding of the group's membership requirements and the commitments outlined in the Smallholder Declaration (refer to Indicator A1.2(E) and Annex 2). This was objectively evidenced through their ability to explain key obligations, including compliance with RSPO requirements, participation in group activities, and adherence to good agricultural and environmental practices.

Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria A.2: The group manager is responsible for managing the group for certification.

Indicator A.2.1 E	The Group Manager shall establish an Internal Control System (ICS) with participation or in consultation with members.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has established an Internal Control System (ICS) implementation plan supported by documented SOPs and a 2025 work plan outlining key activities including certification system training, internal and external audits, management and members' meetings, and ongoing training and socialization to ensure effective ICS operation and RSPO compliance.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.2.1 MS A	The Group Manager shall implement the Internal Control System (ICS) on all members.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement

	☒Not Applicable (justification required)

Indicator A.2.1 MS B	Same as MS A.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	Auditor interview each ICS members related to their job description such as approval committee, Internal Auditors and Sustainability Unit from Hap Seng Plantations. Based on interviews, it is known that members of ICS team understand about RSPO certification and certification requirements. The group manager also easily manages members during audit activities and provides the necessary information for certification.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.2.2 E	The Group Manager shall demonstrate understanding of the standard's requirements and have access to sufficient resources to manage the group.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has established an organizational structure with defined roles and responsibilities to implement RSPO principles and criteria, including key functions such as ICS management, auditing, documentation, and OHS, with interview results confirming that responsibilities, procedures, and audit processes are clearly understood and adequately implemented within the group.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.2.2 MS A	The Group Manager shall have sufficient capacity, including resources, to implement the standard's requirements.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator A.2.2 MS B	Same as MS A.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	Based on document verification and interviews with the ICS team, the Group Manager has implemented the RSPO Independent Smallholder Standard through a structured organizational system, regular certification and audit preparation meetings, dissemination of key sustainability signage at member and village levels, and periodic field visits to ensure ongoing compliance with RSPO requirements.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.2.3 E	The Group Manager shall establish and make accessible capacity building programme(s) for all members that covers the following: A) RSPO Independent Smallholder (ISH) Standard; B) Applicable requirements on ISH in RSPO Certification Systems for P&C and RSPO ISH Standard; C) Best Management Practices (BMPs) guided by the latest RSPO documents *(Refer to Annex 4*); D) The RSPO Information System; E) Record keeping requirements on segregation of certified and non-certified FFB production and sales;

	F) Overview of human rights and Human Rights Due Diligence; and G) Other applicable requirements
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has implemented accessible capacity-building programmes for 2025 to support compliance with the RSPO Independent Smallholder Standard, covering key areas such as RSPO requirements, best management practices, certification systems, record keeping, human rights due diligence, and related sustainability obligations for all group members.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator A.2.3 MS A	The Group Manager shall implement capacity building programme(s) based on phased approach for all members that covers the following; A) RSPO Independent Smallholder (ISH) Standard; B) Applicable requirements on ISH in RSPO Certification Systems for P&C and RSPO ISH Standard; C) Best Management Practices (BMPs) guided by the latest RSPO documents (*Refer to Annex 4*); D) The RSPO Information System; E) Record keeping requirements on segregation of certified and non-certified FFB production and sales; and F) Overview of human rights and Human Rights Due Diligence
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement

	☒Not Applicable (justification required)

Indicator A.2.3 MS B	The Group Manager shall ensure all members have attended training(s) and able to demonstrate understanding of the following: A) RSPO Independent Smallholder (ISH) standard's requirements; B) Best Management Practices (BMPs) guided by the latest RSPO documents (*Refer to Annex 4*); C) Record keeping requirements on segregation of certified and non-certified FFB production and sales; and D) other applicable requirements
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	Implementation of the 2025 capacity-building programme was verified through training records, attendance lists, materials, and member interviews, confirming that group members participated in key RSPO-related trainings and demonstrated improved understanding of their responsibilities, with ongoing phased integration ensuring continuous compliance with the RSPO Independent Smallholder Standard.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria B.1: The Smallholder group's Internal Control System (ICS) shall contain documented policies, procedures, and group management requirements.

Indicator B.1.1 E	The smallholder group's Internal Control System (ICS) shall contain operational management on internal audit procedures.
Phase	Eligibility
Audit Findings	

Audit Findings (Public Summary)	The Internal Audit procedure (SOP Internal Audit LKM.P1.09, revised 09 December 2025) defines the planning, execution, competency requirements, reporting, and follow-up of audits, ensuring independent annual audits of all members by qualified personnel with no conflict of interest, supported by a structured corrective action system ranging from 30-day corrective periods and warning letters to potential member expulsion for major non-compliances.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator B.1.1 MS A	The Group Manager shall implement the Internal Control System (ICS), including conducting an annual internal audit based on a minimum sample of 'x' smallholder members, where x = (√y) x (2.5) x (1.5) and where y is the total number of smallholders in the group.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator B.1.1 MS B	The Group Manager shall implement the Internal Control System (ICS), including conducting an annual internal audit based on a minimum sample of 'x' smallholder members, where x = (√y) x (2.5) x (2) and where y is the total number of smallholders in the group.
Phase	Milestone B
Audit Findings	

Audit Findings (Public Summary)	The internal audit was carried out 100% sampled for all smallholders members on 04-05/12/2025 and secondly conducted on 15-17/12/2025. From the internal audit result, recorded 4 Major NCR. The management review was carried out on 04/01/2026. Chairman Group Manager.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator B.1.2 E	The Group Manager shall have and maintain information as required in the Smallholder Declaration *(Refer to Indicator A1.2 E and Annex 2)* and relevant documentation (where applicable) from all members
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has established and maintained the information required in accordance with the commitments outlined in the Smallholder Declaration (refer to Indicator A1.2(E) and Annex 2), including the collection of relevant supporting documentation (where applicable) from all members. The Smallholder Declaration was last revised on 09 December 2025. Based on ASA1 records, two (2) new members joined the group on 09 December 2025. This was objectively evidenced through the updated membership register, duly signed Smallholder Declarations, and supporting documents such as copies of identification cards and land ownership/usage records maintained in the group file.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator B.1.2 MS A	Same as Eligibility.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator B.1.2 MS B	Same as Eligibility.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	The audit results are the same as Eligibility.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria C.1: The smallholder group's business plan is established with the participation and contribution of the group members.

Indicator C.1.1 E	The Group Manager shall establish a group business plan with the participation and contribution of the members. The business plan shall include the following: A) Production and income forecasting based on historical records; B) Expansion plan;

	C) Replanting plans; D) FFB production cost; and E) Operational cost(s)
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	The Group has established a Business Plan (FY2025–FY2030, prepared in 2024) outlining projected operational, compliance, and sustainability activities including ICS meetings, audits, training, mapping, legal compliance, monitoring, health checks, and agronomic support, with no replanting planned in the next five years and defined productivity and cost projections for each smallholder member.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator C.1.1 MS A	The Group Manager shall implement the group business plan and review it every two years.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator C.1.1 MS B	The Group Manager shall implement the group business plan and assess the group's ability to support itself financially, with results according to the business plan. The group business plan shall be reviewed every two years.
Phase	Milestone B

Audit Findings	
Audit Findings (Public Summary)	The Group Manager has established and implemented a documented Group Business Plan that outlines strategic, operational, and financial projections, with performance monitored through periodic reviews comparing actual results against budgets, and the plan is formally reviewed at least every two years to ensure continued relevance, with evidence confirming the latest revision was completed within the required timeframe.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria C.2: The smallholder group's Internal Control System (ICS) is integrated with the group's management plan.

Indicator C.2.1 E	The Group Manager shall establish a group management plan that contains the following: A) Capacity building programme(s) including training(s) to improve farm productivity and understanding of the group members; B) Approach to strengthen group relationship(s) within the RSPO supply chain; and C) Continuous improvement plan.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has established and implemented a documented Group Management Plan for FY2025/2026, incorporating capacity building, RSPO supply chain engagement, and a continuous improvement framework, with structured actions to support member compliance, improve agricultural practices, strengthen stakeholder relationships, and address audit findings through ongoing corrective measures.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement

	☐Not Applicable (justification required)

Indicator C.2.1 MS A	The Group Manager shall ensure the implemention of the group management plan by the group members, and review it every two years.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator C.2.1 MS B	Same as MS A.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	Based on interviews, observations, and document reviews, the Group Management has demonstrated compliance with RSPO requirements through implementation of signed Smallholder Declarations, internal audits, regular training and outreach, HCV monitoring and management, plot mapping, boundary demarcation, and confirmation of legal establishment of the group.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria D.1: The smallholder group develops and implements procedure(s) and system(s) for tracking of FFB production (i.e., separate record for certified and non-certified, if any) by the group members.

Indicator D.1.1 E	The Group Manager shall develop and implement procedure(s) and system(s) to keep track of the FFB production and sales of certified volumes of the smallholder group at least every 6 months, including traceability to smallholder plots and buyers e.g., mill(s) and trader(s).
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has implemented a documented supply chain traceability SOP (LKM.P1.08) supported by systematic record-keeping of certified FFB production and sales, enabling full traceability from smallholder plots to buyers, with periodic data updates, reconciliation of records, and verified implementation through supporting documents and stakeholder interviews confirming compliance with RSPO requirements.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator D.1.1 MS A	The Group Manager shall maintain record(s) of FFB production and sales of certified volumes of the group at least every 6 months, including traceability to smallholder plots and buyers e.g., mill(s) and trader(s).
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator D.1.1 MS B	Same as MS A.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has maintained six-monthly records of certified FFB production and sales with full traceability to smallholder plots and buyers, covering the reporting period from 16 January to 16 May 2025, with documented Phase-wise projected and actual volumes confirming that MS B Phase produced and sold 524.00 MT of RSPO-certified FFB, demonstrating complete traceability and certified volume tracking compliance.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator D.1.2 E	The Group Manager shall establish and implement a documented procedure to monitor the actual FFB production.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has implemented a documented procedure (dated 09/12/2020) to systematically monitor and record actual FFB production from smallholder plots, supported by regular data collection, verification, and reconciliation of production and delivery records, with interviews confirming consistent implementation and effective monitoring of production data integrity across the group.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Indicator D.1.2 MS A	The Group Manager shall monitor the implementation of the documented procedure to monitor the actual FFB production (i.e., separate record for certified and non-certified, if any) of all group members, to ensure no overselling of RSPO Credits in the RSPO Information System.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator D.1.2 MS B	The Group Manager shall monitor the implementation of the documented procedure to monitor the actual FFB production (i.e., separate record(s) for certified and non-certified, if any) and FFB sales of all group members through physical and/or RSPO Credits in the RSPO Information System, to ensure no overselling of FFB Certified Volume(s).
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has implemented a monitoring system to ensure accurate tracking and segregation of certified and non-certified FFB volumes, supported by regular reconciliation of production and sales records, including RSPO Credits and RIS reporting, with verification confirming that certified volumes for MS B Phase (524.00 MT) were fully supported by actual production with no evidence of overselling and effective compliance with RSPO requirements.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

Criteria D.2: The group has a procedure and system for premium distribution.

Indicator D.2.1 E	The Group Manager shall establish a documented mechanism of the group's financial gain (i.e., premium) distribution, with the participation of group members.
Phase	Eligibility
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has established and implemented a documented and transparent mechanism for the distribution of financial gains (premium) from certified FFB sales, developed with member participation and consultation, and consistently applied with proper record-keeping, while interviews confirmed that group members are aware of and understand the agreed premium distribution process, demonstrating effective communication and accountability.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required

Indicator D.2.1 MS A	The Group Manager shall implemented the agreed documented mechanism of the group's financial gain (i.e., premium) distribution.
Phase	Milestone A
Audit Findings	
Audit Findings (Public Summary)	Not Applicable as there is no members at this stage, LKM and Lim Engit Fun Already move to Milestone B and new members still at Eligibility Phase.
Results	☐Conform ☐Major Nonconformity ☐Opportunity for Improvement ☒Not Applicable (justification required)

Indicator D.2.1 MS B	Same as MSA.
Phase	Milestone B
Audit Findings	
Audit Findings (Public Summary)	The Group Manager has implemented the agreed premium distribution mechanism for certified FFB sales, ensuring fair and transparent allocation based on defined criteria, with documented calculations, timely disbursement, and proper record-keeping, while interviews with group members confirmed receipt and understanding of payments in accordance with the established system.
Results	☒Conform ☐Major Nonconformity ☐Opportunity for Improvement ☐Not Applicable (justification required)

6. Summary of Audit Findings

Principle	Major Nonconformities	Opportunity for Improvement	Total # findings
Principle 1: RSPO Smallholders implement professional operations to optimise productivity and secure sustainable livelihood improvements			
Principle 2: RSPO Smallholders comply with the law and respect communities' rights			
Principle 3: RSPO Smallholders safeguard human rights, protect workers' rights, and ensure safe and decent working conditions			
Principle 4: RSPO Smallholders protect the environment, conserve biodiversity, enhance ecosystems, and sustainably manage natural resources			
Internal Control System	1	0	1
Total	**1**	**0**	**1**

7. Nonconformity(ies) Issue in This Audit

Indicator Number	DA 01 2026
Nonconformity Number	A.1.4 E
Nonconformity Category	☒ Major Nonconformity
Recurring Nonconformity Category	☐ Yes ☒ No
Date of Nonconformity Issued	16 January 2026
Nonconformity Issued To *(when more than one site/member)*: E Phase members (Noriza Ariffin, Chen Tet Khiong, and Chin Fui Chuen)	
Deadline:	☒ 3 months from date of closing meeting ☐ 12 months from date of closing meeting
Mode of Nonconformity Closure	☐ Onsite ☒ Off-site
Standard Reference	The Group Manager shall ensure all members understand the group's membership requirements and the commitments stated in the Smallholder Declaration (Refer to Indicator A1.2 E and Annex 2).
Nonconformity Statement: The Group Manager has been unsuccessful to effectively ensure that all group members understand and comply with the group membership requirements and the commitments stipulated in the Smallholder Declaration.	
Evidence: Based on interviews conducted with E Phase members (Noriza Ariffin, Chen Tet Khiong, and Chin Fui Chuen), the interviewed members were unable to explain the commitments outlined in the Smallholder Declaration and the Group Sustainability Policy, demonstrating an inadequate understanding of their roles, responsibilities, and obligations as group members.	
Root Cause Analysis	Due to time constraints, geographical limitations, and the recent onboarding of new members, the Group Manager was unable to conduct sufficient and effective briefings to ensure that all Phase E group members fully understood the membership requirements and the commitments outlined in the Smallholder Declaration and the Group Sustainability Policy.
Correction(s)	The Group Manager conducted a meeting on 27.01.2026 with Phase E group members, focusing specifically on the Smallholder Declaration and the Group Sustainability Policy. During the meeting, the commitments, roles, responsibilities, and obligations of group members were clearly explained to improve their understanding. Additional awareness materials were shared, and reinforcement will be supported through digital platforms such as YouTube and podcasts to enhance comprehension and retention.

Corrective Action Implemented *(including any evidence submitted)*	Group Manager will implement a structured and regular briefing and training program for all group members, including newly onboarded members. This program will include scheduled training sessions, standardized training materials, attendance records, and periodic evaluations to ensure ongoing understanding and compliance with group membership requirements and the commitments stated in the Smallholder Declaration and the Group Sustainability Policy.
Date of Response:	05 March 2026
Audit Team Conclusion *(including any evidence reviewed)*	The Group Manager has established a structured training and briefing for all group members, including newly onboarded members dated 27/01/2026. The evidence reviewed includes standardized training materials, documented attendance records, and periodic evaluation mechanisms to monitor understanding and ensure sustained compliance with group membership requirements and relevant sustainability commitments. Overall, the audit team considers that the corrective action plan is appropriate and addresses the identified root cause.
Status of Non-Conformity:	☒ Closed ☐ Open
Date of Closure	16 April 2026

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

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

Add tables as necessary

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

Indicator No	NCR No	Evidence Observed / NCR Raised	Auditee Response - Correction / Corrective Action	Verification of Correction/ Corrective Action	Conclusion/ Status
3.1	DA 01 2024	Upon review, there is no evidence to demonstrate the availability of information regarding the source of labour, supporting documentation, or payment conditions. This includes critical documents such as contract agreements between the contractor and MS A Smallholders at Lim Engit Fun. In addition, there are no payment vouchers or receipts available to verify payments made to either workers or contractors. This lack of documentation creates significant gaps in traceability, making it difficult to confirm compliance with the relevant indicator. Without clear records, there is no assurance that fair and ethical labour practices have been implemented. Furthermore, the absence of traceable payment records raises concerns about transparency and increases the potential risk of fraudulent practices or financial mismanagement.	Correction: The Certification Unit has established the contract agreement and payment voucher (for month December 2024 and November 2024) to temporary workers. Corrective Action: The Certification Unit will ensure the contract agreement and payment voucher are made available to the temporary workers and Group Manager will cross-check the labour documentation i.e., contract agreement and payment voucher. Sighted an evidence payment voucher and contract (agreed payment) for month November and December 2024 for 2 local employees.	It was verified that Chua Soon Lee, Chua Soon Nyee, Chua Soon Dee, and Chua Soon Yee employ a workforce of 8 individuals, including 6 foreign workers from Indonesia and the Philippines and 2 local workers. Interviews conducted with sampled foreign workers confirmed that identity documents, such as passports, are not retained, and workers are not required to pay recruit3 bedroent fees. Furthermore, no evidence of contract substitution, involuntary overtime, restrictions on the freedom to resign, penalties for employment termination, debt bondage, or wage withholding was identified. Meanwhile, during site visit at plots of smallholders was found appropriate living condition was provided to all employees, i.e housing with 3 housing with 3 bedroom, free electricity and clean water, free medical , etc.	**Closed**

				Meanwhile at smallholder Lim Engit Fun no permanent labour were used. All harvesting and upkeep has been contract out to local community. Sighted an evidence payment voucher was made to contractor as per below: • To Mr Anury Jaapar – ic no: 750620-12-5561, date 05/08/2025 (for July 2025) , for harvesting FFB – total mt : 16.72mt (RM155.00/mt) total: RM2591.60 • To Mr Amin Abdul – ic no: 820812-12-6199, date 04/01/2026 (for December 2025), for harvesting FFB – total mt: 64.50mt (RM162/mt total: RM 10,449.00. Interview with these two local communities was found that the price was mutual agreed by both parties	

10. Stakeholder Consultation

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

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

10.1 For Audit Report

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

10.2 For Public Summary Report

No	Consulted Stakeholders *Name of Stakeholders*	Date of Consultation/ Comment Received	Method of Consultation/ Comment received	Feedback/Comments/Issue Raised Received from Stakeholders	CB's Responses
1	Employees / Workers Organizations (local / foreign / male & female)	14 January 2026	Site interviewed	interviews were carried out with 5 foreign workers (from Indonesia and the Philippines) and 3 local workers. All interviewed workers confirmed that no issues were identified related to wage payment, forced labour, or any form of coercion in their employment. This provides evidence that the company's labour management practices are effectively implemented in accordance with legal requirements, ensuring fair employment conditions, timely wage payments, and the absence of forced labour.	The group members have effectively implemented human rights values in compliance with international laws and industry best practices. During this audit, no issues related to social aspects, including labor rights, workplace discrimination, or ethical treatment of workers, were identified.
2	Local communities	14 January 2026	Site interviewed	An interview was conducted with the Head Villagers of the local communities, namely Kampung Tidung Darat and Kampung Litang. No issues related to land disputes were reported.	Currently no known conflicts or grievances concerning land ownership or land use between the plot group members and the surrounding communities, the stakeholder engagement and communication channels are being effectively maintained.
3	Hap Seng Plantations representative	14 January 2026	Site interviewed	HSP has continuously provided assistance and support to the LKM smallholder programme in a consistent and sustained manner. This support includes ongoing technical guidance, capacity building, and operational facilitation to ensure smallholders are able to comply with programme requirements and improve their productivity.	The continuous engagement helps strengthen smallholder understanding of sustainable practices, thereby contributing to improved compliance, better yield performance, and long-term programme sustainability.

4	Government agencies / Statutory bodies	08 December 2025	Public announcement	No feedback received.	Not applicable
5	NGOs	08 December 2025	Public announcement	No feedback received.	Not applicable

11. Audit Conclusion & Recommendation

Audit Findings	
☐	No nonconformity recorded.
☒	Major NCR(s) recorded. Evidence of implementation of the corrective actions have been provided and accepted by the Audit Team. The NCR(s) have been satisfactorily closed out.
Recommendation	

☐	Certification (Eligibility – Pre-audit Assessment or Milestone A – Pre-audit Assessment or Milestone B - Initial Certification)
☒	Continue certification (Milestone B – Annual Surveillance Audit)
☐	Renewal for certification (Milestone B – Recertification)
☐	Not recommended for certification. Reason: (*Please provide the reason/justification)*

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

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

Acknowledge by:		
Name	CHUA SOON LEE @ LIEW SOON LEE	 Signature
Position	GROUP MANAGER LKM TRADING	
Date	23. 04. 2026	

Signing by the Audit Team Leader

I, the undersigned, being the Audit Team Leader, confirm that this report accurately reflects the findings and proceedings of the closing meeting. Furthermore, I affirm that the summary of the findings presented in this report is a true and accurate representation of the actual findings of the Audit Team.

Acknowledge by:		
Name	DZULFIQAR AZMI	 Signature
Position	LEAD AUDITOR	
Date	17/04/2026	

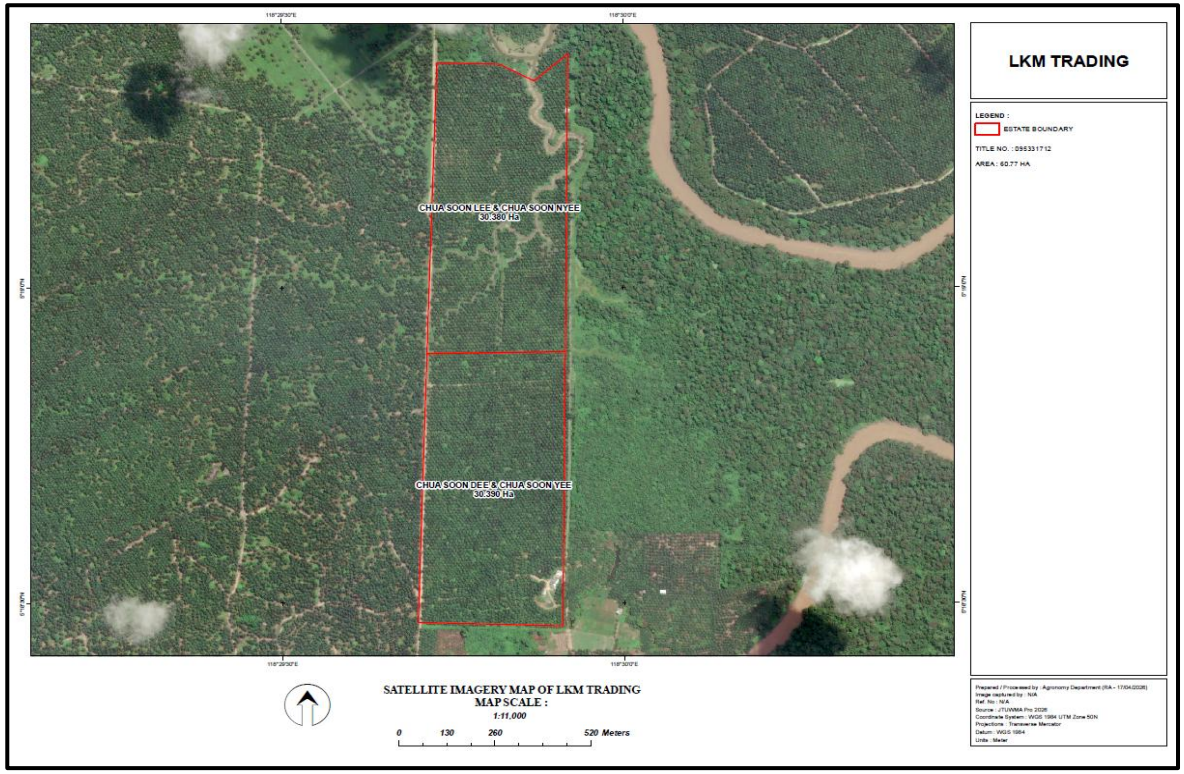
Signing by the Certification Decision Maker

I, the undersigned, being the Certification Decision Maker, confirm that the information and conclusions contained in this report have been prepared in good faith and that the certification decision has been made based upon this information.

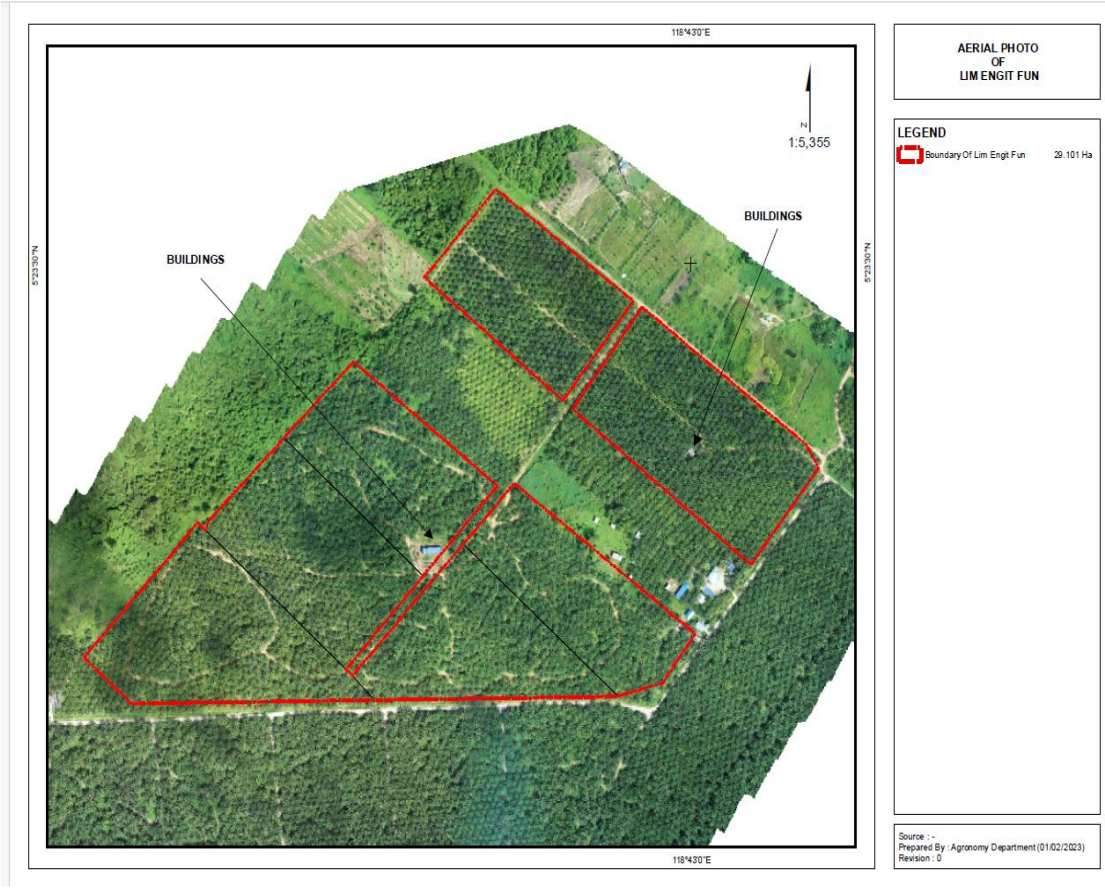
Acknowledge by:		
Name	Kamini Sooriamoorthy	 Signature
Position	Section Head	
Date	21/04/26	

13. Appendix 1

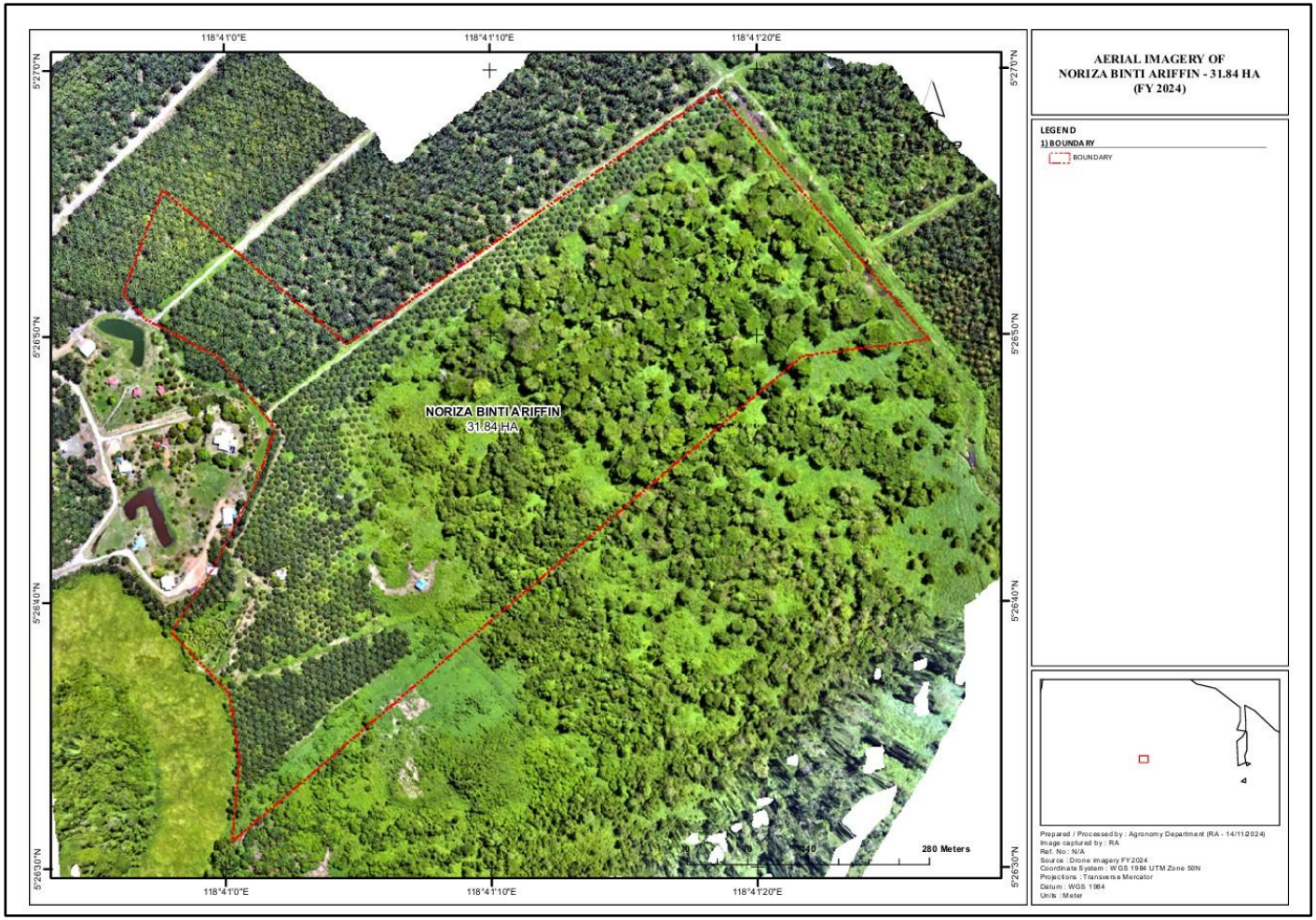
Appendix 1.1 Maps of Supply bases zoomed in on polygon



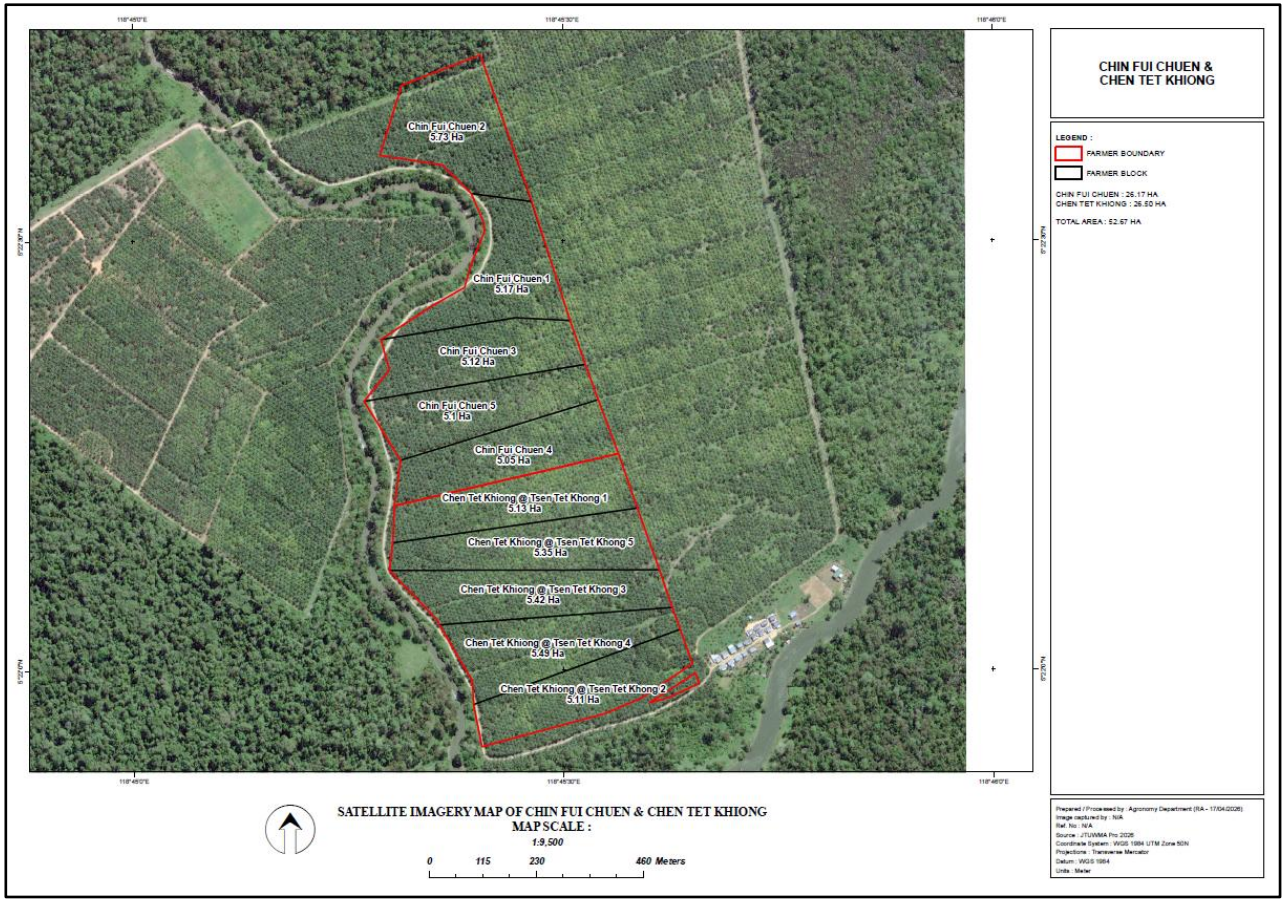
Chua Soon Lee @ Liew Soon Lee and Chua Soon Nyee
&
Chua Soon Dee @ Liew Soon Dee and Chua Soon Yee @ Liew Soon Yee



Lim EnGit Fun

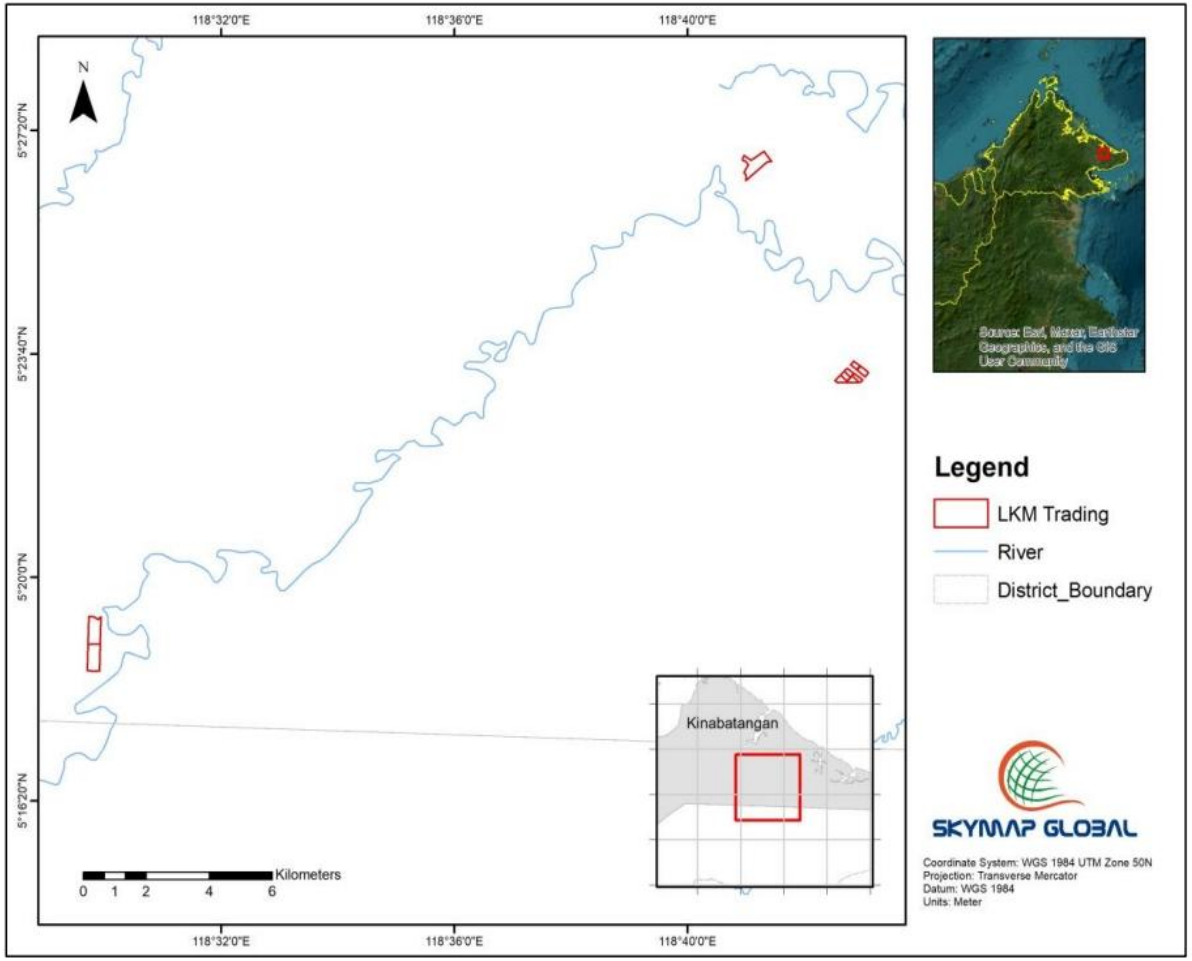


Noriza Binti Ariffin



Chen Tet Khiong @ Tsen Tet Khong
&
Chin Fui Chuen

Appendix 1.2 Map of Supply Base zoomed out



14. Appendix 2: History of the changes in the current certification cycle

Assessment Type	Date of Audit	Changes
Milestone B - Annual Surveillance Audit 1	14 January 2026 – 16 January 2026	Additional of smallholder, 2 smallholder members (Chen Tet Khiong @ Tsen Tet Khong and Chin Fui Chuen) were joined under Eligibility on 09 December 2025.