RSPO P&C CERTIFICATION AUDIT REPORT

SYARIKAT KRETAM MILL SDN. BHD.

Audit Application Number:	PC26-000068
Assessment Type:	Annual Surveillance Audit 4
Date of Audit:	13 April 2026 – 17 April 2026
Audit Report Number:	1
Revision Number:	0
Audit Report Date	17 July 2026

Table of Contents

1. Certification Body Background 4
   1.1 Description of Certification Body 4
2. Organisation Details and Certification Scope 5
   2.1. Organisational Overview 5
   2.2. RSPO Membership Information 5
   2.3. Certificate Information 6
3. Description of the Management Unit 7
   3.1. Area Statement of the Management Unit 9
   3.2. Age Profile of the Management Unit 10
   3.3. Replanting Programme of the Management Unit (5 Years) 11
   3.4. Name FFB Supplier Supplying FFB to the Mill (Certified FFB) 12
   3.6 Projected Certified Volume for Next License 14
   3.7 Information of Previous & Current License (Identity Preserved) 15
   3.8 Information of Previous & Current License (Mass Balance) 16
4. Audit Programme 17
   4.1. Audit Methodology 17
   4.2. Audit Team Member 17
   4.3. Audit Plan 18
   4.4. Changes of the initial audit plan (if applicable) 24
   4.5. Sampling Details 25
   4.6. Sampling History of Current Certification Cycle 26
   4.7. Audit Team Leader and Audit Team Information 26
5. Audit Findings & Results 31
6. Summary of Audit Findings 101
7. Nonconformity(ies) Issue in this Audit 103
8. Opportunity for Improvement (OFI) Issue in this Audit 107
9. Status of Nonconformities Previously Identified and Opportunity for Improvement 108
10. Stakeholder Consultation Process 117
    11.1 For Audit Report 117
    11.2 For Public Summary Report 118
    11.3 Summary of workers interviewed, and the CB's responses and findings are presented in the table below: 121
    11.4 Consultation with Previous Land User 122
11. Time Bound Plan 123
12. Requirements on Multiple Management Unit 124

13. Requirements for Uncertified Management Units 125
14. Audit Conclusion & Recommendation 126
15. Acknowledgment of Internal Responsibility and Formal Sign-off Assessment Findings 127
Appendix 1: Location Map Unit of Certification and Supply bases 129
Appendix 2: History of the changes in the current certification cycle. 132
Appendix 3: Greenhouse Gas (GHG) Reporting Summary 133

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, 40700 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 28 September 2024 (accredited since 2014).
Phone Number (Accredited Office)	(603) 5544 6119
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	Malaysia and Indonesia
Accredited Since	27 September 2014

2. Organisation Details and Certification Scope

2.1.Organisational Overview

Management Unit Information ***Note: Management Unit refers to unit of certification***	
Name of Management Unit/s	Syarikat Kretam Mill Sdn. Bhd.
Address of the Management Unit/s	Off Km 45, Sandakan – Lahad Datu Highway, 90714 Sandakan, Sabah.
Country	Malaysia
Websites	https://www.kretam.com/
Description of the Management Unit	Syarikat Kretam Mill Sdn. Bhd. and its supply bases, owned by Kretam Holdings Berhad (KHB), are located at Bode Estate, Sandakan, Sabah, Malaysia. The company was transferred to SIRIM QAS on 21 May 2020. KHB is a plantation organization with operations in three regions: Sandakan, Tawau, and Lahad Datu, Sabah, Malaysia. There are three mills, one in each region, as well as a refinery in the Sandakan region. The supply bases for Syarikat Kretam Mill Sdn. Bhd. consists of five estates: Bode, Sapagaya, Bukit Sekong, Masang, and Seraya. The palm oil mill operates with a processing capacity of 60 MT FFB/hr. The CU holds ISCC certification in addition to RSPO P&C, Supply Chain, and MSPO certifications.
Management Representative Name	Spencer Joseph
Management Representative Designation	Assistant Manager HR & Sustainability
Management Representative Email	spencer@kretam.com

2.2.RSPO Membership Information

RSPO Membership Information	
RSPO Membership No.	1-0189-15-000-00
Name of RSPO Member	KRETAM HOLDINGS BERHAD
Member Since	16 September 2015

2.3.Certificate Information

Certificate Information	
Certificate No.	RSPO-PC 00133
prisma Document Reference Number	*(N/A until June 2025)*
prisma Trading Account ID	TA25-017100
Scope of Certification	Production of Sustainable Crude Palm Oil and Palm Kernel Using the Identity Preserved Supply Chain Model
Supply Chain Model	☒ Identity Preserved (IP) ☐ Mass Balance (MB)
Applicable Standards / Normative Reference	☒ RSPO Principles and Criteria for the Production of Sustainable Palm Oil 2018 ☒ RSPO Certification Systems for Principles & Criteria and RSPO Independent Smallholder Standard 2020 ☐ RSPO Management System Requirements for Group Certification of FFB Production 2022 ☒ RSPO Rules on Market Communication and Claims 2022
National Interpretation (NI)	Malaysia National Interpretation
Initial Date of Certification:	15 June 2016
Effective Date of Certificate:	18 July 2022
Expiry Date of Certificate:	17 July 2027
Name of Peer Reviewer	Only for the case of IC or RC

3. Description of the Management Unit

Information of Palm Oil Mill					
Name of Palm Oil Mills	**prisma Site Business ID**	**Address of Palm Oil Mill**	**Mill's capacity (MT/hour)**	**GPS Coordinates**	
				Latitude	**Longitude**
Kretam Mill	ML25-001403	Off KM 45, Sandakan – Lahad Datu Highway, Sandakan, Sabah.	60	5.656944	117.837499
Remarks: Not applicable.					

Information of Supply Bases					
Name of Supply Bases	**prisma Supply Base ID**	**Address of Supply Bases**	**Type of Supply Bases**	**GPS Coordinates**	
				Latitude	**Longitude**
Bode Estate	SB25-003785	Off KM 45, Sandakan – Lahad Datu Highway, Sandakan, Sabah.	Own/Managed Estate	5.643611	117.831667
Masang Estate	SB25-005091	Off KM 45, Sandakan – Lahad Datu Highway, Sandakan, Sabah.	Own/Managed Estate	5.663056	117.865278
Sapagaya Estate	SB25-005751	KM 82, Jalan Lahad Datu – Sandakan, Kinabatangan.	Own/Managed Estate	5.581111	118.018333
Bukit Sekong Estate	SB25-003838	Batu 60, Jalan Sukau, Kinabatangan.	Own/Managed Estate	5.603333	117.9025
Seraya Estate	SB25-005759	Mile 50, Labuk Road, Segaliud-Lokan, 90200, Kinabatangan.	Own/Managed Estate	5.644167	117.601389

3.1. Area Statement of the Management Unit

Area Statement of Supply Bases									
Name of Supply Base	Certified Area (Ha)	Planted Area (Ha)			Unplanted Area (Ha)				
		Oil palm planted on non peatland	Oil Palm Planted on Peat	Other Crop(s)	HCV	HCS	HCV-HCS	Conservation	Facilities / Others
Bode Estate	3472.82	2814.92	0.00	0.00	200.00	0.00	0.00	218.17	239.73
Masang Estate	3178.62	2940.35	0.00	0.00	50.00	0.00	0.00	97.23	91.04
Sapagaya Estate	3049.77	2998.18	0.00	0.00	0.00	0.00	0.00	11.25	40.34
Bukit Sekong Estate	956.96	826.30	0.00	0.00	0.00	0.00	0.00	92.63	38.03
Seraya Estate	853.43	752.24	0.00	0.00	0.00	0.00	0.00	18.92	82.27
TOTAL	**11511.60**	**10331.99**	**0.00**	**0.00**	**250.00**	**0.00**	**0.00**	**438.20**	**491.41**

Remarks:
Changes of panted and conservation area:

1) A total of 41.51 hectares of planted area has been reduced and reverted to plantable reserve at Bukit Sekong Estate.
2) A total of 1.21 hectares from Block 25PX2 has been removed due to dead palms, swampy conditions, and steep terrain at Masang Estate.
3) The reduced planted areas from both Bukit Sekong Estate and Masang Estate have been incorporated into the conservation area.

3.2. Age Profile of the Management Unit

Name of the Supply Base	Land size (Ha) by age of the Oil Palm				Production Area (Ha)	Total Planted Area (Ha)
	0 - 3 Phase 1	4-6 Phase 2	7-18 Phase 3	≥19 Phase 4		
Bode Estate	738.33	285.93	726.14	1064.52	2076.59	2814.92
Masang Estate	493.63	34.65	1735.62	676.45	2446.72	2940.35
Sapagaya Estate	648.46	0.00	1213.35	1136.37	2349.72	2998.18
Bukit Sekong Estate	59.60	0.00	766.70	0.00	766.70	826.30
Seraya Estate	72.84	0.00	679.40	0.00	679.40	752.24
TOTAL (ha)	**2012.86**	**320.58**	**5121.21**	**2877.34**	**8319.13**	**10331.99**
Remarks: To include additional information wherever applicable						

Notes: 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 Programme of the Management Unit (5 Years)

Name of the Supply Base	Land area (ha) by year					Total Area (Ha)
	2026	2027	2028	2029	2030	
Bode Estate	0.00	113.51	129.37	66.57	98.30	**407.75**
Masang Estate	140.35	115.18	0.00	115.50	129.82	**500.85**
Sapagaya Estate	222.15	0.00	135.71	125.55	68.24	**551.65**
Bukit Sekong Estate	0.00	0.00	0.00	0.00	0.00	**0.00**
Seraya Estate	0.00	0.00	0.00	0.00	0.00	**0.00**
TOTAL (ha)	**362.50**	**228.69**	**265.08**	**307.62**	**296.36**	**1460.25**

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

3.4. Name FFB Supplier Supplying FFB to the Mill (Certified FFB)

Name of other FFB Suppliers	Type of FFB Suppliers	GPS Coordinates		FFB received by the mil (MT) *During the current license period
		Latitude	Longitude	
Bode Estate	Own supply bases	5.643611	117.831666	22,273.38
Masang Estate	Own supply bases	5.663056	117.865278	31,048.70
Sapagaya Estate	Own supply bases	5.581111	118.018333	27,962.44
Bukit Sekong Estate	Own supply bases	5.603333	117.902500	9,292.32
Seraya Estate	Own supply bases	5.298056	117.956667	2,339.53
Kolapis Estate	Diverted crop	5.329972	117.938333	2,100.25
Tanaki Estate	Diverted crop	5.643611	117.831666	22,273.38
			TOTAL	**95,016.62**

3.5 Name FFB Supplier Supplying FFB to the Mill (Un-Certified FFB)

Name of other FFB Suppliers	Type of FFB Suppliers	GPS Coordinates		FFB received by the mil (MT) *During the current license period
		Latitude	Longitude	
	choose an item			
	choose an item			
TOTAL				

3.6 Projected Certified Volume for Next License

Information of New License		
Next License Period	Start Date	17-Aug-2026
	End Date	16-Aug-2027
Projected Certified FFB Volume (MT)		206,002.00
Average Production Yield (MT/ Ha)		19.94
Projected CSPO Certified Volume (MT)	Identity Preserved	43,260.21
	Mass Balance	0.00
Projected CSPK Certified Volume (MT)	Identity Preserved	9,476.05
	Mass Balance	0.00
Oil Extraction Rate (OER) (%)		21.00
Kernel Extraction Rate (KER) (%)		4.60

3.7 Information of Previous & Current License (Identity Preserved)

Name of Palm Oil Mill	Kretam Mill			
Information of License	**Previous Year License**		**Current Year License**	
License Period	Start Date	18-Oct-2024	Start Date	17-Sept-2025
	End Date	16-Sep-2025	End Date	16-Aug-2026
Actual Production Period Reported	From	18-Oct-2024	From	17-Sep-2025
	To	16-Sep-2025	To	17-April-2026
Projected FFB Certified Volume (MT)	204,289.00		205,691.00	
Actual production of FFB (MT)	140,155.63		95,016.62	
Projected CSPO Certified Volume (MT)	44,970.00		43,195.00	
Actual CSPO Production Volume (MT)	28,284.71		19,607.782	
Actual CSPO Volume Sold as RSPO Certified (MT)	27,004.97		18,205.300	
Actual CSPO Volume Sold as Conventional (MT)	0.00		0.00	
Actual CSPO Volume Sold under Other Scheme (MT)	0.00		0.00	
Total Actual CSPO Volume Sold (MT)	27,004.97		18,205.300	
Actual CSPO credits sold (where applicable)	0.00		0.00	
Projected CSPK Certified Volume (MT)	9,176.00		9,256.00	
Actual CSPK Production Volume (MT)	6,413.10		4,390.28	
Actual CSPK Volume Sold as RSPO Certified (MT)	6,306.50		4,390.28	
Actual CSPK Volume Sold as Conventional (MT)	0.00		0.00	
Actual CSPK Volume Sold under Other Scheme (MT)	0.00		0.00	
Total Actual CSPK Volume Sold (MT)	6,306.50		4,390.28	

3.8 Information of Previous & Current License (Mass Balance)

Name of Palm Oil Mill				
Information of License	**Previous Year License**		**Current Year License**	
License Period	Start Date		Start Date	
	End Date		End Date	
Actual Production Period Reported	From		From	
	To		To	
Projected FFB Certified Volume (MT)				
Actual production of FFB (MT)				
Projected CSPO Certified Volume (MT)				
Actual CSPO Production Volume (MT)				
Actual CSPO Volume Sold as RSPO Certified (MT)				
Actual CSPO Volume Sold as Conventional (MT)				
Actual CSPO Volume Sold under Other Scheme (MT)				
Total Actual CSPO Volume Sold (MT)				
Actual CSPO credits sold (where applicable) (MT)				
Projected CSPK Certified Volume (MT)				
Actual CSPK Production (MT)				
Actual CSPK Volume Sold as RSPO Certified (MT)				
Actual CSPK Volume Sold as Conventional (MT)				
Actual CSPK Volume Sold under Other Scheme (MT)				
Total Actual CSPK Volume Sold (MT)				

4. Audit Programme

4.1. Audit Methodology

The on-site assessment was carried out from 13 April 2026 to 17 April 2026, and the audit programme can be found in Section 4.3.

The audit considered the mill and its supply base as Syarikat Kretam Mill Sdn. Bhd. Certification Unit, covering occupational health and safety, environmental management, best practices, and social aspects, including milling operations, good agricultural practices in plantations such as topography, harvesting, replanting, proximity to High Conservation Value (HCV) areas, conservation or riparian zones, community engagement, and worker welfare and safety.

Objective evidence was collected through site inspections, observation of tasks and processes, interviews with staff, workers, their families, and external stakeholders, as well as review of documents and monitoring records. The assessment followed the Malaysia National Interpretation 2019 of the RSPO P&C 2018, and comments from external stakeholders were also considered.

The minimum sample size for estates was four, and for certification units with more than four estates, the sample size was calculated using the formula $N = (\sqrt{y}) \times z$, where y is the number of estates and z is a multiplier based on risk assessment. The sampling shall be conducted in conformance with the requirement specified in the RSPO Certification Systems Document, Nov 2020.

Stakeholder consultations were conducted to gather views on the certification unit's performance against RSPO requirements and potential areas for improvement. At the start of each meeting, the purpose of the audit was explained, followed by discussion of the stakeholder's relationship with the company. Stakeholder comments were recorded and included in the assessment findings.

Structured interviews with male and female, local and foreign workers and staff were conducted privately at the mill and estates, while fieldworkers were interviewed informally in small groups in the field. The dependents of workers were also interviewed in informal group meetings at their homes. Visits were made to local communities to meet with village heads and residents. Company officials were not present during any stakeholder or worker interviews. A list of consulted stakeholders is provided in Section 10: Stakeholder Consultation Process.

4.2. Audit Team Member

Name	Role	CAB Auditor Number
Dzulfiqar Azmi (DA)	Lead Auditor	ASI1GIVNPH
Mohd Zulfakar Kamaruzaman (MZK)	Auditor	ASI17IDGG4
Rozaimee Ab Rahman (RAR)	Auditor	ASI1AU6HF7
Ismail Adnan Abdul Malek (IA)	Auditor	ASI13MZBJC

4.3. Audit Plan

Date	Time	CAB Auditor Number	Location	Activity
13 April 2026	08.00 am	ASI1GIVNPH ASI17IDGG4 ASI1AU6HF7 ASI13MZBJC	Kretam Mill	Travel from Guesthouse to Site.
	09.00 am			Opening Meeting for Syarikat Kretam Mill Sdn. Bhd. Certification Unit. Audit team introduction and briefing on assessment objectives, scope, methodology, criteria and programmes by SIRIM QAS Audit Team Leader. Briefing on the organization background and implementation of RSPO at CU (including actions taken to address previous audit findings) by company Management Representative.
13 April 2026	09.30 am to 06.00 pm	ASI1GIVNPH ASI17IDGG4 ASI1AU6HF7 ASI13MZBJC	Kretam Mill	Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited. ASI1GIVNPH (DA) Site visit and assessment on Supply Chain Implementation including the: Model used, General Chain of Custody, System Requirements for the supply chain, Purchasing and goods in, Outsourcing activity, Sales and goods out, Processing, Claims. ▪ Interview with PIC related to SCCS system implementation ▪ Interview with representative from FFB Supplier cum smallholders and outgrower ▪ Support smallholder's inclusion ASI1AU6HF7 (RAR) ▪ Site inspection at nonproduction area i.e. mill workshop, scheduled wastes store, chemical store, water treatment plant, effluent pond, clinic and laboratory. ▪ Site inspection at workers quarters and housing facilities i.e. mill canteen ▪ Interview with mill workers from various workstations ▪ Interview with workers representative JCC, gender committee, hospital assistant ▪ Interview with non-production operators ▪ Interview with representative from EPMC committees ▪ Documents review related to social aspect such as social impact assessment & management plan, workers and contractors' files, complaint and grievances files, housing inspection records, etc.

				ASI17IDGG4 (MZK) ▪ Site inspection at production area i.e. boiler station, sterilizer station, kernel station, etc. ▪ Witness of mill best and safety practices. ▪ Interview with boilerman, production operator. ▪ Interview with representative from OSH committees ▪ Documents review related to safety aspect and mill best practices reports such as safety meetings, accident records, CHRA, medical surveillance, NRA, audiometric report, mill performance monitoring report, business plan, etc. ASI13MZBJC (IA) ▪ Documents review related to mill best practices reports such as mill performance monitoring report, management review, internal audit, business plan, etc. ▪ Documents review related to environments aspect such as EIA, scheduled wastes records, final discharge report, stake sampling reports, etc.
14 April 2026	09.00 am to 06.00 pm	ASI1GIVNPH ASI17IDGG4 ASI1AU6HF7 ASI13MZBJC	Bukit Sekong Estate	Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited. ASI1GIVNPH (DA) ▪ Site inspection at estate facilities i.e. water treatment plant, scheduled wastes store, chemical stores, lubricant store, tractor washing bay area, workshop, etc. ▪ Interview with facilities operators. ▪ Documents review related to safety aspect such as OSH plan, safety meetings, accident records, CHRA, medical surveillance, NRA, audiometric report, etc. ASI1AU6HF7 (RAR) ▪ Site inspection at Harvesting Block 2021 and Manuring Block 2007. ▪ Site inspection at workers quarters and housing facilities i.e. sundry shop, creche ayah, Humana, estate clinic. ▪ Interview with harvesters and general workers from Local, Indonesian nationalities.

				▪ Interview with representative JCC, gender committee, hospital assistant, CLC/Humana teacher, creche ayah. ▪ Documents review related to social aspect such as social impact assessment & management plan, workers and contractors' files, complaint and grievances files, housing inspection records, etc.) ASI13MZBJC (IA) ▪ Site inspection at HCV area Block 2012 ▪ Site inspection at riparian reserved at Block 2010. ▪ Interview with external stakeholders' i.e. local communities, government agencies, NGO, etc. ▪ Interview with supplier and contractors ▪ Documents review related to social external and HCV aspect i.e. land titles, social impacts assessment and management plan, stakeholders minutes meetings, local sustainable development, support smallholder inclusion, complaints and grievances, external stakeholder's issues & welfare, HCV assessment and management plan. ASI17IDGG4 (MZK) ▪ Site inspection at Circle Raking Block 2014, Harvesting Block 2015. ▪ Interview with harvesters and general workers from Local, Indonesian nationalities. ▪ Documents review related to good agriculture practices such as estate performance monitoring report, fertilizers recommendations, harvesting interval records, soil maps, terrains maps, business plan, replating program, etc. ▪ Documents review related to environments aspect such as EIA, scheduled wastes records, waste mgt. plan, GHG, etc.)
15 April 2026	09.00 am to 06.00 pm	ASI1GIVNPH ASI17IDGG4 ASI1AU6HF7 ASI13MZBJC	Sapagaya Estate	Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited. ASI1GIVNPH (DA) ▪ Site inspection at estate facilities i.e. water treatment plant, scheduled wastes store, chemical stores, lubricant store, tractor washing bay area, workshop, etc. ▪ Interview with facilities operators.

				▪ Documents review related to safety aspect such as OSH plan, safety meetings, accident records, CHRA, medical surveillance, NRA, audiometric report, etc. ASI1AU6HF7 (RAR) ▪ Site inspection at Harvesting Block 2022 and Spraying Block 2009. ▪ Site inspection at workers quarters and housing facilities i.e. sundry shop, creche ayah, Humana, estate clinic. ▪ Interview with harvesters and general workers from Local, Indonesian nationalities. ▪ Interview with representative JCC, gender committee, hospital assistant, CLC/Humana teacher, creche ayah. ▪ Documents review related to social aspect such as social impact assessment & management plan, workers and contractors' files, complaint and grievances files, housing inspection records, etc.) ASI13MZBJC (IA) ▪ Site inspection at HCV area Block 2011 ▪ Interview with external stakeholders' i.e. local communities Kg Sri Nusa Jaya and Kg Berjaya Satu ▪ Interview with supplier and contractors ▪ Documents review related to social external and HCV aspect i.e. land titles, social impacts assessment and management plan, stakeholders minutes meetings, local sustainable development, support smallholder inclusion, complaints and grievances, external stakeholder's issues & welfare, HCV assessment and management plan. ASI17IDGG4 (MZK) ▪ Site inspection at LF Collection Block 2007, Harvesting Block 2018. ▪ Interview with harvesters and general workers from Local, Indonesian nationalities. ▪ Documents review related to good agriculture practices such as estate performance monitoring report, fertilizers recommendations, harvesting interval records, soil maps, terrains maps, business plan, replating program, etc.

				▪ Documents review related to environments aspect such as EIA, scheduled wastes records, waste mgt. plan, GHG, etc.)
16 April 2026	09.00 am to 06.00 pm	ASI1GIVNPH ASI17IDGG4 ASI1AU6HF7 ASI13MZBJC	Masang Estate	Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited. ASI1GIVNPH (DA) ▪ Site inspection at estate facilities i.e. water treatment plant, scheduled wastes store, chemical stores, lubricant store, tractor washing bay area, workshop, etc. ▪ Interview with facilities operators. ▪ Documents review related to safety aspect such as OSH plan, safety meetings, accident records, CHRA, medical surveillance, NRA, audiometric report, etc. ASI1AU6HF7 (RAR) ▪ Site inspection at P&D Sprayer Block 2024 and LF Collection Block 2008. ▪ Site inspection at workers quarters and housing facilities i.e. sundry shop, creche ayah, Humana, estate clinic. ▪ Interview with harvesters and general workers from Local, Indonesian nationalities. ▪ Interview with representative JCC, gender committee, hospital assistant, CLC/Humana teacher, creche ayah. ▪ Documents review related to social aspect such as social impact assessment & management plan, workers and contractors' files, complaint and grievances files, housing inspection records, etc.) ASI13MZBJC (IA) ▪ Site inspection at HCV area Block 9816 ▪ Interview with external stakeholders' i.e. local communities, Kg Buang Sayang, Kg Sungai Rotan ▪ Interview with supplier and contractors ▪ Documents review related to social external and HCV aspect i.e. land titles, social impacts assessment and management plan, stakeholders minutes meetings, local sustainable development, support smallholder inclusion, complaints and grievances, external stakeholder's issues & welfare, HCV assessment and management plan.

				ASI17IDGG4 (MZK) ▪ Site inspection at Scout Harvesting Block 2025, Harvesting Block 2018. ▪ Interview with harvesters and general workers from Local, Indonesian nationalities. ▪ Documents review related to good agriculture practices such as estate performance monitoring report, fertilizers recommendations, harvesting interval records, soil maps, terrains maps, business plan, replating program, etc. ▪ Documents review related to environments aspect such as EIA, scheduled wastes records, waste mgt. plan, GHG, etc.)
17 April 2026	09.00 am to 04.00 pm	ASI1GIVNPH ASI17IDGG4 ASI1AU6HF7	Bode Estate	Overview of current activities of CU by audit team & Logistics discussion to the sites to be visited. ASI1GIVNPH (DA) ▪ Site inspection at estate facilities i.e. water treatment plant, scheduled wastes store, chemical stores, lubricant store, tractor washing bay area, workshop, etc. ▪ Interview with facilities operators. ▪ Documents review related to safety aspect such as OSH plan, safety meetings, accident records, CHRA, medical surveillance, NRA, audiometric report, etc. ASI1AU6HF7 (RAR) ▪ Site inspection at Harvesting Block 2002 and Manuring Block 2019. ▪ Site inspection at workers quarters and housing facilities i.e. sundry shop, creche ayah, Humana, estate clinic. ▪ Interview with harvesters and general workers from Local, Indonesian nationalities. ▪ Interview with representative JCC, gender committee, hospital assistant, CLC/Humana teacher, creche ayah. ▪ Documents review related to social aspect such as social impact assessment & management plan, workers and contractors' files, complaint and grievances files, housing inspection records, etc.) ASI13MZBJC (IA) ▪ Site inspection at HCV area Block 2007

				▪ Interview with external stakeholders' i.e. local communities, Kg Batu 8, Kg Lot M. ▪ Interview with supplier and contractors ▪ Documents review related to social external and HCV aspect i.e. land titles, social impacts assessment and management plan, stakeholders minutes meetings, local sustainable development, support smallholder inclusion, complaints and grievances, external stakeholder's issues & welfare, HCV assessment and management plan. ASI17IDGG4 (MZK) ▪ Site inspection at Circle Raking Block 2014, Harvesting Block 2017. ▪ Interview with harvesters and general workers from Local, Indonesian nationalities. ▪ Documents review related to good agriculture practices such as estate performance monitoring report, fertilizers recommendations, harvesting interval records, soil maps, terrains maps, business plan, replating program, etc. ▪ Documents review related to environments aspect such as EIA, scheduled wastes records, waste mgt. plan, GHG, etc.)
17 April 2026	04.00 pm To 05.00 pm	ASI1GIVNPH ASI17IDGG4 ASI1AU6HF7	Bode Estate	Discussion and acceptance on assessment findings with Management Representative and visited site Plantation / Scheme Manager.
17 April 2026	05.00 pm to 06.00 pm	ASI1GIVNPH ASI17IDGG4 ASI1AU6HF7	Bode Estate	Closing Meeting. Discussion and acceptance on assessment findings with Management Representative and visited site Plantation / Scheme Manager. End of audit.

Notes: Include the number of hours spent at the sample sites for each day of the audit, including the time for the opening and closing meeting

4.4. Changes of the initial audit plan (if applicable)

No changes of the initial audit plan.

4.5. Sampling Details

Description of Management Unit	Number of Estate/Members/Mills	Risk Factor	Result x = (√y) x (z)	Total Sampled
Mill	1	N/A	N/A	All mills shall be audited.
Own/Managed Estates	5	Low Risk	2.6	4
Scheme Smallholder		Choose an item		
Scheme Outgrower		Choose an item		
Independent Outgrower		Choose an item		

Notes: Auditing is based on a sampling process of the available information

4.6. Sampling History of Current Certification Cycle

Name (Mill/ Supply Base / Scheme Smallholder)	Year 1	Year 2	Year 3	Year 4	Year 5
	2023	2024	2025	2026	20xx
Kretam Mill	☒	☒	☒	☒	☐
Bode Estate	☒	☒	☒	☒	☐
Masang Estate	☒	☒	☒	☒	☐
Sapagaya Estate	☐	☒	☒	☒	☐
Bukit Sekong Estate	☒	☒	☐	☒	☐
Seraya Estate	☒	☐	☒	☐	☐

4.7. 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 Members:

1) **Mohd Zulfakar Kamaruzaman (MZK)**
2) **Rozaimee Ab Rahman (RAR)**
3) **Ismail Adnan Abdul Malek (IA)**

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.
	ASI13MZBJC (IA)	Hold a Master of Forestry degree in Forest Management/Harvesting from University of British Columbia, Canada in 1988. Also possessed a Diploma in Management Programme MIM 1994. A registered Forester with Institut Rimbawan Malaysia (IRIM).
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	ASI1GIVNPH (DA)	He had more than 7 years of working experience in the oil palm operation and experience in social auditing since 2017.
	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.
	ASI13MZBJC (IA)	He had been Sub Assistant Conservator, involved with Forest Administration/Management and Enforcement. seven years as Forest Officer/Logging Superintendent. Senior Lecturer, UPM. A qualified RSPO P & C Auditor with experience in Forest, Social and MSPO auditing.
Successfully completed an RSPO endorsed P&C lead auditor course	ASI1GIVNPH (DA)	Completed RSPO endorsed P&C lead auditor course in 2018 by Chemark Training.
	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.

	ASI13MZBJC (IA)	Completed RSPO endorsed P&C lead auditor course in 2016 by Wild Asia.
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.
	ASI13MZBJC (IA)	Successfully attended 5-day lead auditor course for ISO 9001 in 2024.
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.
	ASI13MZBJC (IA)	Capable of demonstrating knowledge and application of the latest version of the RSPO Certification Systems.
For auditors verifying compliance with NPP procedures, auditors shall additionally be trained in the assessment of compliance with FPIC, HCV and HCS requirements in the context of RSPO NPP procedure	ASI1GIVNPH (DA)	This has not been audited and is deemed not applicable.
	ASI17IDGG (MZK)	This has not been audited and is deemed not applicable.
	ASI1AU6HF7 (RAR)	This has not been audited and is deemed not applicable.
	ASI13MZBJC (IA)	This has not been audited and is deemed not applicable.
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.	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 2015.
	ASI13MZBJC (IA)	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.
	ASI13MZBJC (IA)	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.

	ASI13MZBJC (IA)	He has over 5 years of working experience in Forest Administration/Management and Enforcement. seven years as Forest Officer/Logging.
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.
	ASI13MZBJC (IA)	This criterion and indicator have not been audited.
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.
	ASI13MZBJC (IA)	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.
	ASI13MZBJC (IA)	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.
	ASI13MZBJC (IA)	He had been Sub Assistant Conservator, involved with Forest Administration/Management and Enforcement. seven years as Forest Officer/Logging Superintendent. Senior Lecturer, UPM.
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.
	ASI13MZBJC (IA)	He is fluent in both Bahasa Malaysia and English.
Knowledgeable in supply chain requirements of the palm oil mill. The auditor performing this task shall have successfully completed the RSPO endorsed SCC lead auditor training course. Note: this does not apply for ISH or Group Certification.	ASI1GIVNPH (DA)	He completed the RSPO Supply Chain Auditor training course in 2024 and has been auditing supply chains since then.
	ASI17IDGG (MZK)	He completed the RSPO Supply Chain Auditor training course in 2016 and has been auditing supply chains since then.
	ASI1AU6HF7 (RAR)	He completed the RSPO Supply Chain Auditor training course in 2019 and has been auditing supply chains since then.
	ASI13MZBJC (IA)	This criterion and indicator have not been audited.

5. Audit Findings & Results

Criterion / Indicator		Audit Findings	Audit Findings (Public Summary)	Results
Principle 1: Behave Ethically and Transparently				
Criterion 1.1: The unit of certification provides adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.				
1.1.1 (C)	Management documents that are specified in the RSPO P&C are made publicly available and shall include (but are not necessarily limited to): • Land titles/user rights (Criterion 2.2); • Occupational health and safety plans (Criterion 4.7); • Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); • HCV documentation (Criteria 5.2 and 7.3); • Pollution prevention and reduction plans (Criterion 5.6); • Details of complaints and grievances (Criterion 6.3); • Negotiation procedures (Criterion 6.4); • Continual improvement plans (Criterion 8.1); • Public summary of certification		Syarikat Kretam Mill Sdn. Bhd. CU – Sandakan Region (KHB Sandakan Region CU) continues to maintain transparent communication with stakeholders through established procedures, proper record-keeping, online public information, and timely responses to regulatory and stakeholder requests in line with RSPO requirements	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	assessment report; Human Rights Policy (Criterion 6.13).			
1.1.2	Information is provided in appropriate languages and made accessible to relevant stakeholders.		The CU ensures transparent and inclusive communication by providing information in appropriate languages, maintaining stakeholder records, publishing key documents online, and conducting regular stakeholder consultations with broad participation and no negative feedback reported.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
1.1.3 (C)	Records of requests for information and responses shall be maintained.		The CU maintains comprehensive records of information requests and regulatory communications, provides relevant environmental, social and legal information upon request, and recent inspections by authorities reported no compounds or nonconformities.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
1.1.4 (C)	Consultation and communication procedures are documented, disclosed, implemented, made available, and explained to all relevant stakeholders by a nominated management official.		The CU implements documented consultation and communication procedures, publicly accessible online and onsite, to ensure timely handling of complaints and effective dissemination of key policies and information to all stakeholders.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
1.1.5	There is a current list of contact and details of stakeholders and their nominated representatives.		The CU has an updated FY2026 stakeholder list covering internal and external groups, with nominated representatives and contact details clearly documented.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 1.2: The unit of certification commits to ethical conduct in all business operations and transactions.				
1.2.1	A policy for ethical conduct is in place and implemented in all business operations and transactions, including recruitment and contracts.		The CU implements its CEO-endorsed Code of Conduct & Human Rights Policy, promoting ethical business practices, anti-corruption, proper disclosure and confidentiality, with evidence of effective implementation across workers and contractors.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
1.2.2	A system is in place to monitor compliance and the implementation of the policy and overall ethical business practice.		The CU ensures ethical business practices through centralized procurement, annual internal audits, transparent tender processes, and mandatory vendor compliance with the Group's Code of Business Conduct, including commitments to human rights and anti-exploitation.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Principle 2: Operate legally and respect rights - Implement legal requirements as the basic principles of operation in any jurisdiction.				
Criterion 2.1: There is compliance with all applicable local, national and ratified international laws and regulations.				
2.1.1 (C)	The unit of certification complies with applicable legal requirements.		The CU continued to comply with applicable legal and regulatory requirements by maintaining valid licences, permits, machinery certifications and competent personnel, while successfully closing previous findings related to statutory working hours and estate crèche facilities through verified corrective actions.	☒ Conform ☐ Major Nonconformity

				☒ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
2.1.2	A documented system for ensuring legal compliance is in place. This system has a means to track changes to the law and also includes listing and evidence of legal due diligence of all contracted third parties, recruitment agencies, service providers and labour contractors.		The CU maintains an updated legal register and systematic process for monitoring and disseminating changes in laws, with designated personnel ensuring timely updates across all operating units.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
2.1.3	Legal or authorised boundaries are clearly demarcated and visibly maintained, and there is no planting beyond these legal or authorised boundaries.		The estates have maps showing the locations of boundary stones that have been physically located and marked. Inspection of boundary stones/markers/trenching at the 4 estates, during the field inspection confirmed that they were clearly marked and maintained.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 2.2: All contractors providing operational services and supplying labour, and Fresh Fruit Bunch (FFB) suppliers, comply with legal requirements.				
2.2.1	A list of contracted parties is maintained.		The CU maintained a documented list of contractors and external stakeholders, with contract agreements incorporating clauses requiring compliance with applicable legal requirements, including prohibitions on child, forced and trafficked labour, adherence to anti-bribery and anti-corruption policies, and compliance with relevant laws and regulations.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
2.2.2	All contracts, including those for FFB supply, contain specific clauses on meeting applicable legal requirements, and this can be demonstrated by the third party.		The CU ensured that contractor and recruitment agency agreements included requirements for legal compliance and ethical labour practices, with verification confirming no child labour and evidence of legal due diligence supporting responsible recruitment and employment practices.	☐ Conform ☐ Major Nonconformity ☒ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
2.2.3	All contracts, including those for FFB supply, contain clauses disallowing child, forced and trafficked labour. Where young workers are employed, the contracts include a clause for their protection.		The CU verified that all sampled contractor and FFB supply agreements included clauses prohibiting child, forced and trafficked labour, with legal due diligence conducted and no employment of young workers identified during the assessment.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 2.3: All FFB supplies from outside the unit of certification are from legal sources.				
2.3.1 (C)	2.3.1 (C) For all directly sourced FFB, the mill requires: ● Information on geo-location of FFB origins ● Proof of the ownership status or the right/claim to the land by the grower/ smallholder ● Where applicable, valid planting/ operating/ trading license, or is part of a cooperative which allows the buying and selling of FFB		The palm oil mill processed RSPO-certified FFB primarily from its own certified estates, with a one-off delivery of certified FFB received from another RSPO-certified supplier during the assessment period.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
2.3.2	For all indirectly sourced FFB, the unit of certification obtains from the collection centres, agents or other intermediaries, the evidence as listed in Indicator 2.3.1. PROCEDURAL NOTE: For Implementation Procedure for 2.3.2 refer to Annex 4.		There is no indirect sourced of FFB.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Principle 3: Optimise productivity, efficiency, positive impacts and resilience				
Criterion 3.1: There is an implemented management plan for the unit of certification that aims to achieve long-term economic and financial viability.				
3.1.1 (C)	A business or management plan (minimum three years) shall be documented and includes, where applicable, a jointly business case for Scheme Smallholders.		The CU maintained a long-term business and financial plan supported by annual budgets, covering production, operational, financial and sustainability projections to ensure the continued economic viability and sustainable management of the mill and estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.1.2	An annual replanting programme projected for a minimum of five years, is available.		The CU implemented a documented and annually reviewed replanting programme, with progress monitored by both operating units and head office to ensure sustainable estate management over the long term.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.1.3	The unit of certification holds management reviews at planned intervals appropriate to the scale and nature of the activities undertaken and has agenda with the following minimum items: Results of internal audits Customer feedback		The CU conducts annual management reviews covering RSPO, SCCS, and MSPO, addressing audit findings, certification status, operational performance, and continual improvement to ensure the effectiveness of its sustainability system.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

	Process performance and product conformity Status of preventive and corrective actions Follow-up actions from management reviews Changes that could affect the management system Recommendations for improvement			☐ Not Applicable (justification required)
Criterion 3.2: The unit of certification regularly monitors and reviews their economic, social and environmental performance and develops and implements action plans that allow demonstrable continuous improvement in key operations.				
3.2.1 (C)	The action plan for continuous improvement is implemented, based on consideration of the main social and environmental impacts and opportunities of the unit of certification. Action plans include continual improvement for the following: i. Optimising the yield of the supply base. ii. Reduction in use of pesticides (Criterion 7.2) iii. Environmental impacts (Criteria 3.4, 7.6 and 7.7) iv. Waste reduction (Criterion 7.3) v. Pollution and greenhouse gas (GHG) emissions (Criterion 7.10) vi. Impacts on communities, workers and		The CU has implemented a continuous improvement action plan aligned with RSPO P&C, addressing key social and environmental impacts through initiatives such as yield optimisation, pesticide reduction, waste and GHG mitigation, community engagement, and conservation area management.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	smallholders (Principle 6) vii. Integrated management of HCV-HCS, peatland and other conservation areas (Criteria 7.7 and 7.12)			
3.2.2	As part of the monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template.		The monitoring and continuous improvement process, annual reports are submitted to the RSPO Secretariat using the RSPO metrics template before the audit started. The auditor already verified and checked the data and figure given match with their database system.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 3.3: Operating procedures are appropriately documented, consistently implemented and monitored.				
3.3.1 (C)	Standard Operating Procedures (SOPs) for the unit of certification are in place.		The CU implements comprehensive SOPs and manuals covering estates and mill operations, safety, environmental management, employment, and RSPO supply chain requirements, with regular updates, training, and dissemination to workers.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.3.2	A mechanism to check consistent implementation of procedures is in place.		The CU ensures consistent implementation of procedures through regular reporting, site inspections, internal and RSPO audits, and management oversight, with workers demonstrating understanding of SOP requirements.	☒ Conform ☐ Major Nonconformity

				☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.3.3	Records of monitoring and any actions taken are maintained and available.		Abedon CU maintains comprehensive monitoring records for estate operations, FFB quality, agronomic practices, and worker management, with regular internal, management, and third-party inspections ensuring consistent implementation of procedures and compliance with company policies.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 3.4: A comprehensive Social and Environmental Impact Assessment (SEIA) is undertaken prior to new plantings or operations, and a social and environmental management and monitoring plan is implemented and regularly updated in ongoing operations.				
3.4.1 (C)	In new plantings or operations including mills, an independent SEIA, undertaken through a participatory methodology involving the affected stakeholders and including the impacts of any smallholder/outgrower scheme, is documented.		Although no new developments were undertaken, the certification unit maintained and regularly reviewed environmental and social impact assessments and management plans, with mitigation measures, pollution prevention programmes and stakeholder engagement implemented to manage operational impacts and support continual improvement.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)

3.4.2	For the unit of certification, a SEIA is available and social and environmental management and monitoring plans have been developed with participation of affected stakeholders.		The CU maintained and regularly reviewed its Social Impact Assessment, including replanting activities, through stakeholder consultation, with identified social and environmental impacts managed via appropriate mitigation measures and no significant environmental concerns raised by stakeholders during the assessment period.	☐ Conform ☐ Major Nonconformity ☒ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.4.3 (C)	The social and environmental management and monitoring plan is implemented, reviewed and updated regularly in a participatory way.		The CU continued to review and update its social and environmental management plans annually through stakeholder engagement and internal consultations, with identified issues monitored and managed through established mitigation measures and improvement programmes.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 3.5: A system for managing human resources is in place.				
3.5.1	Employment procedures for recruitment, selection, hiring, promotion, retirement and termination are documented and made available to the workers and their representatives.		The CU implemented documented employment procedures and policies to ensure fair recruitment, selection and employment practices based on competency, fitness and capability, while upholding workers' rights, welfare, non-discrimination and human rights commitments.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
3.5.2	Employment procedures are implemented and records are maintained.		The CU demonstrated transparent recruitment procedures, including a walk-in application process and commitment to zero recruitment fees, with maintained employment records and worker interviews confirming awareness and implementation of the established processes.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.6.1 (C)	All operations are risk assessed to identify H&S issues. Mitigation plans and procedures are documented and implemented.		The CU maintained comprehensive HIRARC assessments covering estate and mill activities, with corrective actions effectively implemented for working at height permit controls and construction site housekeeping, resulting in successful closure of the previous nonconformity.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.6.2 (C)	The effectiveness of the H&S plan to address health and safety risks to people is monitored		The CU implemented and monitored occupational health and safety programmes through comprehensive risk assessments, health surveillance, audiometric testing, workplace inspections, machinery inspections and corrective actions to ensure identified workplace risks were effectively managed and workers' health and safety were protected.	☐ Conform ☒ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
Criterion 3.7: All staff, workers, Scheme Smallholders, outgrowers, and contract workers are appropriately trained.				
3.7.1 (C)	A documented programme that provides training is in place, which is accessible to all staff, workers, Scheme Smallholders and outgrowers, taking into account gender-specific needs, and which covers applicable aspects of the RSPO P&C, in a form they understand, and which includes assessments of training. Training for workers must cover, at minimum, the following: - the health and environmental risks of pesticide exposure; - recognition of acute and long-term exposure symptoms including the most vulnerable groups (e.g. young workers, pregnant women); - International and national instruments or regulations that protect workers' health; - Productivity and best management practice; - relevant SOPs.		The CU established and implemented annual training programmes covering RSPO requirements, supply chain traceability, job skills, operational best practices, occupational health and safety, and environmental management to enhance employee and contractor competency.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.7.2	Records of training are maintained, where appropriate on an individual basis.		The CU implemented a comprehensive training programme covering sustainability, RSPO/MSPO requirements, occupational safety, environmental management, operational competency and workers' rights, with targeted awareness sessions strengthening	☒ Conform ☐ Major Nonconformity

			understanding of labour requirements and resulting in successful closure of the previous minor nonconformity.	☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.7.3	Appropriate training is provided for personnel carrying out the tasks critical to the effective implementation of the Supply Chain Certification Standard (SCCS). Training is specific and relevant to the task(s) performed.		The CU provided role-specific Supply Chain Certification Standard and traceability training to relevant personnel, contractors and suppliers, with interviews confirming their understanding of applicable supply chain requirements.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 3.8: Supply Chain Requirements for Mills				
3.8.1	Identity Preserved Module A mill is deemed to be IP is the FFB processed by the mill are sourced from plantations/estates that are certified against the RSPO P&C, or against a Group Certification Scheme Certification for the CPO mills is necessary to verify the volumes and sourced of certified FFB entering the mill, the implementation of any processing control as and volume sales of RSPO certified products. If a mill processes certified and uncertified FFB without physically		Kretam Mill operates under the RSPO Identity Preserved supply chain model, processing FFB sourced exclusively from its own RSPO-certified estates, with certified input volumes, processing controls and certified product sales verified during the assessment.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	separating them, the inly MB Module is applicable.			
3.8.2	Mass balance Module A mill is deemed to be MB is the mill process FFB from both RSPO certified and uncertified plantations/estates. A mill may be taking delivery of FFB from uncertified growers, in addition to those from its own and 3rd party certified supply base.		Not applicable since this mill is Identity Preserved Module.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.3	The estimated tonnage of CPO and PK products that could potentially be produced by the certified mill shall be recorded by the CB in the public summary of the P&C certification report. This figure represents the total volume of certified oil palm product (CPO and PK) that the certified mill is allowed to deliver in a year. The actual tonnage produced shall then be recorded in each subsequent annual surveillance report.		The Certification Body recorded the estimated annual production of certified CPO and PK for the mill in the P&C public summary, with actual tonnage tracked in subsequent surveillance reports.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.4	The mill shall also meet all registration and reporting. Requirements for the appropriate supply chain through the RSPO IT platform		Kretam Mill has complied with RSPO supply chain registration and reporting requirements via RSPO Prisma, holding an active P&C license under Kretam Holdings Berhad.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
3.8.5	Documented Procedures The mill shall have written procedures and/or work instructions or equivalent to ensure the implementation of all elements of the applicable supply chain model specified. This shall include at minimum the following: a) Complete and up to date procedures covering the implementation of all elements of the supply chain model requirements b) Complete and up to date records and reports that demonstrate compliance with the supply chain model requirements (including training records) c) Identification of the role of the person having the overall responsibility for and authority over the implementation of these requirements and compliance with all applicable requirements. This person shall be able to demonstrate awareness of the mill's procedures for the implementation of this standard. d) The mill shall have documented procedures for receiving and processing certified and non-certified FFB's including ensuring no contamination in the IP mill.		Kretam Mill has established and effectively implemented comprehensive RSPO Supply Chain management systems, documented procedures, and training programs, with clear responsibilities assigned to key personnel to ensure compliance and traceability.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

3.8.6	Internal Audit (i) The mill shall have a written procedure to conduct an annual internal audit to determine whether the mill; a) Conforms to the requirements in the RSPO SC requirements for mills and the RSPO Rules on Market Communication and Claims b) Effectively implements and maintains the standard requirements within its organization. (ii) Any con-conformities found as part of the internal audit shall be issued and required corrective action. The outcomes of the internal audits and all actions taken to correct non-conformities shall be subject to management review at least annually. The mills shall maintain the internal audit records and reports.		Kretam Mill conducted a comprehensive RSPO SCCS internal audit with no nonconformities, followed by a management review addressing system performance, improvements, and resource needs.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.7	Purchasing and Goods In (i) The mill shall verify and document. The tonnage and sources of certified and the tonnage of non-certified FFB's received. (ii) The mill shall inform the CB immediately if there is a projected overproduction of certified volume (iii) The ill shall have a mechanism in place		Kretam Mill maintained records and traceability controls for certified FFB received from its own RSPO-certified estates; however, an improvement is required to strengthen verification and documentation of diverted certified FFB sources and tonnage to ensure full traceability compliance.	☐ Conform ☒ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	for handling of non-conforming FFB and/or documents.			
3.8.8	Sales and Goods Out The supplying mill shall ensure that the following minimum information for RSPO certified products is made available in document form. The information shall be complete and can be presented either on a single-documents or across a range of documents issued for RSPO certified oil palm products (for example, delivery notes, shipping documentation and specification documentation): a) The name and address of buyer; b) The name and address of the seller c) The leading or shipment/delivery date; d) The date on which the documents were issued; e) RSPO certificate number; f) A description of the product, including the applicable supply chain model (IP or MB or the approved abbreviations); g) The quantity of the products delivered; h) Any related transport documentation i) A unique identification number		Kretam Mill implemented effective procedures for the sale and delivery of certified palm oil products, with supporting documentation confirming compliance with RSPO supply chain requirements, including identification of supply chain model, certificate number, product details, buyer information, and shipment records.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.9	Outsourcing Activities (i) The mill shall not outsource its milling activities. In cases where the mill outsourced activities to independent third parties (e.g. subcontractors for		Kretam Mill managed its outsourced CPO and PK transportation activities through documented agreements, procedures and inspection controls to ensure compliance with RSPO Supply Chain Certification Standard requirements and prevent product contamination.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

	storage, transport or other outsourced activities), the mill holding the certificate shall ensure that the independent third party complies with relevant requirements of this RSPO SC Certification. (ii) The mill shall ensure the following: a) The mill has legal ownership of all input material to be included in outsourced processes b) The mill has an agreement or contract covering the outsourced process with each contractor through a signed and enforceable agreement with the contractor. The onus is on the mill to ensure that CB has access to the outsourcing contractor or operation if an audit is deemed necessary. c) The mill has a documented control system with explicit procedures for the outsourced process which is communicated to the relevant contractor. d) The mill shall furthermore ensure (e.g. through contractual arrangements) that independent third parties engaged provide relevant access for duly accredited CBs to the respective operations,			☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	systems, and all information, when this is announced in advance.			
3.8.10	The mill shall record the names and contact t details of all contractors used for the physical handling of RSPO certified oil palm products.		The stakeholder list updated in January 2026 includes all relevant contractors, with verification confirming that Juita Baru Sdn. Bhd. and TSB Transport Sdn. Bhd. are actively involved in the physical handling of RSPO-certified oil palm products.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.11	The mill shall inform its CB in advance prior to conduct of its next audit of the names and contact details of any new contractor used for the physical handling of RSPO certified oil palm products.		No new contractors used and will be used in the future for the processing or production of RSPO certified materials.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.12	Record Keeping (i) The mill shall maintain accurate, complete, up-to-date and accessible records and reports covering all aspects of this RSPO Supply Chain Certification Standard requirements. (ii) Retention times for all records and reports shall be a minimum of two (2) years and shall comply with relevant legal and regulatory requirements and		Kretam Mill maintained up-to-date RSPO supply chain records, including FFB receipts, CPO and PK deliveries, production data, weighbridge tickets, audits and management review records, with real-time monitoring and record retention implemented in accordance with documented procedures.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	be able to confirm the certified status of raw materials or products held in stock. (iii) For Identity Preserved Module, the mill shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis. (iv) For Mass Balance Module, the mill: a) Shall record and balance all receipts of RSPO certified FFB and deliveries of RSPO certified CPO and PK on a real-time basis and / or three-monthly basis. b) All volumes of certified CPO and PK that are delivered are deducted from the material accounting system according to conversion ratios stated by RSPO. c) The mill can only deliver Mass Balance sales from a positive stock. Positive stock can include product ordered for delivery within three (3) months. However, a mill is allowed to sell short (i.e. product can be sold before it is in stock.)			
3.8.13	Extraction rate The oil extraction rate (OER) and the kernel extraction rate (KER) shall be applied to provide a reliable estimate of the amount of certified CPO and PK from		Kretam Mill monitors the processing of certified and non-certified crops, tracking daily and monthly Oil Extraction Rate (OER) and Kernel Extraction Rate (KER) using standardized templates to ensure accuracy and consistent performance.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

	the associated inputs. Mill shall determine and set their own extraction rates based upon past experience, documented and applied it consistently.			☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.14	Extraction rates shall be updated periodically to ensure accuracy against actual performance or industry average if appropriate.			☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
3.8.15	Processing For Identity Preserved Module, the mill shall assure and verify through documented procedures and record keeping that the RSPO certified oil palm product is kept separated from non-certified oil palm products, including during transport and storage to strive for 100% separation.		Kretam Mill implemented documented segregation and traceability controls to ensure RSPO-certified products were maintained separately from non-certified materials, supported by production records, weighing system verification and dedicated transportation arrangements to prevent contamination.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)
3.8.16	Registration of Transactions (i) Shipping Announcement in the RSPO IT platform shall be carried out by the mills when RSPO certified products are sold as certified to refineries, crushers, and traders not more than three months after dispatch with the		Kretam Mill has registered all certified product transactions through the RSPO IT platform, with documented shipping announcements confirming compliance, including verified details such as supply chain model, volume, and transaction status.	☐ Conform ☒ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

	dispatch date being the Bill of Lading or the dispatch documentation date. (ii) Remove: RSPO certified volumes sold under different scheme or as conventional, or in case of underproduction, loss or damage shall be removed in the RSPO IT platform			☐ Not Applicable (justification required)
3.8.17	Claims The mill shall only make claims regarding the production of RSPO certified oil that are in compliance with the RSPO Rules on Market Communications and Claims.		Kretam Mill has made a business-to-business claim for IP CPO and PK and this claim is in accordance with the RSPO Rules on Market Communications and Claims.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion / Indicator		Audit Findings	Audit Findings (Public Summary)	Results
Principle 4: Respect Community and Human Rights and Deliver Benefits				
Criterion 4.1: The unit of certification respects human rights, which includes respecting the rights of Human Rights Defenders				
4.1.1 (C)	A policy to respect human rights, including prohibiting retaliation against Human Rights Defenders (HRD), is documented and communicated to all levels of the workforce, operations, supply chain and local communities and		The CU successfully implemented corrective actions to improve estate access procedures, ensuring dismissed employees are allowed reasonable access to maintain family relationships while maintaining appropriate security controls, resulting in effective closure of the previous nonconformity.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

	prohibits intimidation and harassment by the unit of certification and contracted services, including contracted security forces.			☐ Not Applicable (justification required)
4.1.2	The unit of certification does not instigate violence or use any form of harassment, including the use of mercenaries and paramilitaries in their operations.		The CU upheld its human rights and ethical conduct commitments by prohibiting violence, intimidation, harassment and the use of mercenaries or paramilitary groups, with verification confirming that security practices and grievance management are implemented in accordance with established procedures.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 4.2: There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.				
4.2.1 (C)	The mutually agreed system, open to all affected parties, resolves disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants, HRD, community spokespersons and whistleblowers, where requested, without risk of reprisal or intimidation and follows the RSPO policy on respect for HRD.		The CU maintained an accessible grievance and dispute resolution system supported by documented procedures, whistleblowing mechanisms and confidentiality commitments, with awareness sessions conducted for workers and stakeholders to ensure effective access and understanding of the process.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

4.2.2	Procedures are in place to ensure that the system is understood by the affected parties, including by illiterate parties.		The CU ensured that affected parties, including workers, contractors and external stakeholders, understood the grievance and dispute resolution procedures through regular briefings, translated explanations and accessible communication methods appropriate to their needs.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.2.3	The unit of certification keeps parties to a grievance informed of its progress, including against agreed timeframe and the outcome is available and communicated to relevant stakeholders.		The CU maintained communication with grievance parties by providing updates on grievance progress, timelines and outcomes through documented briefings and stakeholder engagements to ensure transparency and effective resolution.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.2.4	The conflict resolution mechanism includes the option of access to independent legal and technical advice, the ability for complainants to choose individuals or groups to support them and/or act as observers, as well as the option of a third-party mediator.		The CU implemented an accessible grievance and dispute resolution mechanism supported by documented procedures, confidentiality safeguards and options for third-party representation, with awareness programmes conducted to ensure workers and stakeholders understand the available channels.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.3: The unit of certification contributes to local sustainable development as agreed by local communities.				

4.3.1 (C)	Contributions to community development that are based on the results of consultation with local communities are demonstrated.		The CU demonstrated ongoing contributions to community development through stakeholder engagement, including access to healthcare services, employment opportunities, educational support, student industrial training and transportation assistance for workers and local communities.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 4.4: Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.				
4.4.1 (C)	Documents showing legal ownership or lease, or authorised use of customary land authorised by customary landowners through a Free, Prior and Informed Consent (FPIC) process. Documents related to the history of land tenure and the actual legal or customary use of the land are available.		The CU demonstrated legal ownership and legitimate land use rights through verified land titles and tenure records, with stakeholder consultations confirming no disputes or unresolved issues related to land acquisition, ownership or customary rights.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.4.2	Copies of documents evidencing agreement-making processes and negotiated agreements detailing the FPIC process are available and include. a) Evidence that a plan has been developed through consultation and discussion in good faith with all affected groups in the communities, with particular		The CU has demonstrated legitimate land ownership since 1980–2005, with stakeholder consultations confirming no evidence of land disputes or unresolved issues with previous landowners.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

	assurance that vulnerable, minorities' and gender groups are consulted, and that information has been provided to all affected groups, including information on the steps that are taken to involve them in decision making.			☐ Not Applicable (justification required)
4.4.3 (C)	Maps of an appropriate scale showing the extent of recognised legal, customary or user rights are developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).		The CU has demonstrated legitimate land ownership since 1980–2005, with stakeholder consultations confirming no evidence of land disputes or unresolved issues with previous landowners.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.4.4	All relevant information is available in appropriate forms and languages, including assessments of impacts, proposed benefit sharing, and legal arrangements..		This requirement in this indicator does not apply to Syarikat Kretam Mill Sdn Bhd CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.4.5 (C)	Evidence is available to show that communities are represented through institutions or representatives of their own choosing, including by legal counsel if they so choose.		This requirement in this indicator does not apply to Syarikat Kretam Mill Sdn Bhd CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.4.6	There is evidence that implementation of agreements negotiated through FPIC is annually reviewed in consultation with affected parties.		This requirement in this indicator does not apply to Syarikat Kretam Mill Sdn Bhd CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.5: No new plantings are established on local peoples' land where it can be demonstrated that there are legal, customary or user rights, without their FPIC. This is dealt with through a documented system that enables these and other stakeholders to express their views through their own representative institutions				
4.5.1 (C)	Documents showing identification and assessment of demonstrable legal, customary and user rights are available		The CU confirmed that no new plantings were established on local peoples' land, with verified land ownership records and stakeholder consultations indicating no land disputes or unresolved issues with local communities and neighbouring stakeholders.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.5.2 (C)	FPIC is obtained for all oil palm development through a comprehensive process, including in particular, full respect for their legal and customary rights to the territories, lands and resources via local		The CU maintained documented evidence of legitimate land ownership and acquisition records, with stakeholder consultations confirming no land disputes or unresolved issues involving local communities, villagers or neighbouring estates.	☒ Conform ☐ Major Nonconformity

	communities' own representative institutions, with all the relevant information and documents made available, with option of resourced access to independent advice through a documented, long-term and two-way process of consultation and negotiation.			☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.5.3	Evidence is available that affected local peoples understand they have the right to say 'no' to operations planned on their lands before and during initial discussions, during the stage of information gathering and associated consultations, during negotiations, and up until an agreement with the unit of certification is signed and ratified by these local peoples. Negotiated agreements should be non-coercive and entered into voluntarily and carried out prior to new operations. b) Evidence that the unit of certification has respected communities' decisions to give or withhold their consent to the operation at the time that these decisions were taken. c) Evidence that the legal, economic, environmental and social implications of permitting operations on their land have been understood and accepted by affected communities, including the		The CU maintained documented evidence of legitimate land ownership and acquisition records, with stakeholder consultations confirming no land disputes or unresolved issues involving local communities, villagers or neighbouring estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	implications for the legal status of their land at the expiry of the unit of certification's title, concession or lease on the land.			
4.5.4	To ensure local food and water security, as part of the FPIC process, participatory SEIA and participatory land-use planning with local peoples, the full range of food and water provisioning options are considered. There is transparency of the land allocation process.		The CU maintained documented evidence of legitimate land ownership and acquisition records, with stakeholder consultations confirming no land disputes or unresolved issues involving local communities, villagers or neighbouring estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.5.5	Evidence is available that the affected communities and rights holders have had the option to access to information and advice that is independent of the project proponent, concerning the legal, economic, environmental and social implications of the proposed operations on their lands.		The CU maintained documented evidence of legitimate land ownership and acquisition records, with stakeholder consultations confirming no land disputes or unresolved issues involving local communities, villagers or neighbouring estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.5.6	Evidence is available that the communities (or their representatives) gave consent to the initial planning phases of the operations prior to the issuance of a new concession or land title to the operator..		The CU maintained documented evidence of legitimate land ownership and acquisition records, with stakeholder consultations confirming no land disputes or unresolved issues involving local communities, villagers or neighbouring estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.5.7	New lands will not be acquired for plantations and mills after 15 November 2018 as a result of recent (2005 or later) expropriations in the national interest without consent (eminent domain), except in cases of smallholders benefitting from agrarian reform or anti-drug programmes.		The CU confirmed that no new land has been acquired for plantation or mill operations after 15 November 2018, with current operational areas verified to be within the existing legally registered land titles.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.5.8 (C)	New lands are not acquired in areas inhabited by communities in voluntary isolation.		The CU confirmed that no new land has been acquired for plantation or mill operations after 15 November 2018, with current operational areas verified to be within the existing legally registered land titles.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.6: Any negotiations concerning compensation for loss of legal, customary or user rights are dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.				
4.6.1 (C)	A mutually agreed procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, is in place.		The CU established a documented procedure for managing land conflicts, including identification of rights and fair compensation processes involving relevant stakeholders; however, no land conflict or compensation negotiation was recorded during the reporting period.	☒ Conform ☐ Major Nonconformity

				☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.6.2 (C)	A mutually agreed procedure for calculating and distributing fair and gender-equal compensation (monetary or otherwise) is established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation.		The CU maintained a documented land conflict management procedure to identify rights and address compensation matters through stakeholder involvement; however, no land rights or compensation-related issues were identified during the assessment.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.6.3	Evidence is available that equal opportunities are provided to both men and women to hold land titles for small holdings.		The CU does not manage any scheme smallholders, with FFB supplied from its own RSPO-certified estates and a certified external supplier.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.6.4	The process and outcomes of any negotiated agreements, compensation and payments are documented, with evidence of the participation of affected parties, and made publicly available to them.		There were no process and outcomes of any negotiated agreements, compensation and payments to any affected parties.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.7: Where it can be demonstrated that local peoples have legal, customary or user rights, they are compensated for any agreed land acquisitions and relinquishment of rights, subject to their FPIC and negotiated agreements				
4.7.1 (C)	A mutually agreed procedure for identifying people entitled to compensation is in place.		The certification unit has no scheme smallholders, and all FFB is sourced from Kretam Holdings' RSPO-certified estates and RSPO-certified FFB suppliers.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.7.2 (C)	A mutually agreed procedure for calculating and distributing fair compensation (monetary or otherwise) is in place and documented and made available to affected parties.		Stakeholder consultations confirmed that there were no compensation-related issues or land disputes involving local communities, villagers or neighbouring estates within the CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.7.3	Communities that have lost access and rights to land for plantation expansion are given opportunities to benefit from plantation development.		The CU demonstrated legitimate land ownership through verified acquisition records, with stakeholder consultations confirming no land disputes or unresolved issues involving villagers, local communities or neighbouring estates.	☒ Conform ☐ Major Nonconformity

				☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 4.8: The right to use the land is demonstrated and is not legitimately contested by local people who can demonstrate that they have legal, customary, or user rights.				
4.8.1	Where there are or have been disputes, proof of legal acquisition of title and evidence that mutually agreed compensation has been made to all people who held legal, customary, or user rights at the time of acquisition is available and provided to parties to a dispute, and that any compensation was accepted following a documented process of FPIC.		Stakeholder consultations confirmed that there were no compensation issues or land disputes involving villagers, local communities or neighbouring estates within the Syarikat Kretam Mill certification unit.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.8.2 (C)	Land conflict is not present in the area of the unit of certification. Where land conflict exists, acceptable conflict resolution processes (see Criteria 4.2 and 4.6) are implemented and accepted by the parties involved. In the case of newly acquired plantations, the unit of certification addresses any unresolved conflict through appropriate conflict resolution mechanisms.		Stakeholder consultations confirmed that no land conflicts or disputes were identified within the Syarikat Kretam Mill certification unit and its surrounding communities.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

4.8.3	Where there is evidence of acquisition through dispossession or forced abandonment of customary and user rights prior to the current operations and there remain parties with demonstrable customary and land use rights, these claims will be settled using the relevant requirements (Indicators 4.4.2, 4.4.3 and 4.4.4).		Stakeholder consultations and document verification confirmed that there was no evidence of land acquisition through dispossession, forced abandonment of customary or user rights, or unresolved land disputes within the certification unit.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
4.8.4	For any conflict or dispute over the land, the extent of the disputed area is mapped out in a participatory way with involvement of affected parties (including neighbouring communities where applicable).		Stakeholder consultations confirmed that there were no conflicts or disputes over land involving local communities within the Syarikat Kretam Mill certification unit.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Principle 5: Support Smallholder Inclusion				
Criterion 5.1: The unit of certification deals fairly and transparently with all smallholders (Independent and Scheme) and other local businesses.				
5.1.1	Current and previous period prices paid for FFB are publicly available and accessible by smallholders.		Kretam Mill operates as an Identity Preserved (IP) mill processing only RSPO-certified FFB from certified sources, while its collection centre facilitates the collection and transportation of uncertified smallholder FFB to another mill for processing, with FFB pricing information made publicly	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

			available.	☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.2 (C)	Evidence is available that the unit of certification regularly explains the FFB pricing to smallholders.		Kretam Mill regularly communicated FFB pricing mechanisms and sustainability-related information to smallholders, including grievance procedures, certification awareness and support initiatives, while ensuring uncertified smallholder FFB was directed to another mill for processing in accordance with the IP supply chain model.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.3 (C)	Fair pricing, including premium pricing, when applicable, is agreed with smallholders in the supply base and documented.		Kretam Mill Collection Centre adopted MPOB-based FFB pricing mechanisms, with sampled smallholders confirming that the pricing was fair and competitive, while no third-party uncertified FFB was processed at the IP-certified mill.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.4 (C)	Evidence is available that all parties, including women and independent representative organisations assisting smallholders where requested, are involved in decision-making processes and understand the contracts. These include those involving finance, loans/credits, and repayments through FFB price reductions for replanting and or other support mechanisms where		No independent smallholder support arrangements or related decision-making processes involving contracts, finance, loans or repayment mechanisms were applicable, as Kretam Mill processes FFB sourced from its own RSPO-certified estates and no third-party uncertified FFB was processed at the mill.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	applicable.			
5.1.5	Contracts are fair, legal and transparent and have an agreed timeframe.		Kretam Mill receives FFB from its own RSPO-certified estates, namely Bode Estate, Masang Estate, Sapagaya Estate and Bukit Sekong Estate; therefore, no smallholder contracts are applicable and no third-party uncertified FFB is processed at the mill.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.6 (C)	Agreed payments are made in a timely manner and receipts specifying price, weight, deductions and amount paid are given.		Interviews with sampled contractors and suppliers confirmed their understanding of contractual rights and obligations, with feedback indicating that contract terms were fair and payments were received within the agreed timeframe.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.7	Weighing equipment is verified by an independent third party on a regular basis (this can be government).		The certification unit ensured that weighing equipment was regularly calibrated by an accredited service provider to maintain accuracy and reliability of weighing records.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.8	The unit of certification supports Independent Smallholders with certification, where applicable, ensuring mutual agreements between the unit of		The certification unit primarily sources FFB from its own RSPO-certified estates and does not receive third-party uncertified FFB for processing, while continuing to promote RSPO certification awareness among nearby smallholders	☒ Conform ☐ Major Nonconformity

	certification and the smallholders on who runs the internal control system (ICS), who holds the certificates, and who holds and sells the certified material.		through engagement and training initiatives.	☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.1.9 (C)	The unit of certification has a grievance mechanism for smallholders and all grievances raised are dealt with in a timely manner.		Syarikat Kretam Mill Sdn Bhd CU has established a grievance mechanism that ensures confidentiality, anonymity, and protection of complainants, with no stakeholder complaints received to date.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 5.2: The unit of certification supports improved livelihoods of smallholders and their inclusion in sustainable palm oil value chains				
5.2.1	The unit of certification consults with interested smallholders (irrespective of type) including women or other partners in their supply base to assess their needs for support to improve their livelihoods and their interest in RSPO certification.		KHB continues to engage with smallholders to promote sustainable practices and RSPO certification, while Syarikat Kretam Mill Sdn Bhd CU currently receives FFB only from its own RSPO-certified estates with no third-party uncertified FFB supplied to the mill.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.2.2	The unit of certification develops and implements livelihood improvement programmes, including at least capacity building to enhance productivity, quality, organisational and managerial		KHB has engaged with nearby smallholders to understand their needs and promote RSPO certification in collaboration with WWF however, as of the audit, the smallholders have expressed interest only in pursuing MSPO certification.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

	competencies, and specific elements of RSPO certification (including the RSPO Standard for Independent Smallholder) PROCEDURAL NOTE: The RSPO is currently developing a separate standard for Independent Smallholders.			☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.2.3	Where applicable, the unit of certification provides support to smallholders to promote legality of FFB production..		Noted that Syarikat Kretam Mill Sdn Bhd CU has invited nearby smallholders to promote on RSPO certification in collaboration with WWF.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.2.4 (C)	Evidence exists that the unit of certification trains Scheme Smallholders on pesticide handling.		No specific training on pesticide handling. Only training related to smallholder support program, briefing through external stakeholder meeting which has been conducted on 25/7/2025.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
5.2.5	The unit of certification regularly reviews and publicly reports on the progress of the smallholder support programme.		KHB regularly reviews and publicly reports on the progress of the smallholder support programme. There is evidence that the Management of Kretam Holdings conducted communication with WWF in the effort to certify the surrounding smallholder.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)

Principle 6: Respect Workers Rights and Conditions				
Criterion 6.1: Any form of discrimination is prohibited.				
6.1.1 (C)	Publicly available non-discrimination and equal opportunity policy is implemented in such a way to prevent discrimination based on ethnic origin, caste, national origin, religion, disability, gender, sexual orientation, gender identity, union membership, political affiliation or age.		KHB has established and communicated its Human Rights and Social Policies, demonstrating commitment to non-discrimination, equal opportunities, workers' rights, and human rights protection, with workers confirming awareness and understanding of these commitments.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.1.2 (C)	Evidence is provided that workers and groups including local communities, women, and migrant workers have not been discriminated against. Evidence includes migrant workers' non-payment of recruitment fees		No evidence of discrimination or unethical recruitment practices was identified, with workers confirming equal treatment, equal pay for equal work, and no recruitment fees paid by migrant workers during the hiring process.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

6.1.3	The unit of certification demonstrates that recruitment selection, hiring, access to training and promotion are based on skills, capabilities, qualities and medical fitness necessary for the jobs available		KHB has implemented transparent recruitment, promotion, and termination procedures to ensure fair employment practices, with recruitment based on skills, capability, and fitness for work, and no evidence of discrimination identified.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.1.4	Pregnancy testing is not conducted as a discriminatory measure and is only permissible when it is legally mandated. Alternative equivalent employment is offered for pregnant women		No evidence of discriminatory pregnancy testing was identified, and KHB has implemented measures to protect pregnant workers by providing suitable alternative duties to ensure their health and safety.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.1.5 (C)	A gender committee is in place specifically to raise awareness, identify and address issues of concern, as well as opportunities and improvements for women.		KHB has established a gender committee to promote women's advancement and protection, with regular meetings addressing women-related concerns, support initiatives, and grievance monitoring, with no reported cases of sexual harassment or violence.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.1.6	There is evidence of equal pay for the same work scope		KHB has implemented equal opportunity policies ensuring fair treatment and equal pay regardless of background, with workers confirming that remuneration is based on the scope of work and	☒ Conform ☐ Major Nonconformity

			applicable wage requirements.	☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 6.2: Pay and conditions for staff and workers and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages (DLW)				
6.2.1 (C)	Applicable labour laws, union and/or other collective agreements and documentation of pay and conditions are available to the workers in national languages and explained to them in language they understand.		KHB has implemented employment contracts and wage documentation in accordance with Sabah Labour Ordinance and minimum wage requirements, with sampled workers confirming clear understanding of employment terms and receiving payments according to their job scope and applicable regulations.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.2.2 (C)	Employment contracts and related documents detailing payments and conditions of employment (e.g. regular working hours, deductions, overtime, sick leave, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc. in compliance with national legal requirements) and payroll documents give accurate information on compensation for all work performed, including work done by family members		KHB has ensured that employment contracts, payroll records, and payslips comply with Sabah Labour Ordinance and legal requirements, with improved overtime monitoring and contractor wage documentation effectively implemented, resulting in the closure of the previous nonconformity.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.2.3 (C)	There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal,		KHB has implemented employment contracts and wage practices in compliance with Sabah Labour Ordinance and minimum wage requirements, with workers receiving statutory benefits, paid leave entitlements, and wages meeting legal	☐ Conform ☒ Major Nonconformity ☐ Minor Nonconformity

	period of notice and other legal labour requirements		standards.	☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.2.4 (C)	The unit of certification provides adequate housing, sanitation facilities, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible. National laws, or in their absence the ILO Guidance on Workers' Housing Recommendation No. 115, are used. In the case of acquisitions of non-certified units, a plan is developed detailing the upgrade of infrastructure. A reasonable time (5 years) is allowed to upgrade the infrastructure		KHB provides adequate worker housing, sanitation, utilities, healthcare, education, and welfare facilities in compliance with applicable standards, with improvements to CLC facilities completed and previous concerns effectively addressed.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☒ Opportunity for Improvement ☐ Not Applicable (justification required)
6.2.5	The unit of certification makes efforts to improve workers' access to adequate, sufficient and affordable food.		KHB provides access to essential goods through estate canteens, grocery stores, and mobile markets, with product availability, pricing, and expiry dates monitored to ensure workers' welfare and access to basic necessities.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.2.6	A DLW is paid to all workers, including those on piece rate/quotas, for whom the calculation is based on achievable quotas during regular work hours.		KHB has assessed prevailing wages for local and foreign workers, including wages and in-kind benefits such as housing, healthcare, education, welfare, and recreational facilities, demonstrating that workers receive compensation beyond basic wage requirements.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

	PROCEDURAL NOTE: The RSPO Labour Task Force will prepare guidance on the DLW implementation, including details on how to calculate a DLW, expected for 2019. The RSPO Secretariat will endeavour to carry out DLW country benchmarks for palm oil producing countries in which RSPO members operate and for which no Global Living Wage Coalition (GLWC) benchmarks exist			☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.2.7	Permanent, full-time employment is used for all core work performed by the unit of certification. Casual, temporary and day labour is limited to jobs that are temporary or seasonal		KHB provides documented employment contracts detailing wages and employment conditions for permanent workers, with no casual, temporary, or daily workers employed within the KHB Sandakan Region CU.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 6.3: The unit of certification respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel				
6.3.1 (C)	A published statement recognising freedom of association and right to collective bargaining in national languages is available and is explained to all workers in languages that they understand, and is demonstrably implemented		KHB recognises workers' freedom of association and collective bargaining rights through its policies and Workers Representative Committee (JCC), with regular meetings conducted and workers confirming awareness of their representatives.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

6.3.2	Minutes of meetings between the unit of certification with trade unions or workers representatives, who are freely elected, are documented in national languages and made available upon request		KHB has established a Workers Representative Committee (JCC) to facilitate worker representation and communication in the absence of formal trade unions, with regular meetings and diverse worker representatives ensuring concerns are addressed transparently.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.3.3	Management does not interfere with the formation or operation of registered unions/ labour organisations or associations, or other freely elected representatives for all workers including migrant and contract workers		Interviews with workers' representatives in KHB Sandakan Region CU confirmed that management did not interfere with the formation of the association. All representatives were freely elected by the workers.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 6.4: Children are not employed or exploited.				
6.4.1	A formal policy for the protection of children, including prohibition of child labour and remediation is in place, and included into service contracts and supplier agreements		KHB has established policies and procedures to prohibit child labour and provide remediation measures, with commitments communicated to stakeholders to ensure compliance with minimum age requirements and protection of children's rights.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.4.2 (C)	There is evidence that minimum age requirements are met. Personnel files		KHB has implemented effective age verification controls through employment records and the Lintramax database	☒ Conform

	show that all workers are above the national minimum age or above company policy minimum age, whichever is higher. There is a documented age screening verification procedure		system, confirming that all workers employed within the KHB Sandakan Region CU meet the minimum age requirement.	☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.4.3 (C)	Young persons may be employed only for non-hazardous work, with protective restrictions in place for that work.		No evidence of child labour was identified, with document reviews, worker interviews, and field observations confirming that all employees within KHB Sandakan Region CU are above 18 years old.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.4.4	The unit of certification demonstrates communication about its 'no child labour policy and the negative effects of child labour, and promotes child protection to supervisors and other key staff, smallholders, FFB suppliers and communities where workers live		KHB has effectively communicated its child labour prohibition policy to workers, communities, contractors, suppliers, and vendors, supported by ethical conduct agreements to ensure compliance with child protection commitments.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 6.5: Policies and procedures in place to protect workers' rights.				
6.5.1 (C)	A policy to prevent sexual and all other forms of harassment and violence is implemented and communicated to all levels of the workforce		KHB has implemented and communicated its Sexual Harassment Policy through worker briefings and Gender Committee engagements, with workers confirming awareness of the policy and procedures for addressing harassment-related issues.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

				☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.5.2 (C)	A policy to protect the reproductive rights of all, especially of women, is implemented and communicated to all levels of the workforce		KHB has established and communicated its Social Policy to protect reproductive rights, with female workers confirming awareness of their rights, maternity benefits, and provision of suitable duties during pregnancy.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.5.3	Management has assessed the needs of new mothers, in consultation with the new mothers, and actions are taken to address the needs that have been identified		The CU has assessed and addressed the needs of new mothers through consultation and support from the Gender Committee, providing maternity benefits, breastfeeding facilities, adequate space, privacy, and paid breaks across all operating units.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.5.4	Grievance mechanism, which respects anonymity and protects complainants where requested, is established, implemented and communicated to all levels of the workforce.		KHB has established and communicated grievance and sexual harassment reporting procedures, supported by a complaint panel and gender committee, ensuring confidential and effective complaint handling while promoting a safe, respectful, and harassment-free workplace.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 6.6: Work is voluntary and specific labor policy and procedures are implemented.				
6.6.1 (C)	All work is voluntary and following are prohibited: • Retention of identity documents or passports • Payment of recruitment fees • Contract substitution • Involuntary overtime • Lack of freedom of workers to resign • Penalty for termination of employment • Debt bondage • Withholding of wages		Interviews with foreign workers confirmed fair and ethical employment practices, including retention of personal documents, voluntary overtime, freedom of movement, absence of contract substitution, debt bondage or wage withholding, and respect for workers' rights to resign without penalty.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.6.2 (C)	Where temporary or migrant workers are employed, a specific labour policy and procedures are established and implemented		The CU implements a comprehensive foreign worker management system that promotes fair recruitment and employment practices, prohibits discrimination and contract substitution, complies with minimum wage requirements, provides orientation and decent housing, and supports the welfare of foreign workers.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 6.7: Appropriate health and safety measures are in place.				
6.7.1 (C)	The responsible person(s) for H&S is identified. There are records of regular meetings between the responsible person(s) and workers. Concerns of all parties about health, safety and welfare are discussed at these meetings, and any issues raised are recorded		The CU has established a structured occupational safety and health management system with appointed responsible personnel, regular worker consultation through quarterly safety meetings, and ongoing discussions on health, safety, welfare, training, PPE provision, and environmental matters across all operating units.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.7.2	Accident and emergency procedures are in place and instructions are clearly understood by all workers. Accident procedures are available in the appropriate language of the workforce. Assigned operatives trained in first aid are present in both field and other operations, and first aid equipment is available at worksites. Records of all accidents are kept and periodically reviewed.		The CU has implemented comprehensive emergency preparedness and occupational safety measures, including documented emergency response procedures, trained first aiders, adequate emergency equipment, regular fire and evacuation drills, and systematic accident reporting and management across all operating units.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.7.3 (C)	Workers use appropriate personal protective equipment (PPE), which is provided free of charge to all workers at the place of work to cover all potentially hazardous operations, such as pesticide application, machine operations, land preparation, and harvesting. Sanitation facilities for those applying pesticides are available, so that workers can change out of PPE, wash and put on their personal clothing.		The CU provides regular safety training, free and appropriate personal protective equipment, adequate sanitation facilities, and safe working conditions, while ensuring workers are aware of workplace hazards and implementing engineering controls to minimize occupational risks.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

6.7.4	All workers are provided with medical care and covered by accident insurance. Costs incurred from work related incidents leading to injury or sickness are covered in accordance with national law or by the unit of certification where national law does not offer protection		The CU provides workers with access to healthcare services and social security coverage, including medical support, insurance benefits, and compensation for work-related incidents, demonstrating its commitment to employee welfare and wellbeing.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
6.7.5	Occupational injuries are recorded using Lost Time Accident (LTA) metrics		The CU maintains comprehensive occupational accident records, conducts incident investigations and corrective actions, regularly reviews safety performance, and complies with regulatory reporting requirements to support continuous improvement in workplace safety and health.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Principle 7: Protect, Conserve and Enhance Ecosystems and the Environment				
Criterion 7.1: IPM plans are implemented and monitored to ensure effective pest control.				
7.1.1 (C)	IPM plans are implemented and monitored to ensure effective pest control.		The CU implements an Integrated Pest Management programme based on monitoring, biological control, targeted pest management, beneficial plant cultivation, and regular worker training to minimize pesticide use while effectively managing pests and diseases in its estates.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.1.2	Species referenced in the Global Invasive Species Database and		The CU does not utilize any species listed in the Global Invasive Species Database or CABI Invasive Species Compendium for its Integrated Pest Management	☒ Conform ☐ Major Nonconformity

	CABI.org are not to be used in managed areas, unless plans to prevent and monitor their spread are implemented.		programme and therefore does not pose a risk of introducing or spreading invasive species.	☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.1.3	There is no use of fire for pest control unless in exceptional circumstances, i.e. where no other effective methods exist, and with ap prior approval of government authorities. [For NI to define process]		The CU implements a zero-burning policy and approved pest management procedures, with no evidence of fire being used for pest control and no significant pest outbreaks requiring such measures.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.2: Pesticides are used in ways that do not endanger health of workers, families, communities or the environment.				
7.2.1 (C)	Justification of all pesticides used is demonstrated. Selective products and application methods that are specific to the target pest, weed or disease are prioritised.		The CU applies agrochemicals based on documented agronomic needs and approved procedures, maintains updated chemical registers, uses selective products and appropriate safety measures, and promotes responsible pesticide management through controlled application and worker protection practices.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.2 (C)	Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) are provided.		The CU maintains detailed records of pesticide usage, including active ingredients, toxicity classifications, application rates, treated areas, and frequency of use, to support effective monitoring and responsible agrochemical management.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

7.2.3 (C)	Any use of pesticides is minimised as part of a plan, eliminated where possible, in accordance with IPM plans.		The CU minimizes agrochemical use through the implementation of Integrated Pest Management practices, including targeted spraying, biological controls, beneficial plant cultivation, pest monitoring, and the use of pheromone traps to support sustainable pest management.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.4	There is no prophylactic use of pesticides, unless in exceptional circumstances, as identified in national best practice guidelines.		The CU does not practice routine prophylactic pesticide use, except for targeted and justified applications in immature and young plantings to manage rhinoceros beetle infestations in accordance with established agronomic procedures.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.5	Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, unless unexceptional circumstances, as validated by a due diligence process, or when authorised by government authorities for pest outbreaks. The due diligence refers to: a) Judgment of the threat and verify why this is a major threat b) Why there is no other alternative which can be used c) Which process was applied to verify why there is no other less hazardous alternative		The CU uses only legally registered pesticides in compliance with applicable regulations, has prohibited paraquat use, and does not use pesticides classified as WHO Class 1A or 1B or those listed under the Stockholm or Rotterdam Conventions, demonstrating its commitment to responsible chemical management.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	d) What is the process to limit the negative impacts of the application 7.2.5 e) Estimation of the timescale of the application and steps taken to limit application to the specific outbreak.			
7.2.6 (C)	Pesticides are only handled, used or applied by persons who have completed the necessary training and are always applied in accordance with the product label. All precautions attached to the products are properly observed, applied, and understood by workers (see Criterion 3.6). Personnel applying pesticides must show evidence of regular updates on the knowledge about the activity they carry out.		The CU ensures that all agrochemicals are handled and applied by trained personnel in accordance with approved procedures, provides regular safety training and refresher courses, maintains accessible Safety Data Sheets, and promotes worker awareness of chemical hazards and safe handling practices.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.7 (C)	Storage of all pesticides is in accordance with recognised best practices.		The CU manages agrochemicals in accordance with legal and safety requirements through secure storage facilities, proper handling procedures, worker training, accessible Safety Data Sheets, effective waste management practices, and continuous communication on chemical safety and environmental protection.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.8	All pesticide containers are properly disposed of and/or handled responsibly if used for other purposes.		The CU manages empty pesticide containers through proper rinsing, storage, tracking, and disposal procedures, ensuring environmentally responsible waste management through licensed contractors and preventing risks to human health and the environment.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

7.2.9 (C)	Aerial spraying of pesticides is prohibited, unless in exceptional circumstances where no other viable alternatives are available. This requires prior government authority approval. All relevant information is provided to affected local communities at least 48 hours prior to application of aerial spraying.		The CU does not practice aerial pesticide spraying, and interviews with employees together with field observations confirmed that all pesticide applications are carried out using ground-based methods in accordance with established management practices.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.10 (C)	Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, is demonstrated.		The CU conducts regular medical surveillance and health monitoring for workers handling agrochemicals, ensures fitness for work through qualified occupational health practitioners, provides ongoing medical follow-up where required, and promotes worker wellbeing through continuous health education and awareness programmes.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.2.11 (C)	No work with pesticides is undertaken by persons under the age of 18, pregnant or breastfeeding women or other people that have medical restrictions and they are offered alternative equivalent work.		The CU safeguards the health of female workers by prohibiting pregnant and breastfeeding women from handling pesticides, conducting regular medical monitoring and pregnancy screening, and ensuring compliance with established health and safety procedures.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 7.3: Waste is reduced, recycled, reused and disposed of in an environmentally and socially responsible manner				
7.3.1	A waste management plan which includes reduction, recycling, reusing, and disposal based on toxicity and hazardous		The CU implements a comprehensive waste and pollution management programme that identifies, monitors, and controls environmental impacts from its operations, including waste generation, emissions, effluent, and potential	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

	characteristics, is documented and implemented.		contamination sources, while maintaining appropriate records and disposal practices to protect environmental quality.	☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.3.2	Proper disposal of waste material, according to procedures that are fully understood by workers and managers, is demonstrated.		The CU implements effective waste management practices for domestic, industrial, sewage, and scheduled wastes through proper segregation, storage, recycling, recovery, land application, and disposal by licensed contractors, while maintaining compliance with regulatory requirements and minimizing environmental impacts from its operations.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.3.3	The unit of certification does not use open fire for waste disposal.		The CU implements a zero-burning policy for all operations, and site inspections at the mill, estates, workers' housing, and landfill areas confirmed that no open burning was practiced, with designated landfill pits properly identified and managed.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.4: Practice maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.				
7.4.1	Good agriculture practices, as contained in SOPs, are followed to manage soil fertility to optimise yield and minimise environmental impacts.		The CU maintains long-term soil fertility through a combination of fertilizer application based on agronomic recommendations, soil and leaf analysis, biomass recycling, water management, and continuous monitoring to ensure effective implementation of sustainable agricultural practices.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.4.2	Periodic tissue and soil sampling is carried		The CU conducts regular foliar and soil sampling through	☒ Conform

	out to monitor and manage changes in soil fertility and plant health.		accredited laboratory analysis to monitor soil fertility and palm nutrient status, with the results used to develop annual fertiliser recommendations and optimise nutrient management.	☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.4.3	A nutrient recycling strategy is in place, which includes the recycling of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), palm residues and optimal use of inorganic fertilisers.		The CU implements a nutrient recycling programme by applying empty fruit bunches (EFB) in the estates to enhance soil fertility, reduce reliance on inorganic fertilisers, and support sustainable nutrient management.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.4.4	Records of fertiliser inputs are maintained.		The CU maintains comprehensive fertiliser application records and implements fertiliser programmes based on agronomic recommendations, with applications and input monitoring carried out systematically to support sustainable nutrient management and optimal palm growth.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.5: Practices minimise and control erosion and degradation of soils				
7.5.1 (C)	Maps identifying marginal and fragile soils, including steep terrain, are available.		The CU maintains soil maps to support land management planning, and field verification confirmed that no fragile or marginal soils are present, with estate management practices implemented according to identified soil and terrain conditions.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

				☐ Not Applicable (justification required)
7.5.2	There is no extensive replanting of oil palm on steep terrain.		The CU implements soil conservation practices by avoiding replanting on steep terrain and maintaining erosion control measures such as frond stacking, EFB application, terracing, road maintenance, cover crops, and soft vegetation management to minimise soil degradation.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.5.3	There is no new planting of oil palm on steep terrain.		No new planting activities were observed within the Certification Unit, and land development practices are guided by the KHB Planting Manual, which excludes areas with slopes above 25 degrees from new planting and replanting activities.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.6: Soil surveys and topographic information are used for site planning in the establishment of new plantings, and the results are incorporated into plans and operations.				
7.6.1 (C)	To demonstrate the long-term suitability of land for palm oil cultivation, soil maps or soil surveys identifying marginal and fragile soils including steep terrain, are taken into account in plans and operations.		The CU incorporates soil and slope assessments into estate planning and operations to ensure long-term land suitability for palm oil cultivation, with no new planting conducted and no fragile or marginal soils identified within the managed areas.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

7.6.2	Extensive planting on marginal and fragile soils, is avoided, or, if necessary, done in accordance with the soil management plan for best practices.		This is not applicable as there is no marginal and fragile soil in all estates, as supported by the soil maps of respective estates. No marginal and fragile soil areas were observed during the visit.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.6.3	Soil surveys and topographic information guide the planning of drainage and irrigation systems, roads and other infrastructure		All estates had used soil and topographic to plan their drainage and irrigation systems, roads and other infrastructure.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.7: No new planting on peat, regardless of depth after 15 November 2018 and all peatlands are managed responsibly.				
7.7.1 (C)	There is no new planting on peat regardless of depth after 15 November 2018 in existing and new development areas.		The CU has verified through satellite imagery, estate maps, soil reports, and field inspections that no new planting or land development has occurred, and no peat soil areas are present within the managed estates.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)
7.7.2	Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat		No peat soil areas were identified within the visited estates, as verified through soil reports and field inspections, confirming that peat management requirements are not applicable to the CU.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement

	soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).			☒ Not Applicable (justification required)
7.7.2 (C)	Areas of peat within the managed areas are inventoried, documented and reported (effective from 15 November 2018) to RSPO Secretariat. PROCEDURAL NOTE: Maps and other documentation of peat soils are provided, prepared and shared in line with RSPO Peatland Working Group (PLWG) audit guidance (see Procedural Note for 7.7.5 below).		No peat soil areas were identified within the visited estates, as verified through soil reports and field inspections, confirming that peat management requirements are not applicable to the CU.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)
7.7.3 (C)	Subsidence of peat is monitored, documented and minimised.		No peat soil areas were identified within the visited estates, as verified through soil reports and field inspections, confirming that peat management requirements are not applicable to the CU.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)
7.7.4 (C)	A documented water and ground cover management programme is in place.		No peat soil areas were identified within the visited estates, as verified through soil reports and field inspections, confirming that peat management requirements are not applicable to the CU.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)
7.7.5 (C)	For plantations planted on peat, drainability assessments are conducted following the RSPO Drainability		No peat soil areas were identified within the visited estates, as verified through soil reports and field inspections, confirming that peat management requirements are not applicable to the	☐ Conform ☐ Major Nonconformity

	Assessment Procedure, or other RSPO recognised methods, at least five years prior to replanting. The assessment result is used to set the time frame for future replanting, as well as for phasing out of oil palm cultivation at least 40 years, or two cycles, whichever is greater, before reaching the natural gravity drainability limit for peat. When oil palm is phased out, it is replaced with crops suitable for a higher water table (paludiculture) or rehabilitated with natural vegetation. PROCEDURAL NOTE: Full details of the RSPO Drainability Assessment Guidelines and related concepts and detailed actions are in the manual currently being fine-tuned/tested by PLWG. A final version should be approved by PLWG in January 2019 and will include additional guidance on the steps to be followed after the decision not to replant as well as implications for other stakeholders, smallholders, local communities and the unit of certification. It is recommended that a further twelve-month methodology trial period is proposed for all related management units (i.e. those with plantations on peat) to utilise the methodology and provide feedback to the PLWG to enable further refinement of		CU.	☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)

	procedure as appropriate before January 2020. Units of certification have the option to defer replanting till after the availability of the revised guidelines. Additional guidance on alternative crops and rehabilitation of natural vegetation will be provided by PLWG. PROCEDURAL NOTE: PLWG and the Smallholder Interim Group (SHIG) will collaboratively develop guidance for Independent Smallholders [cross links to SHIG and GHG issues]			
7.7.6 ©	All existing plantings on peat are managed according to the *'RSPO Manual on Best Management Practices (BMTs) for existing oil palm cultivation on peat', version 2 (2018)* and associated audit guidance.		No peat soil areas were identified within the visited estates, as verified through soil reports and field inspections, confirming that peat management requirements are not applicable to the CU.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)
7.7.7 (C)	All areas of unplanted and set-aside peatlands in the managed area (regardless of depth) are protected as "peatland conservation areas"; new drainage, road building and power lines by the unit of certification on peat soils is prohibited; peatlands are managed in accordance with the 'RSPO BMPs for Management and Rehabilitation of Natural Vegetation Associated with Oil Palm Cultivation on Peat', version2 (2018) and associated audit guidance.		No peat soil areas were identified within the visited estates, as verified through soil reports and field inspections, confirming that peat management requirements are not applicable to the CU.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)

Criterion 7.8: Practices maintain the quality and availability of surface and groundwater.				
7.8.1 (C)	A water management plan is in place and implemented to promote more efficient use and continued availability of water sources and to avoid negative impacts on other users in the catchment. The plan addresses the following: 7.8.1a. The unit of certification does not restrict access to clean water or contribute to pollution of water used by communities. 7.8.1 b. Workers have adequate access to clean water		The CU has established and implemented a Water Management Plan to ensure sustainable water use, protect water resources, and maintain water quality through regular monitoring of river water, treated water, and discharge points, with results demonstrating compliance with applicable water quality standards.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.8.2 (C)	Water courses and wetlands are protected, including maintaining and restoring appropriate riparian and other buffer zones in line with 'RSPO Manual on BMPs for the management and rehabilitation of riparian reserves' (April 2017).		The CU protects watercourses and wetlands by maintaining riparian buffer zones and preventing chemical activities within these areas, as verified through field inspections at sampled estate locations.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.8.3	Mill effluent is treated to be in compliance with national regulations. Discharge quality of mill effluent, especially Biochemical Oxygen Demand (BOD), is regularly monitored.		The CU operates a methane capture plant and effluent treatment system at Syarikat Kretam Mill to manage POME, with regular maintenance, monthly effluent quality monitoring, and reporting to DOE to ensure compliance with regulatory discharge limits.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

7.8.4	Mill water use per tonne of FFB is monitored and recorded.		The CU monitors mill water consumption through monthly tracking of water usage per tonne of FFB processed, with water sourced from nearby catchments and management measures implemented to ensure efficient water utilisation.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.9: **Efficiency of fossil fuel use and the use of renewal energy is optimized.**				
7.9.1	A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy is in place, monitored and reported.		The CU implements an energy efficiency plan by monitoring renewable and non-renewable energy consumption, improving fossil fuel usage efficiency, and utilising renewable energy sources such as biomass and biogas for power generation.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
Criterion 7.10: Plans to reduce pollution and emissions, including greenhouse gases (GHG), are developed, implemented and monitored and new developments are designed to minimise GHG emissions				
7.10.1 (C)	GHG emissions are identified and assessed for the unit of certification. Plans to reduce or minimise them are implemented, monitored through the Palm GHG calculator and publicly reported.		The CU has implemented and verified its GHG reduction plan by continuously monitoring emissions through the RSPO-endorsed PalmGHG calculator and publicly reporting validated data including FFB production, fuel use, electricity consumption, and mill by-products via the RSPO PalmGHG system on 13/04/2026.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

7.10.2 (C)	Starting 2014, the carbon stock of the proposed development area and major potential sources of emissions that may result directly from the development are estimated and a plan to minimise them prepared and implemented (following the RSPO GHG Assessment Procedure for New Development).		Auditors have verified through checking the www.globalforestwatch.com, Google Maps, Estate Maps and also through site visit to the sampled estates areas. Based on the observation during the audit, it is confirmed that there were no new planting or new development of areas at CU. Hence, RSPO GHG Assessment Procedure for New Development was not applicable.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.10.3 (C)	Other significant pollutants are identified and plans to reduce or minimize them implemented and monitored.		Polluting activities are systematically identified, monitored, and managed through an established environmental plan, with effective controls in place to minimize emissions, waste, and environmental impact in compliance with regulatory requirements.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

Criterion 7.11: Fire is not used for preparing land and is prevented in the managed area.				
7.11.1 (C)	Land for new planting or replanting is not prepared by burning.		The CU implements a zero-burning policy for land preparation and waste management, with replanting activities carried out through mechanical methods such as felling, shredding, and decomposition of palm residues without the use of fire.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

7.11.2	The unit of certification establishes fire prevention and control measures for the areas directly managed by the unit of certification.		The CU has established an Emergency Response Procedure covering fire prevention, emergency evacuation, and response team responsibilities, with regular fire drills and training conducted at all estates and the mill to enhance emergency preparedness.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.11.3	The unit of certification engages with adjacent stakeholders on fire prevention and control measures.		The CU conducts stakeholder engagement on fire prevention and control measures, including awareness on zero-burning practices, emergency response procedures, and cooperation with neighbouring communities to prevent and manage fire incidents.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

PROCEDURAL NOTE for 7.12

The 2018 RSPO P&C include new requirements to ensure the effective contribution of RSPO to halting deforestation. This will be achieved by incorporating the High Carbon Stock Approach (HCSA) Toolkit in the revised standard.

The RSPO ToC also commits RSPO to balancing sustainable livelihoods and poverty reduction with the need to conserve, protect and enhance ecosystems.

High Forest Cover Countries (HFCCs) urgently require economic opportunities that enable communities to choose their own development path, while providing socio-economic benefits and safeguards.

Adapted procedures will be developed to support the sustainable development of palm oil by indigenous peoples and local communities with legal or customary rights. These will apply in specific HFCCs, and within those, in High Forest Cover Landscapes (HFCLs).

The development of these procedures will be guided by a No Deforestation Joint Steering Group (NDJSG) of RSPO and HCSA members. In HFCCs, RSPO will work through national and local participatory processes with governments, communities and other stakeholders to develop these procedures. A timeframe for these activities is stipulated in the Terms of Reference for the NDJSG and publicly available.

Criteria 7.12:

Land clearing does not cause deforestation or damage any area required to protect or enhance High Conservation Values (HCVs) or High Carbon Stock (HCS) forest. HCVs and HCS forests in the managed area are identified and protected or enhanced.

7.12.1 (C)	Land clearing since November 2005 has not damaged primary forest or any area required to protect or enhance HCVs. Land clearing since 15 November 2018 has not damaged HCVs or HCS forests. A historic Land Use Change Analysis (LUCA) is conducted prior to any new land clearing, in accordance with the RSPO LUCA guidance document.		Auditors have verified through checking through www.globalforestwatch.com, Google Maps, Estate Maps and also through site visit to all estates. Based on the audit findings, it was confirmed that no land clearing at Syarikat Kretam Mill CU since Nov 2005.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.12.2 (C)	HCVs, HCS forests and other conservation areas are identified as follows: a) For existing plantations with an HCV assessment conducted by an RSPO-approved assessor and no new land clearing after 15 November 2018, the current HCV assessment of those plantations remains valid.		The CU has conducted HCV assessments to identify and manage conservation areas, including monitoring of RTE species and implementation of management action plans, with verification confirming that no land clearing has occurred in the CU since November 2005.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.12.2 b)	Any new land clearing (in existing plantations or new plantings) after 15 November 2018 is preceded by an HCV-HCS assessment, using the HCSA Toolkit and the HCV-HCSA Assessment Manual. This will include stakeholder consultation and take into account wider landscape-level considerations.		Auditors verified this information through www.globalforestwatch.com, Google Maps, estate maps, and site visits to all estates. Based on the audit findings, it was confirmed that no land clearing has occurred at Syarikat Kretam Mill CU since November 2005.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.12.3 (C)	In High Forest Cover Landscapes (HFCLs) within HFCCs, a specific procedure will apply for legacy cases and development by indigenous peoples and local communities with legal or customary		Auditors verified this information through www.globalforestwatch.com, Google Maps, estate maps, and site visits to all estates. Based on the audit findings, it was confirmed that no land clearing has occurred at Syarikat Kretam Mill CU since November 2005.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity

	rights, taking into consideration regional and national multi-stakeholder processes. Until this procedure is developed and endorsed, 7.12.2 applies. PROCEDURAL NOTE for 7.12.3: There should be demonstrable benefits to the local community; clear recognition of legal and customary lands based on participatory land use planning; development should be proportional to the needs of the local community; with a balance between conservation and development. This procedure will also cover planting on previous or abandoned agricultural land / plantations. All other P&C requirements apply, including FPIC and HCV requirements.			☐ Opportunity for Improvement ☒ Not Applicable (justification required)
7.12.4 (C)	Where HCVs, HCS forests after 15 November 2018, peatland and other conservation areas have been identified, they are protected and/or enhanced. An integrated management plan to protect and/or enhance HCVs, HCS forests, peatland and other conservation areas is developed, implemented and adapted where necessary, and contains monitoring requirements. The integrated management plan is reviewed at least once every five years. The integrated management plan is developed in		The CU implements HCV and RTE species management through regular monitoring, employee awareness programmes, patrol activities, and protection measures such as signage and buffer zone management, with the latest HCV management plan developed through stakeholder consultation.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

	consultation with relevant stakeholders and includes the directly managed area and any relevant wider landscape level considerations (where these are identified).			
7.12.5	Where rights of local communities have been identified in HCV areas, HCS forest after 15 November 2018, peatland and other conservation areas, there is no reduction of these rights without evidence of a negotiated agreement, obtained through FPIC, encouraging their involvement in the maintenance and management of these conservation areas.		No local community rights have been identified in the HCV areas at Kretam CU. Additionally, the nearest local communities are located 5 km from the Syarikat Kretam Mill CU. Therefore, this indicator is not applicable to this CU.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)
7.12.6	All rare, threatened or endangered (RTE) species are protected, whether or not they are identified in an HCV assessment. A programme to regularly educate the workforce about the status of RTE species is in place. Appropriate disciplinary measures are taken and documented in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect, trade, possess or kill these species.		The CU conducts regular biodiversity awareness and training programmes for workers and relevant personnel to promote the protection of RTE species and HCV areas, with disciplinary measures established for any violation of wildlife protection requirements.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)

7.12.7	The status of HCVs, HCS forests after 15 November 2018, other natural ecosystems, peatland conservation areas and RTE species is monitored. Outcomes of this monitoring are fed back into the management plan.		The CU implements regular HCV and RTE monitoring programmes through scheduled inspections, biodiversity area monitoring, and management action plans to ensure the protection of conservation areas, wildlife, buffer zones, and ecological connectivity within the landscape.	☒ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☐ Not Applicable (justification required)
7.12.8 (C)	Where there has been land clearing without prior HCV assessment since November 2005, or without prior HCV-HCSA assessment since 15 November 2018, the Remediation and Compensation Procedure (RaCP) applies.		Auditors have verified through checking through www.globalforestwatch.com, Google Maps, Estate Maps and also through site visit to all estates. Based on the audit findings, it was confirmed that no land clearing at Syarikat Kretam Mill CU since Nov 2005.	☐ Conform ☐ Major Nonconformity ☐ Minor Nonconformity ☐ Opportunity for Improvement ☒ Not Applicable (justification required)

6. Summary of Audit Findings

6.1 Positive and noteworthy findings

No.	Positive finding
1.	Good agricultural practices were observed during the field assessment, including timely harvesting, proper pruning, effective weed control, and optimized fertilizer application.
2.	A strong commitment was demonstrated by both the operating units and the sustainability teams towards achieving and maintaining RSPO certification.
3.	Workers demonstrated a good level of understanding and awareness regarding RSPO implementation.
4.	A significant portion of the workforce consists of long-serving employees, including second-generation workers from the same families.

6.2 Non-conformities and opportunities for improvement

Summary of nonconformities and opportunities for improvement under the RSPO Principles & Criteria				
Principle	**Major**	**Minor**	**Opportunities for Improvement**	**Total No Findings**
Principle 1: Behave Ethically and Transparently				
Principle 2: Operate legally and respect rights - Implement legal requirements as the basic principles of operation in any jurisdiction.				
Principle 3: Optimise productivity, efficiency, positive impacts and resilience *(Includes IP and/or MB Module)*	1			**1**
Principle 4: Respect Community and Human Rights and Deliver Benefits				
Principle 5: Support Smallholder Inclusion				
Principle 6: Respect Workers Rights and Conditions	1			**1**
Principle 7: Protect, Conserve and Enhance Ecosystems and the Environment				
Certification Systems Document				**2**

7. Nonconformity(ies) Issue in this Audit

Indicator Number	3.8.7
Nonconformity Number	DA 01 2026
Nonconformity Category	☒ Major Nonconformity ☐ Minor Nonconformity
Recurring Nonconformity	☐ Yes ☒ No
Date of Nonconformity Issued	17/04/2026
Nonconformity Issued To *(when more than one site/member)*: Kretam Mill	
Deadline:	☒ 3 months from date of closing meeting ☐12 months from date of closing meeting
Mode of Nonconformity Closure	☐ Onsite ☒ Off-site
Standard Reference	Purchasing and Goods In i. The mill shall verify and document. The tonnage and sources of certified and the tonnage of non-certified FFB's received. ii. The mill shall inform the CB immediately if there is a projected overproduction of certified volume iii. The ill shall have a mechanism in place for handling of non-conforming FFB and/or documents.
Nonconformity Statement: The mill has not effectively established and implemented a system to verify and document the tonnage and sources of certified FFB received.	
Evidence: Based on the review of weighbridge tickets for diverted certified FFB received from Abedon Oil Mill Sdn. Bhd., the following samples were verified: ▪ **31/03/2026** (Ticket No.: FFB26003566W; DO No.: 41713; Net Weight: 24.14 MT) ▪ **28/02/2026** (Ticket No.: FFB26002475W; DO No.: 41588; Net Weight: 22.58 MT) ▪ **06/01/2026** (Ticket No.: FFB26000157W; DO No.: 41526; Net Weight: 22.90 MT) Review of the above records found that the weighbridge tickets only indicate the supplier as Abedon Oil Mill Sdn. Bhd. and reflect a lump sum tonnage of FFB received. However, there is no traceability to the specific certified supply base, such as Tanaki Estate, Kolopis Estate, or ISH KOSALESA. Additionally, the records do not include sufficient details such as block identification or specific source references, with only general information (e.g., year of planting) provided. As a result, the mill is unable to verify and document the actual tonnage and source of certified FFB received in compliance with the requirement.	
Root Cause Analysis	The mill lacked structured procedures and adequate documentation to capture and verify FFB traceability to specific certified sources for diverted FFB received from Abedon Oil Mill Sdn Bhd. The issue was compounded by inadequate weighbridge documentation and insufficient supplier traceability information, such as estate name,

	block number, year of planting and other relevant traceability information which resulting in the mill unable to adequately verify and document the actual tonnage and specific source of certified FFB received from Abedon Oil Mill Sdn Bhd.
Correction(s)	1) Revise General Chain of Custody SOP (SCCS-002) to add sub item 5.5.3 (j) Divert FFB Statement information in the item 5.5 Purchasing and Goods In (FFB). 2) 2. Liaise with Abedon Oil Mill Sdn Bhd to improve their traceability documentation for all future diverted certified FFB deliveries, to include specific certified source name (estates or certified ISH), block number, planting year, corresponding tonnage and other relevant traceability information. The establish traceability supporting documents will be attached to existing weighbridge tickets for each consignment to ensure traceability information of the sources can be verified.
Corrective Action Implemented *(including any evidence submitted)*	1) General Chain of Custody (SCCS-002) SOP is revised to include FFB Divert Statement which require complete traceability information (estate/certified ISH, block no., year of planting, tonnage etc.) for every consignment of diverted certified FFB received. 2) Conduct targeted briefing for weighbridge clerk or relevant personnel on RSPO SCCS traceability requirements and updated documentation controls. 3) Provide diverted FFB statement or documents for every consignment of FFB diverted to Abedon Oil Mill Sdn Bhd and FFB received from Abedon Oil Mill Sdn Bhd. This diverted FFB statement or documents include traceability information such as source name, block no., year of planting, total tonnage and other relevant traceability information as per requirements.
Date of Response	02/07/2026
Audit Team Conclusion *(including any evidence reviewed)*	The root cause analysis has been accepted. The audit team has reviewed the evidence submitted, including the revised General Chain of Custody SOP (SCCS-002) dated 01/05/2026, briefing records conducted for relevant personnel on 12/05/2026 involving mill management personnel (including the Mill Manager, Mill Engineer, Process Engineer, Process Supervisor, Engine Driver, Mechanic, Chief Clerk, etc.) and on 13/05/2026 involving weighbridge operators. The audit team also reviewed the diverted FFB statements dated 23/04/2026 and 19/05/2026, which contained traceability information for each consignment received from Abedon Oil Mill Sdn Bhd. The audit team verified that the CU has established a structured procedure to ensure diverted certified FFB is properly documented and traceable to the certified source, including relevant information such as source name, block number, year of planting and tonnage. The improvement in weighbridge documentation and supplier traceability requirements has addressed the identified gaps and strengthened the SCCS traceability control system.

Status of Nonconformity	☒ Closed ☐ Open
Date of Closure:	16/07/2026

Indicator Number	6.2.3
Nonconformity Number	RAR 01 2026
Nonconformity Category	☒ Major Nonconformity ☐ Minor Nonconformity
Recurring Nonconformity	☐ Yes ☒ No
Date of Nonconformity Issued	17/04/2026
Nonconformity Issued To *(when more than one site/member)*: Bukit Sekong Estate, Masang Estate	
Deadline:	☒ 3 months from date of closing meeting ☐12 months from date of closing meeting
Mode of Nonconformity Closure	☐ Onsite ☒ Off-site
Standard Reference	There is evidence of legal compliance for regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.
Nonconformity Statement: Labour requirement related to regular working hours and rest day were found not complied with.	
Evidence: ▪ During an interview with employees at Bukit Sekong Estate, it was found that there was no forced labour and employees agreed to work on rest days or perform overtime work. However, during the document review of pay slips, punch card records, and check roll books, it was found that a night watchman had worked continuously for 30 consecutive days without a rest day. This finding contradicts the requirements of the Sabah Labour Ordinance, Section 104B – Rest Day. ▪ Meanwhile, at Masang Estate, it was found that the pay slips of two employees were not tallying with the total working days recorded. Based on the outturn records, the employees were recorded as working only 0.5 days; however, the final pay slips indicated that the employees had worked a full day.	
Root Cause Analysis	1) At Bukit Sekong Estate, management failed to adequately monitor and control the scheduling and attendance of night watchmen resulting in non-compliance with Section 104B of the Sabah Labour Ordinance on mandatory rest days. 2) At Masang Estate, the discrepancy was caused by inadequate verification and insufficient cross-checking

	of payroll data with attendance and outturn records prior to wage processing/payroll finalisation. 3) Both estates had not effectively implemented adequate monitoring, verification and control to ensure compliance with legal labour requirements and accurate payroll processing. This includes inadequate supervision and a lack of awareness of legal labour requirements among the responsible clerks and staff.
Correction(s)	1) Bukit Sekong Estate: Work schedule of security or night watchmen were reviewed and revised to ensure rest day arrangements comply with requirements of the Sabah Labour Ordinance. Estate management will provide a memo of one rest day per week entitlement and brief to all workers. 2) Masang Estate: The pay slips, outturn records and check roll books for affected employees were reviewed and verified to reconciled the discrepancies. Necessary corrections or amendments to the outturn records or payroll records will be carried out accordingly.
Corrective Action Implemented *(including any evidence submitted)*	1) Strengthen monitoring, verification and control mechanisms through the enforcement of establish SOP Estate Field Operation, Checkroll & Payroll Management to ensure accuracy and compliance with legal requirement including mandatory cross-checking and validation before payroll is submitted for approval and finalization. 2) Provide periodic refresher training and awareness briefing to payroll clerks, field supervisor and relevant staffs on requirements of the SLO, Section 104B – Rest Day and payroll administration accuracy to ensure continuous compliance.
Date of Response	02/07/2026
Audit Team Conclusion *(including any evidence reviewed)*	The root cause analysis has been accepted. The audit team has reviewed the evidence submitted, including the revised work schedule for night watchmen and found to include mandatory elements such as the weekly rest day allocation and working-hour limitations in line with labour law requirements for June 2026, Memo dated 01/05/2026 of rest day entitlement and labour requirements, and the strengthened monitoring controls under the Estate Field Operation, Checkroll & Payroll Management procedure dated 01/01/2026. The audit team verified that the CU has identified the gaps related to insufficient monitoring of workers' rest day arrangements and inadequate verification of payroll records. The corrective actions implemented, including improved payroll verification, cross-checking between attendance records, outturn records and payroll documentation, as well as awareness training for responsible personnel, were found to be appropriate to address the identified root causes. The implementation of enhanced monitoring and verification mechanisms provides assurance that working

	hours, rest day entitlement and payroll accuracy are being managed in accordance with applicable legal requirements, including Section 104B of the Sabah Labour Ordinance.
Status of Nonconformity	☒ Closed ☐ Open
Date of Closure:	16/07/2026

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:	

9. Status of Nonconformities Previously Identified and Opportunity for Improvement

Indicator No	Nonconformity No	Evidence Observed / Nonconformity Raised	Auditee Response Correction / Corrective Action	Verification of Correction/ Corrective Action	Conclusion /Status
2.1.1	RAR 02 2025	Nonconformity Statement: The unit of certification does not comply with applicable legal requirements. Labour Ordinance of Sabah (Amendment) Act 2025, effective May 2025. Evidence: 1. During sites interview with all workers i.e creche, manuring operators, sprayers, de-creeping operator, loose fruit collector, etc was found that they start working on 5:30 am until 2:00 pm (8 hours) and work from Monday until Saturday for a total hours 48 hours (weekly). This contradicts with regulation 104A - shall not more than forty-five hours in one week. 2. During sites visit at all Estates creche, it was found that noncompliance with SLO regulation 121 I (3) On each day a dependant is accommodated at the nursery, the employer, at his own expense, shall provide for	Correction: a. Immediate revise working schedules to comply with the 45 hours weekly limit to comply with Regulation 104A. b. Provide play equipment and sufficient good quality milk at all creche facilities. Appoint PIC to oversee daily creche operations to ensure ongoing adherence. c. Conduct briefing/training to communicate the updated working schedule to all workers to ensure understanding and compliance. Corrective Action: a. Conduct a training session to all estate executives, non executives staff and HR personnel on the latest Sabah Labour Ordinance (Amendment) Act 2025 especially Regulations 104A and 121 I (3).	The CU has revised the employees' working schedule to comply with Regulation 104A of the Sabah Labour Ordinance, limiting normal working hours to 45 hours per week. During the follow-up assessment, the revised work schedule, attendance records, and timecards were verified and confirmed compliance with the statutory working hours. Interviews with sampled workers also confirmed that the revised working hours have been implemented. The CU has taken corrective action by providing adequate play equipment and a daily supply of milk at all estate crèches in accordance with Regulation 121I(3) of the Sabah Labour Ordinance. Site verification confirmed the availability of the required facilities, supported by purchase records and interviews with crèche attendants and sampled workers.	**Closed**

		such dependant with play equipment and a supply of milk— (a) in sufficient quantity; and (b) of good quality	b. Review and update all internal procedure related to legal requirements of Sabah Labour Ordinance (Amendment) Act 2025 to reflect the latest amendments.		
3.6.1	RMN 01 2025	Nonconformity Statement: Mitigation plans and procedures are not fully implemented. Evidence: Additional Risk Assessment Project Department been established with latest updated on 22 March 2020. However during site visit at new housing construction (own by Project Department) at Seraya Estate and Sapagaya Estate were found: 1.No working at Height Permit to work are available and sighted as per HIRARC 2.Housekeeping at construction areas are not in tidy condition.	Correction: Develop and enforced "Working at Height" permit to work across all Sandakan region estates with immediate effect. Conduct cleans up and improved housekeeping at all construction sites. Additionally, regularly conduct safety briefings for all construction workers to raise awareness and improve their safety practices. Corrective Action: Conduct refresher training for Project Dept staff and contractors on HIRARC control, Permit to work procedures and site housekeeping to improve safety awareness. Assign PIC to oversee safety at site and conduct weekly inspections by supervisors to ensure compliance.	Housekeeping at the construction site was found to be satisfactory, with barricades and caution tape in place to secure the work area and prevent unzuthorized entry. Based on the verification, the Unit of Certification has demonstrated that Working at Height Permit procedures have been implemented in accordance with the identified risks, and housekeeping at the construction sites has significantly improved. The corrective actions taken are considered effective in addressing the nonconformity.	**Closed**

4.1.1	RAR 03 2025	Nonconformity Statement: The Certification Unit's policy to respect human rights, which prohibits intimidation and harassment—including retaliation against Human Rights Defenders—was not complied with. Evidence: At Bode Estate, during the interview session with workers who were dismissed after being found guilty of participating in a strike (based on the findings of a Domestic Inquiry), it was reported that they were prevented from entering the estate to meet with their family members. The cases highlighted included the following: ▪ A pregnant female employee was prohibited from meeting and staying with her husband. ▪ A father was prohibited from meeting his wife and children residing in the estate. ▪ A son was prohibited from meeting his parents and other family members living in the estate	Correction: Dismissed employees will be allowed immediate access to visit their family members residing within the estate subject prior approval from estate management. All movement restrictions on dismissed workers visit will be removed, provided the individual does not pose any security risk. Corrective Action: Estate management will consult with HR dept for guidance on handling dismissed employees to ensure full compliance with Human Right policy. Human Right policy awareness and training will be conducted to estate management which focussing on the rights of dismissed employees and non-retaliation procedures. A grievance and monitoring system will be established for workers or their families to confidentially report any intimidation or retaliation.	Estate Management conducted a review of the estate access control procedure and implemented corrective actions to ensure that dismissed employees are not unreasonably prevented from maintaining family relationships with immediate family members residing within the estate. Evidence was sighted that the estate has established and implemented a formal visitor access procedure, allowing dismissed employees to saty back or visit their immediate family members subject to reasonable security requirements, including visitor registration and compliance with estate rules. The revised procedure was communicated to all security personnel and relevant management staff through an awareness briefing. Records of the briefing, the updated visitor access procedure, and acknowledgment by security personnel were verified during the assessment. Interviews conducted with the affected parties and current estate residents confirmed that access to stay back and visit immediate family members is now permitted in accordance with the established procedure. No further cases of denied family visitation were reported following the implementation of the corrective actions.	**Closed**

6.2.2	ISMA 01 2025	Nonconformity Statement: Verification of Kretam Mill CU'S Contractor's workers' payslips found the requirement of the Sabah Labour Ordinance (Cap 67) for ensuring employees aware of their earnings, deductions and other relevant information in their payslips is not adequately complied with. Evidence: Verification of Payslips of employees of the following Contractors at Syarikat Kretam Mill CU i.e. 1) Sukarno Sudirman Masang Estate: (Contractor Lo Enterprise) 2)Vinsasius Keron Lorens Sapagaya Estate (Contractor Lo Nyiuk Kiong) 3) Herman Beddu Sapagaya Estate (Contractor Santi) 4) Basri Mustapa Sapagaya Estate (Contractor Santi) 5) Ridzwan Silungan Seraya Estate (Contractor PL Enterprise) 6) Kasmin Mahmud Seraya Estate (Contractor Lo Nyiuk Kiong) 7) Sukarno Sudirman Bode Estate (Contractor Lo Enterprise) 8) Mohd Amri Nordin Kretam Mill POM (Contractor Juita Baru Sdn Bhd) found the following item not presented: i) Production output (piece, bags, tonnes etc)	Correction: Contractors to update their workers payslip format to include the missing details and all the required information as per required under Sabah Labour Ordinance regarding payslips. Established and distribute standardized payslip template for contractors as a reference ensuring all required details are included in their payslip. Corrective Action: Respective operating unit will engage with their contractor to brief and give awareness on the payslip detailing requirement as per Sabah labour ordinance. To ensure contractor's employees understand their rights under Sabah Labour Ordinance as to receive a payslip with all the necessary details. Appoint PIC to monitor the implementation of the standardized detailed payslip for contractors workers payslip.	Verification of attendance records, check rolls, overtime records, and payroll documents for sampled employees confirmed that overtime hours are now maintained within the statutory limits. Work schedules have been reviewed and adjusted to to ensure no excessive overtime while ensuring operational requirements are met. All employees also have been briefed and trained on the legal requirements relating to overtime limits and their responsibilities for monitoring employees' working hours. Follow-up document review and worker interviews confirmed that overtime is performed on a voluntary basis, accurately recorded, and compensated in accordance with legal requirements. No further instances of employees exceeding the permissible overtime limits were identified in the sampled records.	**Closed**

		ii) Hours of overtime (on normal working day/rest day/public holiday) iii) No of working days, rest days, public holidays, annual leave taken iv) Calculation of basic wages (piece rate, daily rate, monthly) v) Calculation of wages (annual leaves, public holiday, paid sick leaves) vi) Calculation of overtime wages (normal working day, rest day, annual leaves, public holidays)			
6.2.2	ISMA 01 2025	Nonconformity Statement: Non-compliance related to Excessive Working Hours JTK – Permit Sekatan Kerja Lebih Masa (seksyen 104(7), SLO, 1.3-pekerja -pekerja tidak boleh dibenarkan untuk bekerja melebihi 12 jam sehari. Evidence: During the document review conducted at the mill, samples of workers' monthly payslips and check rolls for September 2024 and April 2025 were examined. The review revealed instances of non-compliance with the regulatory requirements under the Employment Act (Section 104(7)) related to overtime hours. At Kretam POM, records for Luther Saulo (Oil Room Operator) for	Correction: Mill management will reinforce of shift schedules, manpower planning will be regularly reviewed by evaluating workers relief arrangements and to produce a standby schedule for maintenance personal. Corrective Action: Mill management will circulate a memo to address excessive working hours in mill operations. Staff and workers will be briefed on the maximum allowable working hours per day which is limited to 12	During current Auditor, verification of Kretam Mill CU'S Contractor's workers payslips found the requirement of the Sabah Labour Ordinance (Cap 67) for ensuring employees aware of their earnings, deductions and other relevant information in their payslips is adequately complied with. This was evidenced as follows: Payslips of employees of the following Contractors at Syarikat Kretam Mill CU verified as follows: 1. Sukarno Sudirman - Masang Estate: (Contractor Lo Enterprise) 2. Poon Ka Mang (Willy Contractor) – Masang Estate 3. Vinsasius Keron Lorens - Sapagaya Estate (Contractor Lo Nyiuk Kiong)	**Closed**

		September 2024 indicated that he performed overtime exceeding the permitted limit, as follows: 7 hours overtime on 13/09/2024, 5 hours overtime on 14/09/2024, 6 hours overtime on 24/09/2024, and 5 hours overtime on 26/09/2024. Records for Lukas Toding (FFB Feeding Operator) for September 2024 also showed overtime exceeding the permitted limit, with 7 hours overtime on 13/09/2024, 6 hours overtime on 24/09/2024, and 5 hours overtime on 26/09/2024. In addition, records for Aiman Zikri (Electrical Apprentice) for April 2025 showed overtime exceeding the permitted limit, with 6 hours overtime on 12/04/2025 and 5 hours overtime on 22/04/2025.	hours inclusive of normal hours and overtime. Additionally, a memo requiring workers to submit leave application at least 3 days in advance to avoid unplanned absences that could resulting understaffing which cause excessive working hours. Stand by schedule will be developed to ensure adequate manpower to prevent maintenance workers from working more than 12 hours per day.	4. Andreas Beda Bolli - Sapagaya Estate (Contractor Lo Nyiuk Kiong) 5. Jafri Shamsuddin - Sapagaya Estate (Contractor Lien Hin) 6. Mohd Amri Nordin - Kretam Mill POM (Contractor Juita Baru Sdn Bhd) 7. Kasmin bin Mahmud – Bt Sekong Estate (Contractor Lo Nyiuk Kiong) Found the following item were presented: i) Production output (piece rate) ii) Hours of overtime (on normal working day/rest day/public holiday) iii) No of working days, rest days, public holidays, annual leave taken iv) Calculation of basic wages (piece rate, daily rate, monthly) v) Calculation of wages (annual leaves, public holiday, paid sick leaves) vi) Calculation of overtime wages (normal working day, rest day, annual leaves, public holidays) The employment contract verified was drafted according to the Sabah Labor Ordinance Cap.67. Both local and foreign employment adopt the same contract. As Sabah State has not	

				recognized the Malaysian National Union for Plantation Workers, no collective agreements are in place. At the estates, the piece rate pricing is published on notice board. There is evidence of legal compliance as per contract agreement such as regular working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice and other legal labour requirements.	
6.2.4	RAR 01 2025	Nonconformity Statement: The Certification Unit provides inadequate educational amenities that do not meet national standards or higher, especially in areas where no public facilities are available or accessible. Evidence: During site visit at CLC Masang Estate, it was found that the classrooms do not meet national standards or higher — Classroom 1 (3m x 6m), Classroom 2 (3m x 9m), and Classroom 3 (3m x 6m). All students were seated on the floor, and the tables provided were not suitable or comfortable for learning. As per National guidance from JKR Standard Drawing for Sekolah Rendah & Menengah in collaboration with MOE -	Correction: Reorganizing classroom schedules or assigning temporarily room to serve as classrooms to reduce overcrowding and improve classroom conditions. Conduct minor upgrading (if any) to existing classroom to enhance learning conditions in the short term. Procuring suitable desks and chairs for existing students. Corrective Action: Proposed construction of Community Learning Centre (CLS) at Masang Estate. Detailed infrastructure plan layout will be developed in line with JKR/MOE national standards.	During the follow-up site visit at CLC Masang Estate, it was verified that the new CLC building has been completed and is currently waiting approval from engineering department for use. The new facility is equipped with adequate supporting facilities, including toilets, teacher rooms, and recreational areas/fields to support a conducive learning environment for students. The management has also reviewed the current and projected student enrolment to ensure that the available classroom capacity is sufficient to accommodate existing students and future student registrations. Verification of the completed building and associated facilities confirmed that the previous concerns related to classroom adequacy and learning conditions have been addressed.	**Closed**

		Standard classroom size: 63m² (7m x 9m). During an interview with the teacher (appointed by the Indonesian Government), it was stated that as of May 2025, the total number of students was 135. An additional 66 new students are expected to register in July 2025, based on current registration data. Only 11 students are expected to graduate.	Annually assess student enrolment trends and facilities requirements to ensure CLC infrastructure remains aligned with the JKR/MOE national standards.		
3.7.2	RAR 04 2025	Nonconformity Statement: Training records were not properly maintained, training sessions were not conducted appropriately, and the training content was not well understood by the employee. Evidence: Several training sessions related to the Minimum Wages Order 2024 were conducted by the Certification Unit (CU). However, during interviews with employees paid on a piece-rate basis, it was found that these workers lacked a clear understanding of the Minimum Wages Order 2024 and the Sabah Labour Ordinance. Specifically, employees reported being required to work beyond normal working hours if their daily targets were not met daily minimum wages. Additionally, the details of the contract agreements—particularly clauses concerning	Correction: Conduct refresher training on the minimum wages and Sabah Labour Ordinance for the worker especially on piece rate wages. Communicate and clarify the terms and conditions in worker contract agreement regarding the contract termination clauses. Corrective Action: Implement training effectiveness evaluation form for post training assessments and workers feedback. Improve the training delivery method to enhance worker understanding Maintain and update worker training attendant records and	The management has revised its approach to worker engagement by conducting structured and comprehensive awareness sessions specifically fit to piece-rate employees. These sessions emphasized main aspects such as minimum wage entitlement, working hours, overtime conditions, and workers' rights under applicable labour laws. The trainings were delivered in languages understood by the workers and supported with practical examples to ensure clarity. In addition, all employment contracts have been reviewed and re-explained to workers, with particular focus on critical clauses, including terms and conditions related to contract termination by either party. Verification through follow-up interviews confirmed that workers now clearly understand that they are entitled to receive at least	**Closed**

		conditions under which the contract may be considered broken by either party—were not clearly communicated or understood by the employees.	include sample workers understanding.	the minimum wage regardless of piece-rate performance, the overtime work is voluntary and compensated in accordance with legal requirements and contract terms, including termination clauses, are clearly defined and understood.	

Indicator No	Opportunity for Improvement Number	Opportunity for Improvement Statement:	Verification / Follow-up actions:

10. Stakeholder Consultation Process

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.

Date of public announcement made: Only for the case of IC or RC

Summary of stakeholder's comments and the CB's responses and findings are presented in 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

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)	13-17 April 2026	Site interviewed	Based on interviews conducted with mill and estates workers, including both local and Indonesian, Philippines workers, involving both male and female employees engaged in various work scopes. a. Daily rated workers confirmed that they receive the minimum monthly wage. For piece-rated workers, as long as they meet their target, they also receive the minimum wage. All workers are paid at least RM1,700 per month, with salaries disbursed before the 7th of each month. b. Workers work 6 days a week with one rest day (Sunday). They work 7.5 hours with a minimum of 30 minutes' break in between. *c.* Any overtime work is mutually agreed between workers and management, and that there is no element of forcing. d. Foreign workers are not subjected to any recruitment fee. Foreign workers kept their own passports and will only return the passport to office for renewal. e. Workers are generally satisfied with the way complaints lodged are acted upon. Delays in house repairs, if any,	The management has 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. The company has established proper mechanisms to ensure fair wages, safe working conditions, non-discriminatory policies, and grievance resolution processes. Additionally, workers have access to proper accommodation, medical facilities, and channels to voice their concerns without fear of retaliation. This demonstrates the management's commitment to supporting social responsibility and ethical labor practices.

				are usually due to the need to order repair parts. f. Workers, including foreign workers get to appoint their own representatives. There is no interference of influence applied by the employer. g. Samples of payslips were also examined and verified to ensure that workers were being paid in accordance with the requirements stipulated under the Minimum Wages Order 2024 and the Sabah Labour Ordinance. The workers sampled for verification.	
2	Worker representative (JCC Internal)	13-17 April 2026	Site interviewed	All local and Indonesian, Philippines workers confirmed that their leaders were freely elected by the workers themselves. No issues were reported by the workers during the audit. In the event of any issues, they stated that they would discuss them with management, who would then take appropriate action to resolve the matter. There were no indications of discrimination, as all workers are treated equally by the management. Overtime work is offered on a voluntary basis.	Reviewed records of meeting minutes for JCC verified the discussion been recorded. Onsite interview confirmed no discrimination and abuse lodged by workers and minutes.
3	Gender committee representative	13-17 April 2026	Site interviewed	They stated that management treats female workers equally to male workers, including in job opportunities and promotions, based on performance and capability. They also confirmed that no cases of discrimination, sexual harassment, or domestic violence have been reported. Additionally, they are	Reviewed records of meeting minutes for gender committee verified the discussion been recorded. Onsite interview confirmed no discrimination and sexual harassment lodged by female workers and minutes.

				aware of the reporting channels should any such cases occur in the estate.	
4	Suppliers	13-17 April 2026	Site interviewed	All suppliers, contain specific clauses on meeting applicable legal requirements as verified through online vendor and the Vendor COBC which apply to all contractors for due diligence and meeting legal requirements.	Reviewed due diligence document is available together with Vendor COBC form signed by both parties. No issues of late payment based on the records verified.
5	Government agencies / Statutory bodies	13-17 April 2026	Phone interviewed	No stakeholders were present on-site, as the invitation letter did not receive any responses. However, a phone interview with a representative from the Sabah Labour Department (Sandakan) confirmed that no social issues have been reported.	Noted on the information and no further issue.
6	Local communities / villagers / FFB Supplier sent FFB to Abedon POM	13-17 April 2026	Site interviewed	Audit interview with the local communities from Kg Batu 8, Kg Lot M, Kg Buang Sayang, Kg Sungai Rotan, Kg Sri Nusa Jaya and Kg Berjaya Satu and confirmed that there were no land issues and good relationship.	A review of the meeting minutes from the external stakeholders' consultation, confirms that external stakeholders attended the meeting, and no negative feedback or grievances were raised.

10.3 Summary of workers interviewed, and the CB's responses and findings are presented in the table below:

Total Workers in the Unit of Certification			**1036**	
Sampled Worker Consulted/ Interviewed in This Audit			56	
No	**Type of Workers Consulted/ Interviewed**	**Interview Method**	**Feedback/Comments/Issue Raised/ Received from Workers**	**CB's Responses**
1	Male	Interview at sites	Based on interviews conducted with both male and female workers across various job scopes, it was confirmed that daily-rated workers receive a minimum wages per month. For piece-rated workers, as long as they achieve their targets, they also receive a minimum wages per month. Salaries are paid before the 7th of each month. Workers follow a 6-day workweek with Sunday as the designated rest day. They work eight hours per day with a minimum 30-minute break. Any overtime work is mutually agreed upon between workers and management, with no element of coercion. Foreign workers are not subjected to any recruitment fees. They retain possession of their own passports, which are only submitted to the office when renewal is required. Both local and foreign workers have the freedom to appoint their own representatives without any interference or influence from the employer. A review of payslips confirmed that workers are paid in accordance with the Minimum Wages Order 2024 and the Sabah Labour Ordinance. Samples of worker records were also examined and verified for compliance.	The management has effectively implemented human rights values in compliance with international laws and industry best practices. During this audit, no issues related to social aspects, including labour rights, workplace discrimination, or ethical treatment of workers, were identified. The company has established proper mechanisms to ensure fair wages, safe working conditions, non-discriminatory policies, and grievance resolution processes. Additionally, workers have access to proper accommodation, medical facilities, and channels to voice their concerns without fear of retaliation.
2	Female	Interview at sites		
3	Malaysian workers	Group interview at sites		
4	Indonesian workers	Group interview at sites		

10.4 Consultation with Previous Land User

Total Identified Previous Land User in the Unit of Certification			Not applicable.	
Sampled Previous Land User in This Audit				
Name of Previous Land User	**Contact Details (address/telephone/email)**	**Total Area (Ha)**	**Date of Consultation**	**Result of Discussion with Previous Land User**
Add rows as necessary			DD Mmm YYYY	

11. Time Bound Plan

Name of the Unit of Certification (UoC)	Country	Name of the Mills and Supply Bases	Total Managed Area (Ha)	Certification Status	Plan Year for Certification	Actual Certification Year	New Proposed Year for Certification
Abedon Oil Mill Sdn. Bhd.	Malaysia	Abedon Oil Mill Sdn. Bhd.	13.8500	Certified		2017	
		Kolopis Estate	2,489.86	Certified		2017	
		Tanaki Estate	2,628.03	Certified		2017	
Silimpopon Mill	Malaysia	Silimpopon Mill	38.0600	Certified		2020	
		Silimpopon 1 Estate	3,934.8200	Certified		2020	
		Silimpopon 2 Estate	4,155.1800	Certified		2021	
Syarikat Kretam Mill	Malaysia	Syarikat Kretam Mill	33.54	Certified		2016	
		Bode Estate	3,472.82	Certified		2016	
		Masang Estate	3,047.65	Certified		2016	
		Winpalm Estate	130.97	Certified		2016	
		Sapagaya Estate	3,049.77	Certified		2016	
		Bukit Sekong Estate	853.33	Certified		2016	
		Sukau Estate	103.63	Certified		2016	
		Seraya Estate	853.43	Certified		2023	

12. Requirements on Multiple Management Unit

Requirement	Findings/Compliance
A time bound plan for certifying all its management units and/or entities, including the units where the organisation has management control and no or minor shareholding has been established by the certification unit.	Not Applicable
Was the time bound plan submitted during the initial audit?	The TBP updated in July 2023 indicated that all estates and mills under Kretam Holdings Berhad were already certified.
Does the time bound plan contain a current list of all estates and mills?	
Does the time bound plan include the certification of all estates and mills within five years after obtaining RSPO membership?	
Are there any new acquisitions of land done by the certification unit since the last audit? If YES, is the time bound plan updated to indicate that the newly acquired land is to becertified within a three year timeframe?	
If there are any deviations from these maximum periods, did the Unit of Certification request approval from the RSPO Secretariat?	
Has the CB verified the progress of the time bound plan established by the Unit of Certification during the annual surveillance audit? *Note: If the CB conducting the surveillance audit differs from the CB that initially accepted the time bound plan, the latter CB must assess the appropriateness of the time bound plan at the time of its first involvement and will only verify its continued appropriateness thereafter.*	
Is there any revision made to the time bound plan? If YES, has the revised time bound plan been reviewed by the CB? *Note: Changes to the time bound plan are allowed only if the organisation can provide evidence to the CB that these changes are justified.*The requirements will also apply to any newly acquired subsidiary from the moment that the company is legally registered with the local notary or Chamber of Commerce (or equivalent).	
Are there any isolated lapses in the implementation of a time bound plan? If YES, a minor non-compliance shall be raised.	
Is there any evidence of fundamental failure to proceed with the implementation of the plan? If YES, a major non-compliance shall be raised.	

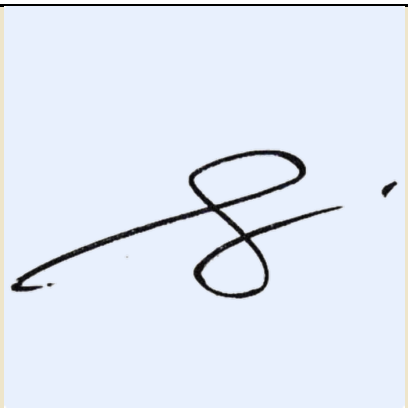
13. Requirements for Uncertified Management Units

Requirement	Findings/Compliance
Is there any replacement of primary forest or any area required to maintain or enhance HCVs in accordance with RSPO P&C criterion 7.3 since 1st January 2010? If YES, did the CB verify that it complies with the RSPO New Planting Procedure (NPP)? *Note: For each new planting development, compliance with the NPP shall be verified by an RSPO accredited CB*	Not applicable due to there is no uncertified management units under Kretam Holdings Berhad.
Are there any land conflicts reported/ identified within any Un-Certified Management Unit belonging to the RSPO Member? If YES, has it been resolved through a mutually agreed process, such as the RSPO Complaints System or Dispute Settlement Facility, in accordance with RSPO P&C criteria 4.4, 4.5, 4.6, 4.7 and 4.8.? *Note: In case of issues related to land conflicts identified by the CB, details of the status/ progress to resolve such matters shall be clearly explained.*	Not applicable due to there is no uncertified management units under Kretam Holdings Berhad.
Is there any labour dispute reported/ identified within any Un-Certified Management Unit belonging to the RSPO Member? If YES, is it being resolved through a mutually agreed process, per RSPO P&C criterion 4.2? *Note: In case of an issue related to labour dispute identified by the CB, details of the status/ progress to resolve such matter shall be clearly explained.*	Not applicable due to there is no uncertified management units under Kretam Holdings Berhad.
Is there any legal non-compliance reported/ identified within any Un-Certified Management Unit belonging to the RSPO Member? If YES, has it been addressed through measures consistent with the requirements of RSPO P&C criterion 2.1? *Note: In case of an issue related to legal non-compliance identified by the CB, details of the status/ progress to resolve such matter shall be clearly explained.*	Not applicable due to there is no uncertified management units under Kretam Holdings Berhad.
Has a positive assurance statement been provided based on their self-assessment (i.e., internal audit) regarding the requirements for Un-Certified Management Units?*Note:* *1. This would necessitate evidence of the self-assessment for each requirement.* *2. A POSITIVE ASSURANCE statement is MANDATORY to indicate the outcome of self-assessment.*	Not applicable due to there is no uncertified management units under Kretam Holdings Berhad.
Did the CB conduct targeted stakeholder consultation (including consultation with the relevant NGO's) to evaluate the compliance related to Requirements on the Un-Certified Management Unit?	Not applicable due to there is no uncertified management units under Kretam Holdings Berhad.
Did the CB conduct desktop study on the Un-Certified Management Unit to identify risk of any potential non-compliances? *Note: (e.g. relevant complaints, labour disputes, land conflicts)*	Not applicable due to there is no uncertified management units under Kretam Holdings Berhad.
Based on the result of the desktop study, did the CB decide to perform further stakeholder consultation or field inspection to assess the risk of any potential non-compliance with the requirements (as necessary)?	Not applicable due to there is no uncertified management units under Kretam Holdings Berhad.

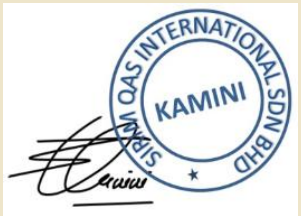
14. Audit Conclusion & Recommendation

Audit finding	
☐	No nonconformity recorded.
☒	Minor nonconformity recorded. A corrective action plan has been accepted. Verification of the nonconformity(ies) to be carried out in the next audit.
☒	Major nonconformity recorded. Evidence of implementation of the corrective actions have been accepted by the audit team. The nonconformity(ies) have been satisfactorily closed out.
Recommendation	
☐	Certification (Initial Certification)
☒	Continue certification (Annual Surveillance Audit)
☐	Renewal for certification (Recertification)
☐	Not recommended for certification. Reason: (*Please provide the reason/ justification)*

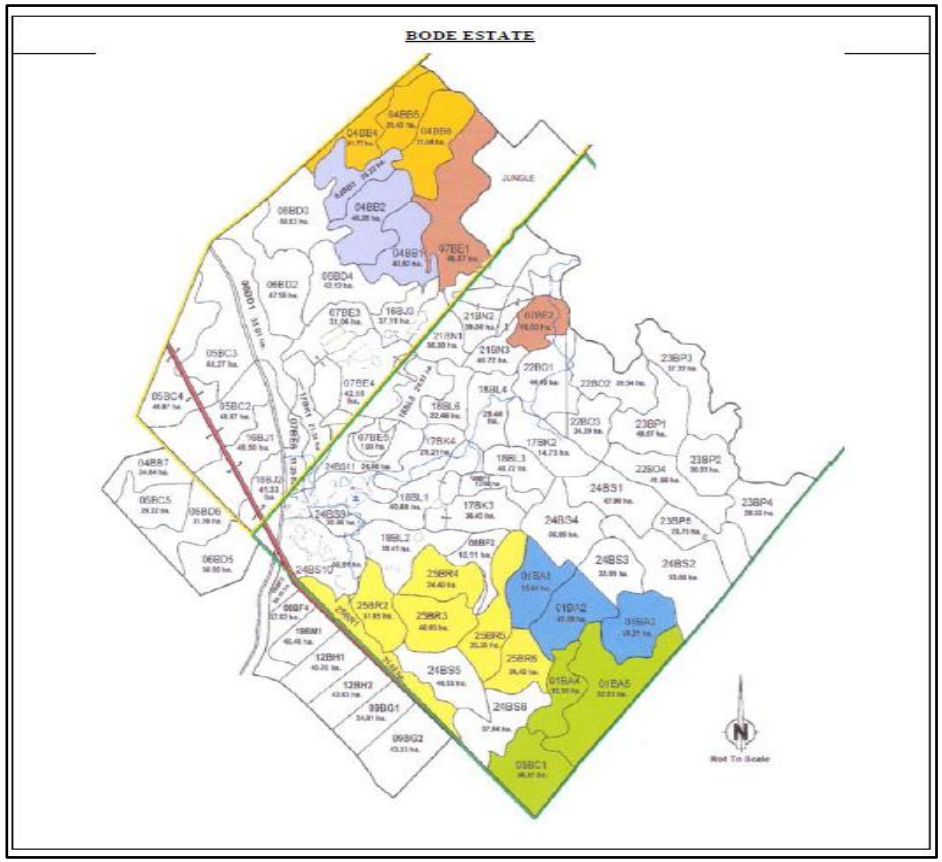
15. Acknowledgment of Internal Responsibility and Formal Sign-off Assessment Findings

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.		
Acknowledged by:		
Name	Spencer Joseph	
Position	AM HR & Sustainability	
Date	24-07-2026	 Signature

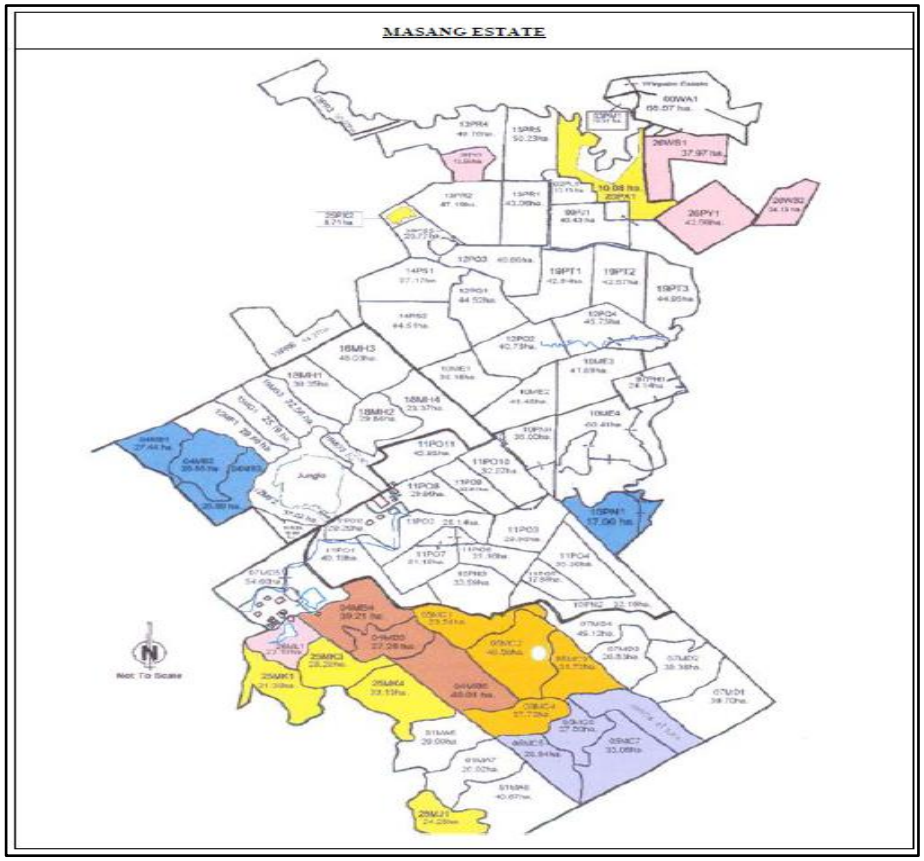
Signing by the Audit Team Leader		
I, the undersigned, being the Audit Team Leader, confirm that this report accurately reflects the findings and proceedings of the closing meeting. Furthermore, I affirm that the summary of the findings presented in this report is a true and accurate representation of the actual findings of the Audit Team.		
Acknowledged by:		 Signature
Name	DZULFIQAR AZMI	
Position	LEAD AUDITOR	
Date	17 / 07 / 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.		
Acknowledged by:		 Signature
Name	Kamini Sooriamoorthy	
Position	Section Head	
Date	22/07/26	

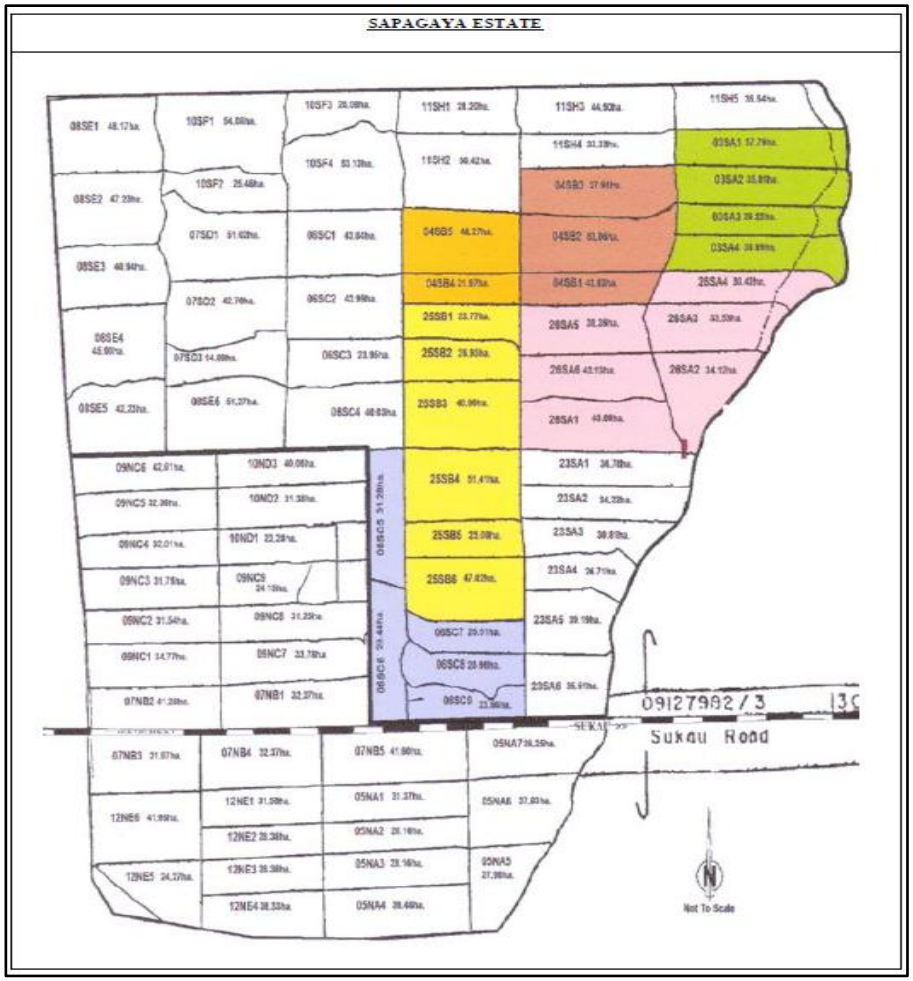
Appendix 1: Location Map Unit of Certification and Supply bases



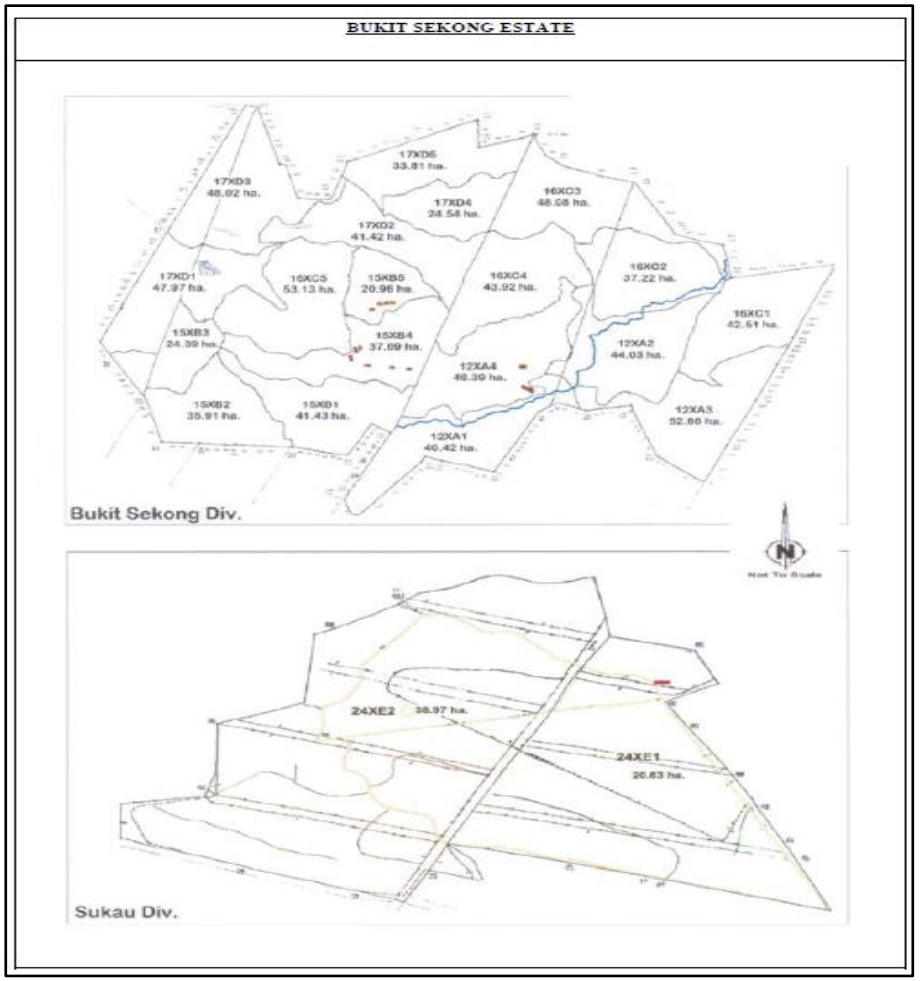
Map of Bode Estate



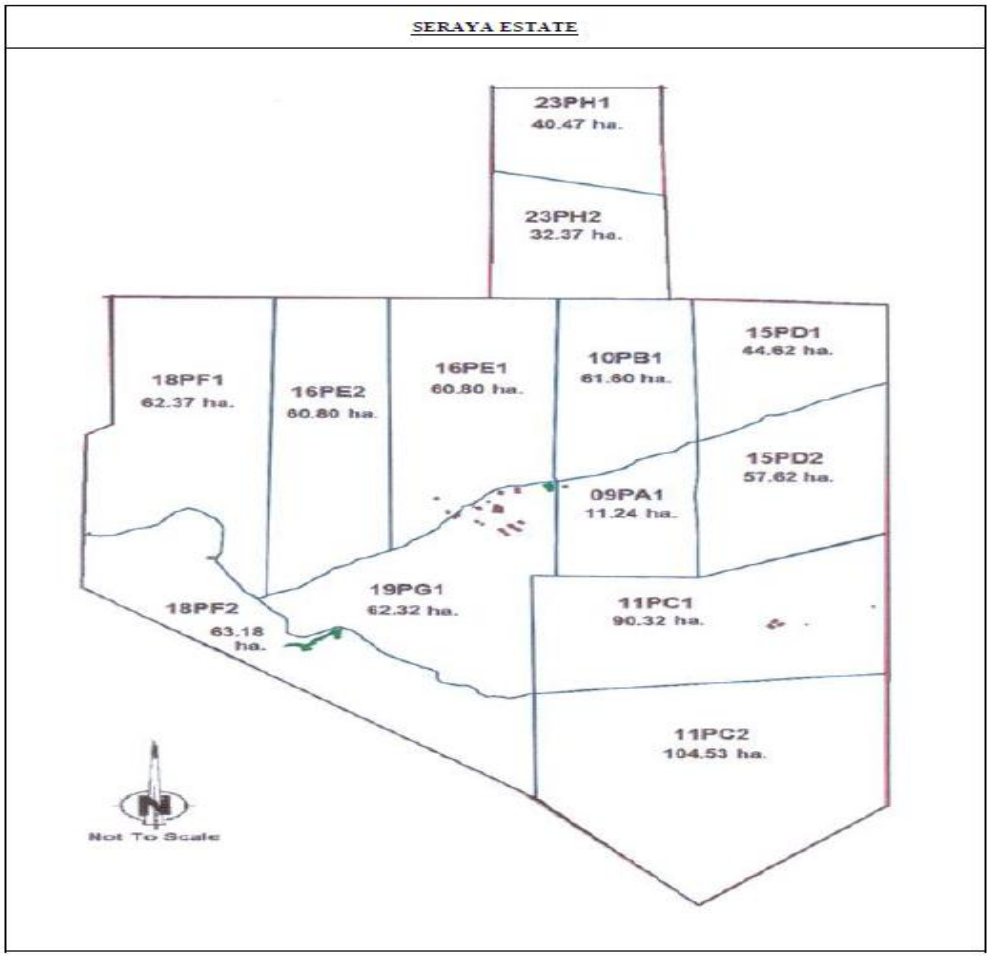
Map of Masang Estate



Map of Sapagaya Estate



Map of Bukit Sekong Estate



Map of Saraya Estate

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

Assessment Type	Date of Audit	Changes
Annual Surveillance Audit 4	13 April 2026 – 17 April 2026	Changes of panted and conservation area: 1) A total of 41.51 hectares of planted area has been reduced and reverted to plantable reserve at Bukit Sekong Estate. 2) A total of 1.21 hectares from Block 25PX2 has been removed due to dead palms, swampy conditions, and steep terrain at Masang Estate. 3) The reduced planted areas from both Bukit Sekong Estate and Masang Estate have been incorporated into the conservation area.

Appendix 3: Greenhouse Gas (GHG) Reporting Summary

The GHG emissions produced by the Syarikat Kretam Mill Sdn. Bhd. Unit of Certification (POM and its supply bases) in the period of January 2025 until December 2025 have been calculated using the RSPO PalmGHG Calculator (version 4). The assessment team had verified the data input in the PalmGHG Calculator against operations records. The Certification Unit has selected the following options from the PalmGHG Calculator when preparing inputs for the GHG emissions calculations:

☒ Apply Full Version

☐ Exclude LUC Emissions

The summary of the Net GHG emitted in December 2025 for Kretam Mill and supply base are as following:

1. **Summary of Emissions**

Description	**tCO_2eq/t product**
CPO	0.50
PK	0.50
PKO	0.00
PKE	0.00

Extraction	**%**
OER	20.19
KER	4.61

2. Summary of Plantation/Field Emissions and Sink

Land Use	Ha
OP Planted Area	14,745.42
OP Planted on Peat	0.00
Conservation (Forested)	534.71
Conservation (Non-Forested)	0.00
Total	**15,280.13**

Production	t/year
FFB Processed	157,191.10
CPO Produced	31,742.04

	Own Crop		Group		3rd Party		Total
	tCO_2e	tCO_2e/ tFFB	tCO_2e	tCO_2e/ tFFB	tCO_2e	tCO_2e/ tFFB	
Land Conversion	93951.27	0.61	1114.37	0.58	0.00	0.00	**95065.64**
CO_2 Emission from Fertilizer	6600.40	0.04	80.23	0.04	0.00	0.00	**6680.63**
N_2O Emission	6319.33	0.04	72.48	0.04	0.00	0.00	**6391.81**
Fuel Consumption	2605.97	0.02	23.17	0.01	0.00	0.00	**2629.14**
Peat Oxidation	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
Crop Sequestration	-89053.33	-0.58	-1013.26	-0.52	0.00	0.00	**-90066.59**
Sequestration in Conservation Area	-1834.00	-0.01	-71.80	-0.04	0.00	0.00	**-1905.80**
Total	**18589.64**	**0.12**	**205.19**	**0.11**	**0.00**	**0.00**	**19009.29**

**Note: Includes both estates and smallholders (delete whichever not applicable)*

3. Summary of Mill Emission and Credits

	tCO_2	tCO_2e/t FFB
Emission		
POME	0.00	0.00
Fuel Consumption	353.67	0.01
Grid Electricity Utilization	0.00	0.00
Credit		
Export of Excess Electricity to Housing & Grid	0.00	0.00
Sales of PKS	0.00	0.0.
Sales of EFB	0.00	0.00
Total	**353.67**	**0.01**

4. Palm Oil Mill Effluent (POME) Treatment

Description	%
Divert to compost	0.00
Divert to anaerobic digestion	100.00

5. POME Diverted to Anaerobic Digestion

Description	%
Diverted to anaerobic pond	71.96
Diverted to methane capture (Flaring)	0.00
Diverted to methane capture (electricity generation)	28.04