

# GLOBAL GATEWAY CERTIFICATIONS

## MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

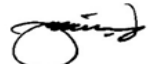
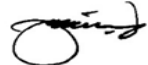

### CERTIFICATION AUDIT REPORT


#### Part 3 : General Principles for Oil Palm Plantations and Organized Smallholders

Kuala Lumpur Kepong Berhad  
Batu Lintang Complex [Estates]

-Group Certification-

**ANNUAL SURVEILLANCE AUDIT 03**  
**03<sup>rd</sup> August 2020 - 04<sup>th</sup> August 2020**

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	02/09/2020	Issued as Draft Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	24/09/2020	Issued as Final Report	Muhammad Syafiq bin Abd Razak	Lead Auditor	
B	08/10/2020	Final Report Approved	Md. Jefri bin Sharaai	Certifier	

Acknowledgment by Kuala Lumpur Kepong Berhad					
Rev	Date	Description	Management Representative	Role	Signature
B	08/10/2020	Acceptance of the contents	Ms. Lee Kuan Yee	Senior Manager (Sustainability)	

#### **Declaration**

The auditor(s) has (had) no personal, business or other ties to the client and the assessment is carried out objectively and independently.

WITH INTEGRITY WE SERVE



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Note: Section II of this report contain confidential information and been protected from public disclosure.

**SECTION I : PUBLIC SUMMARY REPORT****1.1 Certification Scope**

Global Gateway Certifications Sdn. Bhd. (GGC) has conducted the Certification Assessment of KLK Batu Lintang Complex [Estates]. During this Annual Surveillance Audit (ASA 3), the audit team briefed by sustainability member, of the supply base disposition. The source of FFB supplies to KLK Batu Lintang POM are from their own estates [Batu Lintang Estate, Buntar Estate, Pelam Estate and Subur Estate]. KLK Batu Lintang POM also receiving certified FFB from other certified estates.

This assessment was conducted onsite on 03<sup>rd</sup> August 2020 – 04<sup>th</sup> August 2020 to assess the compliance of the certification unit against the "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholder". The scope of certification is "Management of Sustainable Oil Palm Plantations from Cultivation, Planting and Production of Fresh Fruit Bunches".

**1.2 Company details and Contact information**

**Company Name** Kuala Lumpur Kepong Berhad

**Business Address** Wisma Taiko, 1, Jalan S.P Seenivasagam, 30000 Ipoh, Perak.

**Contact Person** Ms. Lee Kuan Yee

**Office Telephone** +6052417844

**E-Mail** kuanyee.lee@klk.com.my

**1.3 Certification Unit****Name of the Certification Unit**

No	Name of the Certification Unit	Site Address	GPS Reference of the site office	
			Longitude	Latitude
1.	Batu Lintang Estate	Ladang Batu Lintang, 09800 Serdang, Kedah.	E 100.62906	N 5.22122
2.	Buntar Estate	Ladang Buntar, 09800 Serdang, Kedah.	E 100.60206	N 5.16833
3.	Pelam Estate	Ladang Pelam, 09009 Kulim, Kedah.	E 100.72906	N 5.50403
4.	Subur Estate	Bt. 23 Batu Kurau, 34520 Taiping, Perak.	E 100.79528	N 5.04778

**MPOB License Information**

No	Name Of The Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Batu Lintang Estate	556509002000	31/12/2020	"Menjual dan Mengalih FFB"
2.	Buntar Estate	565578002000	31/10/2020	"Menjual dan Mengalih FFB"
3.	Pelam Estate	502293502000	30/11/2020	"Menjual dan Mengalih FFB"
4.	Subur Estate	556577002000	31/01/2021	"Menjual dan Mengalih FFB"

**Others Sustainability Certification**

No	Name Of The Site	Others Sustainability Certifications
1.	Batu Lintang Estate	Roundtable on Sustainable Palm Oil (RSPO) & International Sustainability and Carbon Certification (ISCC)
2.	Subur Estate	
3.	Buntar Estate	
4.	Pelam Estate	

## 1.4 Map Showing Geographical Location

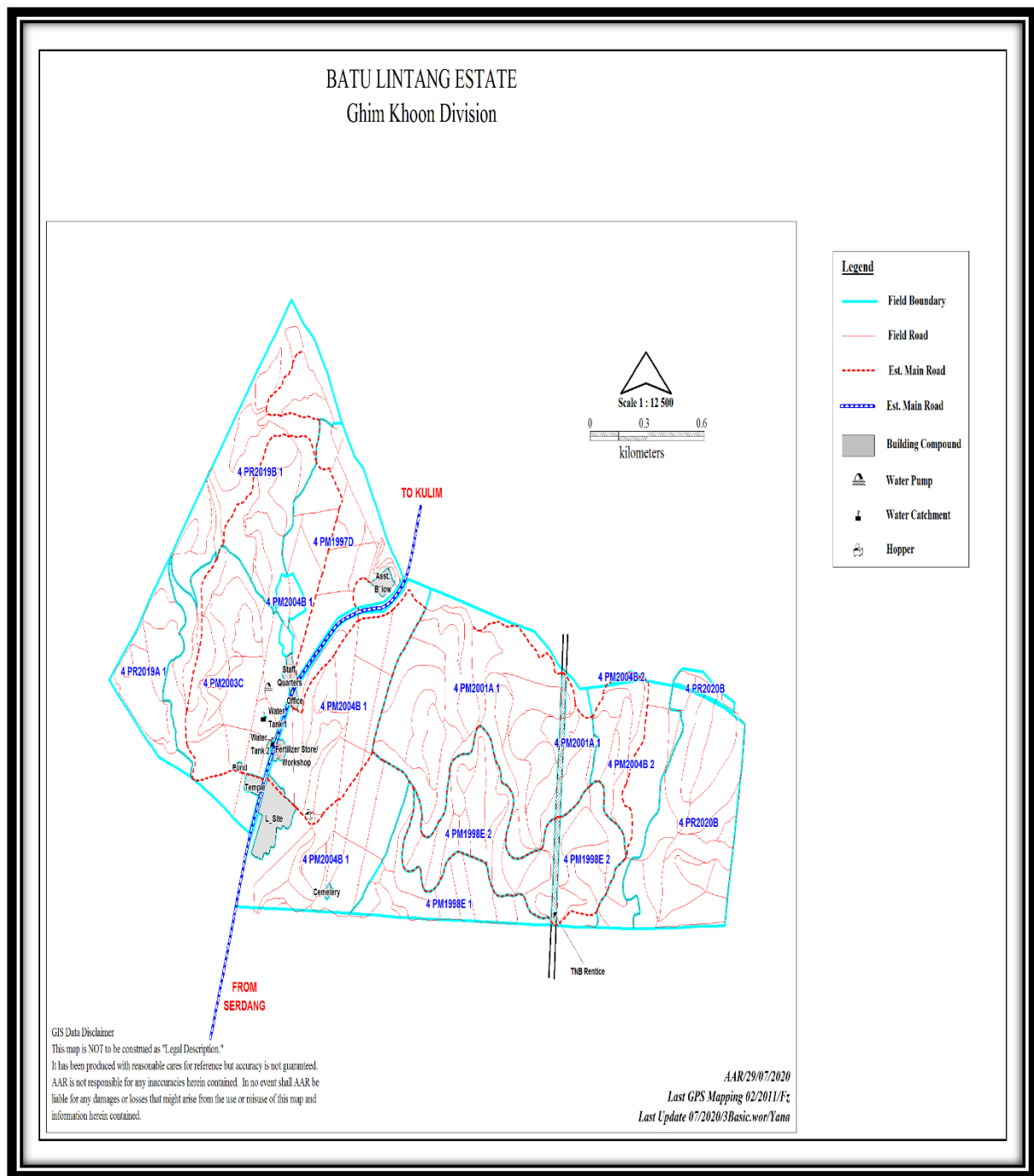
### 1) Batu Lintang Complex [Estates]







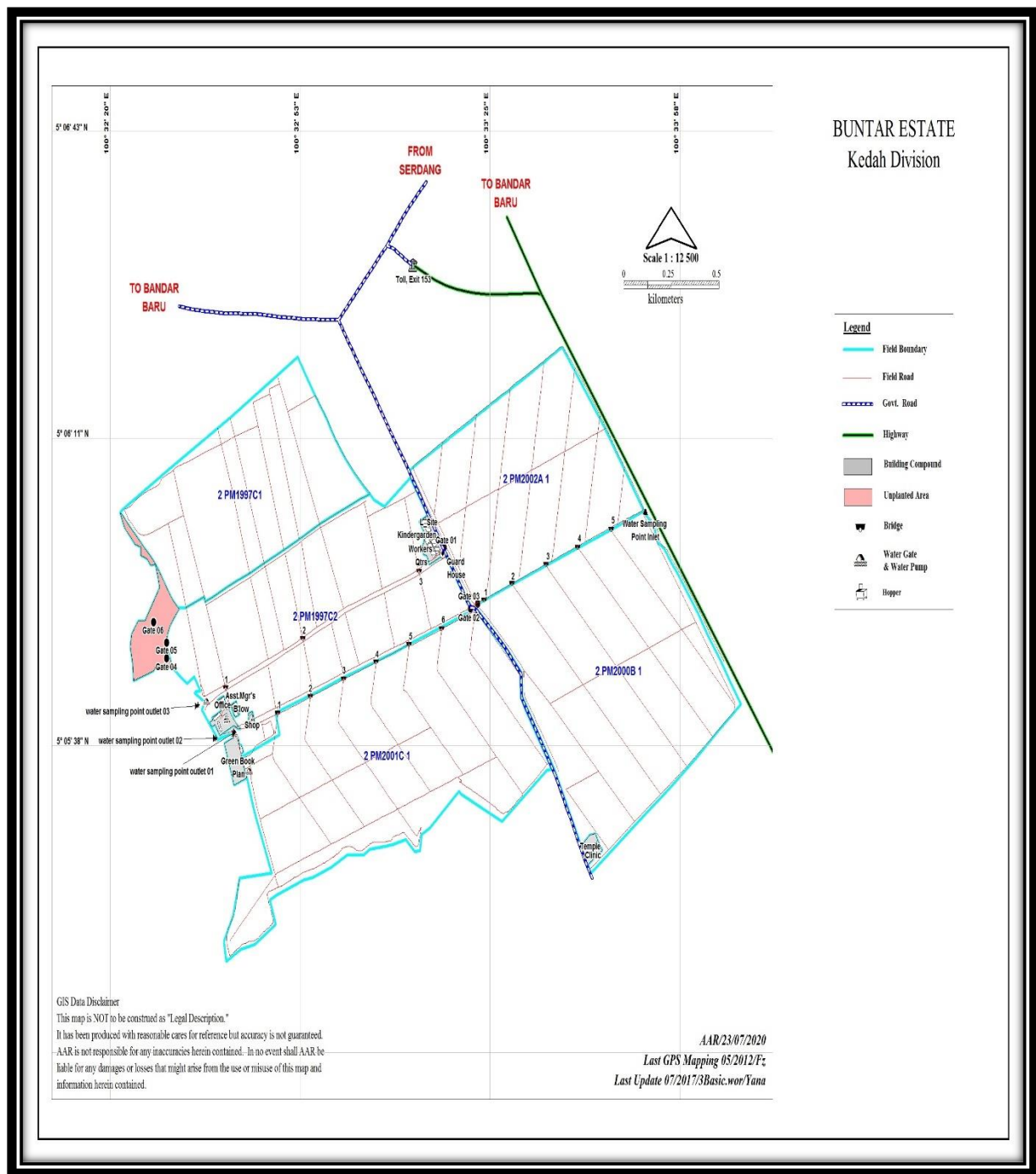
### 3) Batu Lintang Estate (Ghim Khoon Div)



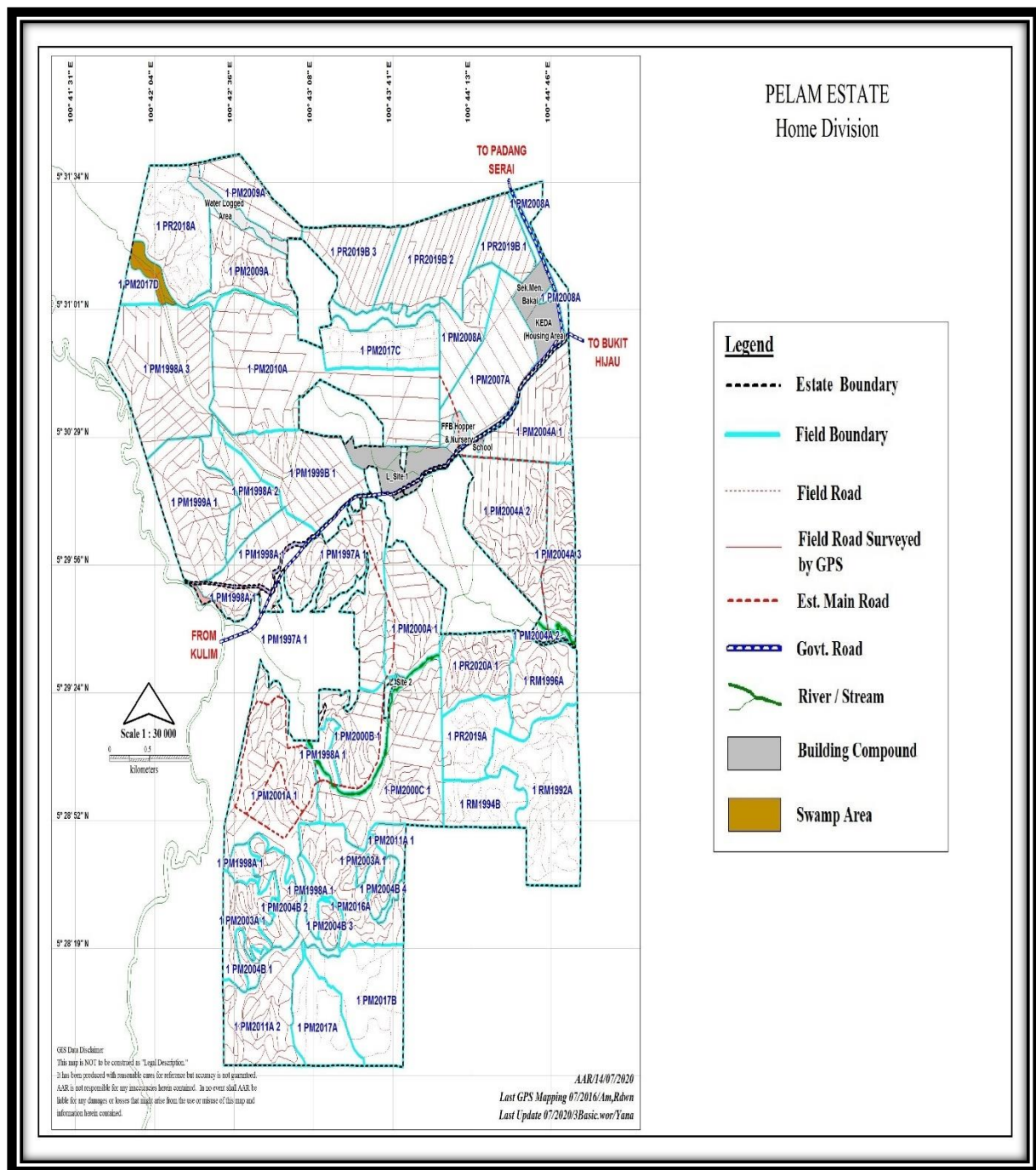




## 5) Buntar Estate (Kedah Div)

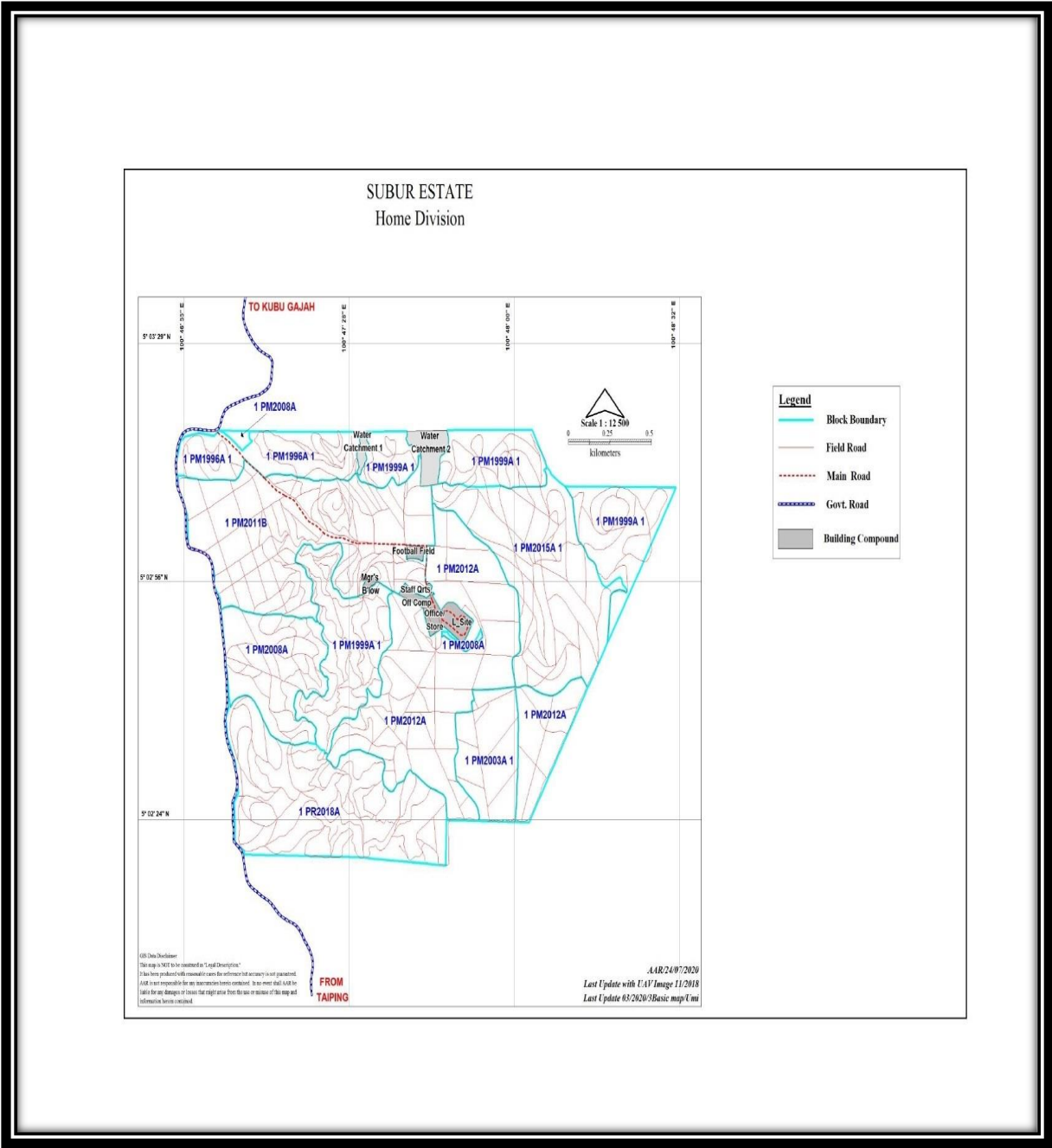


## 6) Pelam Estate (Home Div)

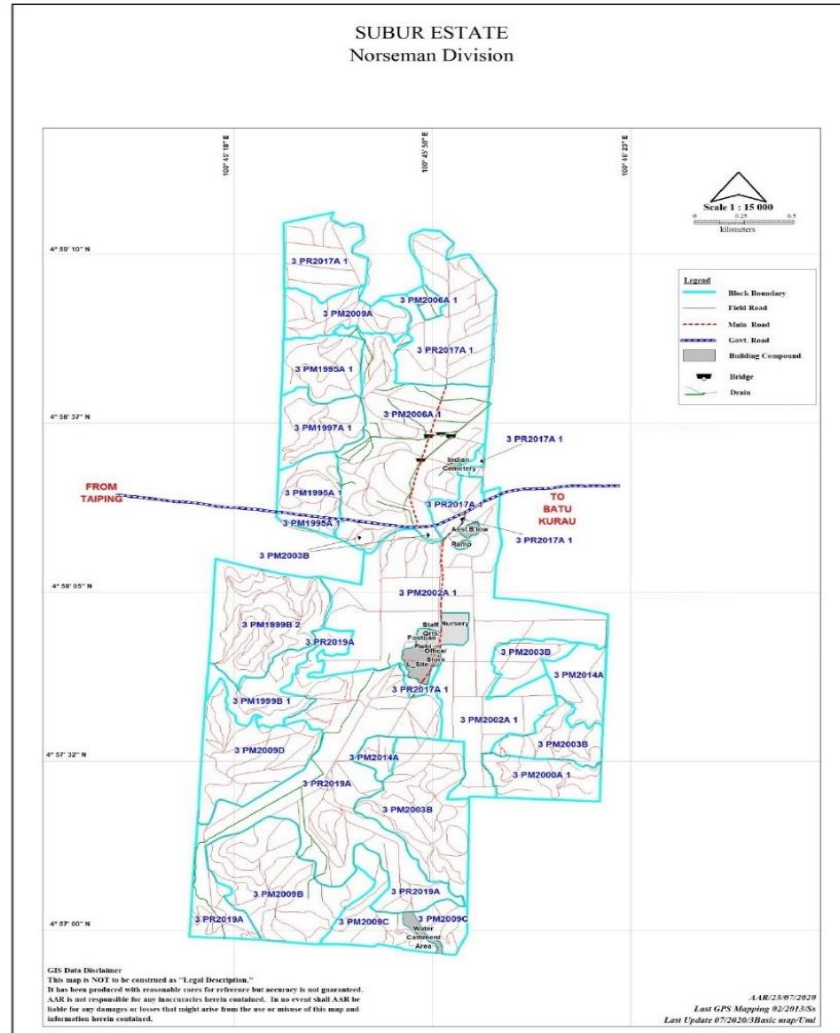




8) Subur Estate (Home Div)

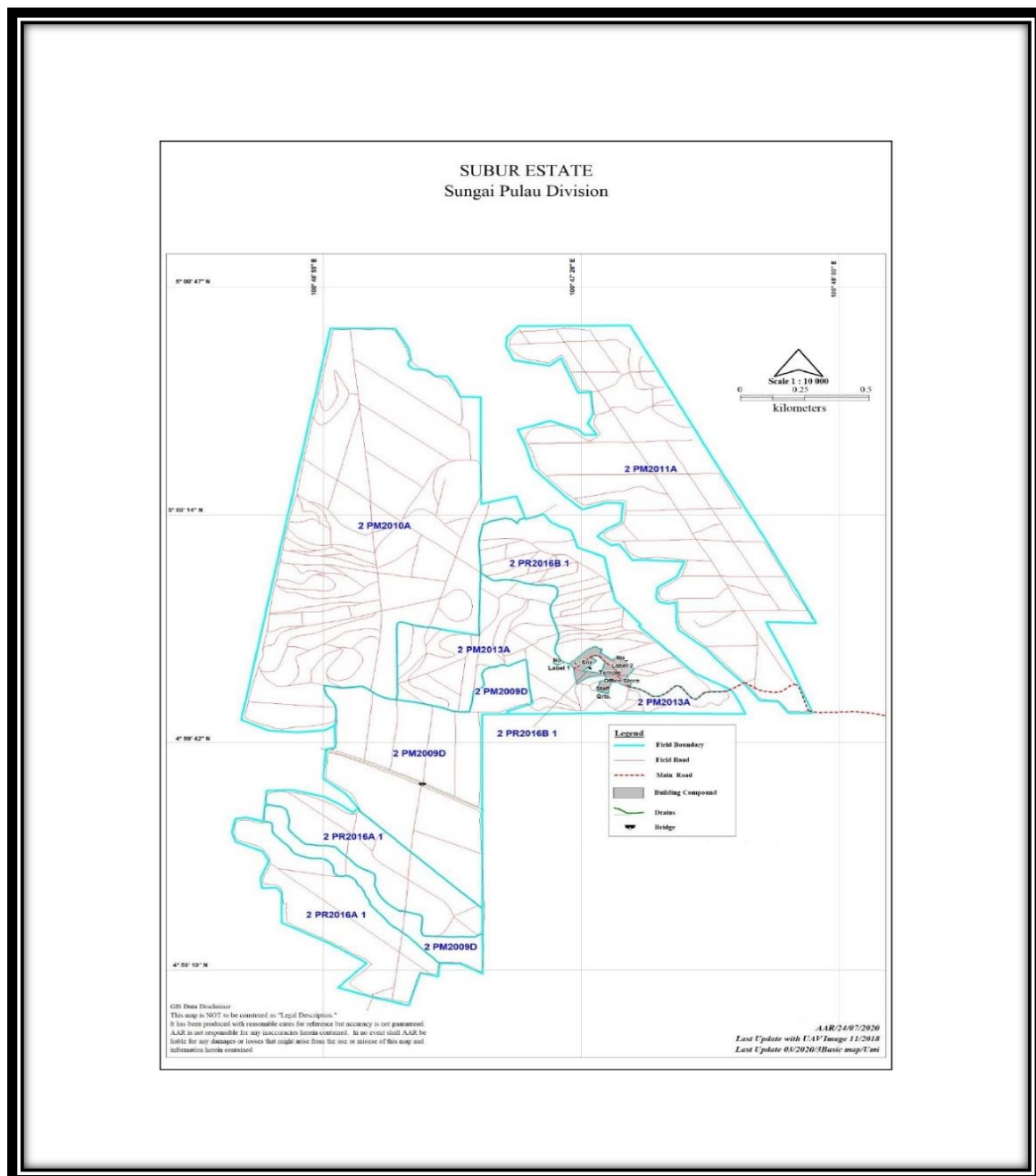


### 9) Subur Estate (Norseman Div)





## 10) Subur Estate (Sungai Pulau Div)





**1.5 Production Area, Actual and Projected FFB Production (MT)**

Name of the Certification Unit	Area Summary (HA)		
	Certified Area (per Land Title)	Planted	Mature
Batu Lintang Estate	1,808	1,741	1,382
Buntar Estate	899	815	675
Pelam Estate	2,960	2,606	2,052
Subur Estate	1,290	1,259	997
<b>Total</b>	<b>6,957</b>	<b>6,421</b>	<b>5,106</b>

Name of the Certification Unit	Area Summary (HA)		
	Conservation Area	HCV	Others
Batu Lintang Estate	6.19	0	60.81
Buntar Estate	1.30	0	82.70
Pelam Estate	15.77	0	338.23
Subur Estate	6.64	0	24.36
<b>Total</b>	<b>29.90</b>	<b>0</b>	<b>506.10</b>

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit [Jul 2019-Jun 2020]	Actual Production for 12 Months [Jul 2019-Jun 2020]	Projected Production for next 12 Months [Jul 2020-Jun 2021]
Batu Lintang Estate	36,396	34,030.22	34,104
Buntar Estate	17,015	17,136.07	23,752
Pelam Estate	52,416	44,591.81	52,679
Subur Estate	23,616	18,142.56	15,049
<b>Total</b>	<b>129,443</b>	<b>113,900.66</b>	<b>125,584</b>

**1.6 Certificate Details****Certification body**

Global Gateway Certifications Sdn. Bhd.,  
No. 10 Jalan Rasmi 7, Taman Rasmi Jaya,  
68000 Ampang,  
Selangor Darul Ehsan, Malaysia.  
Tel.: +603 4256 2689; Fax: +603 4256 2687  
Website: [www.ggc.my](http://www.ggc.my)

**Assessment standard**

(MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders

**Certificate number**

GGC-KLK013-MSPO-02-2017

<b>Initial certificate issued date</b>	22 <sup>nd</sup> December 2017
<b>Certificate expiry date</b>	21 <sup>st</sup> December 2022
<b>Stage 1 assessment date</b>	Not Applicable as client certified for RSPO, ISCC and SCCS
<b>Stage 2 / Main Assessment</b>	01 <sup>st</sup> November 2017 – 2 <sup>nd</sup> November 2017
<b>Annual Surveillance 1 [ASA 1]</b>	05 <sup>th</sup> June 2018 - 06 <sup>th</sup> June 2018
<b>Annual Surveillance 2 [ASA 2]</b>	15 <sup>th</sup> July 2019 & 17 <sup>th</sup> July 2019
<b>Annual Surveillance 3 [ASA 3]</b>	03 <sup>rd</sup> August 2020 – 04 <sup>th</sup> August 2020
<b>Annual Surveillance 4 [ASA 4]</b>	July 2021

## 1.7 Qualification of the Lead Assessor and Assessment Team

### Lead Auditor

**Name:** **Muhammad Syafiq bin Abd Razak**

Graduate in plantation management with more than 7 years working experience in various plantation company and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Fully trained in similar agriculture certification programs such as RSPO, SCCS, MSPO and etc. Qualified as Lead Auditor/Auditor in several certification programme. Involved in RSPO and MSPO assessment since 2014. Involved in audits conducted in for many different companies in Malaysia, Indonesia, Australia, Pakistan, India, Arab Saudi and Ivory Coast. Completed and certified MSPO Auditor course in 2014 (3<sup>rd</sup> Batch) held by MPOB. Member of GGC MSPO audit team.

Experienced in handling mineral and peat soil oil palm estate. Knowledgeable in chemical in control of weeds and pest & disease in Oil Palm Plantation sector. Understanding in Industrial relation and labour law. Attended OSH Act 1994 & Regulations and Factories & Machinery Act 1967 & Regulations Training. Participated in Workshop for Oil Palm Growers on Peat at Bogor, Indonesia. Completed and attended Social Impact Assessment Training at Bogor, Indonesia organized by Remark Asia. Also, has attended training for RSPO GHG calculation on year 2015 in Kuala Lumpur.

During this assessment, he assessed on the aspect of Transparency, Compliance to Legal Requirements, Stakeholder's Consultation and Workers Welfare, Best Practices and etc. He is able to speak and understand Bahasa Malaysia and English.

### Auditor

**Name:** **Hj. Ahmad bin Sukiman**

He holds MSc Plantation Management from Universiti Putra Malaysia (UPM). Above 30 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in MSPO and qualified as Lead Auditor/Auditor for MSPO. Involved in MSPO assessment since 2015. Completed and certified MSPO Auditor course in 2015 held by DQS Certification (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Compliance to Legal Requirements, Environment, Natural Resources, Biodiversity and Ecosystem Services and Best Practices. Able to speak and understand Bahasa Malaysia and English.

### Auditor

**Name:** **Nurulashida binti Mohd Saad**

Graduated in Conservation and Management of Biodiversity with working in Sustainability Department for more than 12 years which involves in certification and compliance affairs. Fully trained in agriculture certification programme such as RSPO, MSPO, SCCS, Biodiversity / HCV, ISCC, ISO and etc. Certified as Lead Auditor/Auditor for RSPO and MSPO Certification. Member of GGC MSPO audit team.

During this assessment, she assessed on the aspect of compliance to Management Commitment and Responsibility, Social responsibility, health, safety and employment condition. She is able to speak and understand Bahasa Malaysia and English.

## 1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). The sampling was calculated and determined prior to the audit assessment. In the case of this certification unit, sampling calculation was applied. Therefore, total numbers of supply based assessed in the audit are 2 estates out of 4 estates.

The assessment activities include of documents review and site inspection. The documents that had been reviewed among others were company policy, internal procedures, management system procedures, waste management procedures, legal documents etc. Significant issues that would impact to the environmental and social were also been verified.

The methodology for collection of objective evidence was established during physical site inspections, observation of tasks and processes, interviews of stakeholders, interview of officers, review of documents and data. Checklists and questionnaires were used to guide the collection of information and the comments made by external stakeholders were also been taken into consideration in this assessment.

Appendix A (Audit Plan) details the actual assessment plan. Stakeholders were consulted randomly during the assessment to obtain feedback on the management compliance and performance (Appendix C) of MSPO.

The Prime Minister, Tan Sri Muhyiddin Yassin did announce that the Conditional Movement Control Order (CMCO) ended 9<sup>th</sup> June 2020 and replaced with the Recovery Movement Control Order (RMCO). The RMCO would take effect from 10<sup>th</sup> June 2020 until 31<sup>st</sup> August 2020 with more lenient restrictions.

With reference to the Federal Government Gazette (9<sup>th</sup> June 2020), Prevention and Control of Infectious Diseases (Measures Within Infected Local Areas) (No. 7) Regulations 2020, Certification for Agri Commodities was not included in prohibited activities.

Majlis Keselamatan Negara (MKN) had issued a Standard Operating Procedure for "Persijilan bagi Agrokomoditi" dated 12<sup>th</sup> June 2020 which need to be complied during the audit process by both parties, the Certification Body and clients.

## 1.9 Audit Plan Information

<b>Audit Date</b>	03 <sup>rd</sup> August 2020 - 04 <sup>th</sup> August 2020
<b>Name of site(s) visited</b>	1) Subur Estate 2) Buntar Estate
<b>Total number of man-days spent</b>	6 man-days

**1.10 Audit Result Summary Findings**

Category	Numbers	Status (Closed/Open/Not Applicable/No Action Requires)
Major Nonconformities	0	No action requires
Minor Nonconformities	0	No action requires
Area of Concern	3	No action requires
Noteworthy /Positive Comments	6	No action requires

**1.11 Stakeholder Consultation**

As per ACB-Malaysian Sustainable Palm Oil (MSPO); ACB-OPMC4; Issue 1, 01<sup>st</sup> August 2017; Stakeholder Consultation Requirements for Certification Bodies Operating Oil Palm Management Certification Under Malaysian Sustainable Palm Oil (MSPO) Certification Scheme. The consultation during the audit will be carried out during the stage 2 and recertification audit of the management unit. The CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

During this Annual Surveillance Audit (ASA 3), the audit team has conducted stakeholder consultations involving both internal and external stakeholders as to understand the practices in relation to environmental, social performance and their performance with respect to the MSPO requirements. The meeting was conducted without the present of estate management.

At the start of meeting, the auditor explained the purpose of the audit followed by an evaluation of the relationship between the stakeholders before discussions continued. The auditor recorded comments made by stakeholders and verified with the estate management before incorporating into the assessment findings. There was no negative complaint or feedback received during the audit or during the field assessment when interviewing with the external and internal stakeholders. The details are as per table below:

No	Stakeholders Name	Subject raised / Identified Risk	Company response and proposed action to be taken. [What we did]	Assessment team findings [Outcome]
1.	Stakeholders A (Sprayers Gang)	<ul style="list-style-type: none"> <li>They have good understanding about MSPO.</li> <li>They have good understanding about complaint and grievance mechanism.</li> <li>PPE given by company – free.</li> </ul>	No action requires	Positive findings

		<ul style="list-style-type: none"> <li>• They were treated equally with no discrimination based on gender.</li> <li>• They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs.</li> <li>• They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1,100.00 per month and understand all the deductions being made.</li> </ul>		
2.	Stakeholders B (Harvesting Gang)	<ul style="list-style-type: none"> <li>• Good understanding about MSPO.</li> <li>• They are very happy with the management and hopes to extend their contract.</li> <li>• They have good understanding about complaint and grievance mechanism.</li> <li>• PPE given by company – free.</li> <li>• They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs.</li> <li>• They confirmed wages are being paid more than the Minimum Wage Order 2020 of RM1,100.00 per month and no issue on wages received as well as the deductions made.</li> </ul>	No action requires	Positive findings
3.	Stakeholders C (Contractors)	<ul style="list-style-type: none"> <li>• They have good understanding about MSPO.</li> <li>• They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work.</li> <li>• They were aware that any complaints or suggestions could be forwarded to the mill/estate management.</li> </ul>	No action requires	Positive findings



		<ul style="list-style-type: none"> <li>The company has good relation with supplier and there is no issue with company's performance.</li> </ul>		
4.	Stakeholders D (Suppliers)	<ul style="list-style-type: none"> <li>Informed that the payment was made promptly.</li> <li>The contract agreement with the management is fair and transparent.</li> <li>The company has good relation with supplier and there is no issue with company's performance</li> <li>He has good understanding about complaint and grievance mechanism.</li> </ul>	No action requires	Positive findings
5.	Stakeholders E (Estate - Gender Committee Representatives)	<ul style="list-style-type: none"> <li>There was no discrimination, sexual harassment or violence case reported thus far.</li> <li>The Management is quite supportive on the Committee activities.</li> </ul>	No action requires	Positive findings

### 1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of Kuala Lumpur Kepong Berhad especially for KLK Batu Lintang Complex [Estates]. All Estate Senior Manager/Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual. These sites also assist by KL Kepong Berhad, Sustainability Department.

The management is committed to comply with MSPO system by giving awareness training to all personnel involved in this standard to make them understand the procedures and implementation of the standard. The employees are aware of the requirements of MSPO. There was no complaint or feedback received during this Annual Surveillance Audit (ASA 3).

This report will be internally reviewed for certification decision by GGC and external peer review by independent reviewers (Qualified by MPOCC) not required. During Annual Surveillance Audit (ASA 3), based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders, there was no non-conformity has been raised to the facilities that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted was no major non-conformity findings. Therefore, the Lead Auditor recommends to continuing a certificate of compliance "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders" to KLK Batu Lintang Complex [Estates].

### 1.13 Date of Next Surveillance Audit

The first annual surveillance assessment visit will be scheduled after 12 months of the MSPO Certificate being issued.

### 1.14 Confidentiality

GGC auditors will not discuss or reveal any of the confidential information seen during the audit to any third party. Any public summary of the main assessment will be approved by the client prior to publication.

### 1.15 Abbreviations Used

BOD	Biological Oxygen Demand
CHRA	Chemical Health & Risk Assessment
CIP	Continuous Improvement Plan
COD	Chemical Oxygen Demand
CoP	Code of Practise
CSPO	Certified Sustainable Palm Oil
CPO	Crude Palm Oil
CSPK	Certified Sustainable Palm Kernel
DOE	Department of Environmental
DOSH	Department of Occupational Safety and Health Malaysia
EIA	Environmental Impact Assessment
EMP	Environmental Management Plan
FFB	Fresh Fruit Bunch
FGS	Finished Good Stock
GAP	Good Agriculture Practise
GHG	Greenhouse Gas
GGC	Global Gateway Certifications Sdn Bhd
HIRARC	Hazard Identification, Risk Assessment and Risk Control
ISCC	International Sustainability & Carbon Certification
IPM	Integrated Pest Management
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysian Palm Oil Certification Council
MSPO	Malaysian Sustainable Palm Oil
NCR	Non-Conformance Report
NGO	Non-Government Organization
OHS	Occupational Health & Safety
OHSAS	Occupational Health and Safety Assessment Series
PK	Palm Kernel
POM	Palm Oil Mill
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable on Sustainable Palm Oil
SEIA	Social Environmental Impact Assessment
SOP	Standard Operating Procedure
SPO	Sludge Palm Oil

## SECTION II : ASSESSMENT FINDINGS BY PRINCIPLES AND CRITERIA

### 2.1 Principle 1 : Management commitment and responsibility

#### Criterion 1 Malaysian Sustainable Palm Oil (MSPO) Policy

**Indicator 1** A policy for the implementation of MSPO shall be established.

**Summary** MSPO Policy has been established as part of a Sustainability Manual and reviewed on 01.10.2017, issue/rev. 3/2, signed by the Group Plantation Director, Mr. Patrick Kee Chuan Peng.

As evidence, the KLK Sustainability Manual was displayed and sighted on the notice board.

For Subur Estate, training and briefing on the company's policies was conducted to the workers as below:

- 1) Home division: 27/2/2020
- 2) Sg Pulau Division: 26/2/2020
- 3) Norseman Division: 25/2/2020

Briefing was conducted by Mr. Gurvin (Sustainability Executive).

For Buntar Estate, briefing on the procedures to the workers has been incorporated during the KLK Sustainability Briefing conducted on 04/02/2020. Briefing on KLK Sustainability Policy to the stakeholders has been conducted at Club House, Batu Lintang Estate on 19/02/2020. Meeting minutes is prepared by Mr Ravi a/l Kanniah (Asst Manager) and reviewed by Mr Yeo Boon Keat, Estate Manager. Meeting minutes dated 20/2/2020. The meeting covers the following agenda;

- KLK Sustainability Policy
- KLK Supplier Code of Conduct
- Environmental Aspect & Impact Assessment (EAIA), EMP and WMP
- SIA and Management Plan
- HCV Management Area
- Fire prevention and control measure
- Consultation on the contributions to community development
- Requests and responses/consultation & communication/complaint & grievance

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 2** The policy shall also emphasize commitment to continual improvement.

**Summary** The company statement on committed to the continual improvement is made available as stated in the Group Policies (Para 5) – we are committed to meet the sustainability requirements of MSPO and committed to continuous improvement.

In addition to the commitment, a Continuous Improvement Plan for Subur Estate is established as referred to SOP:16.0, Appendix: 1.0. Issue/Rev: 2/1, Date: 01-01-2020.

The Plan is prepared by Mohd Fariz Medon, dated 25/1/2020 and verified by Mr Chan Yik Loon (Manager) which includes a Description of improvement, activity, PIC, Target date and Status. Samples Description of improvement are:

Description of improvement	Activity	Target date
1. Chemical Usage Reduction	1. Spraying pump nozzle calibration 2. Planting of Beneficial plant 3. IPM	Feb 2020 Oct 2020 Oct 2020
2. Environmental Impacts / Pollution and GHG Reduction	1. Regular service of tractors 2. Proper disposal of scheduled waste through licensed contractor 3. Proper disposal empty pesticide and chemical container	June 2020
3. FFB Yield Optimization	1. EFB mulching 2. Desilting main and field drain (low lying and flash flood area)	October 2020
4. Waste Reduction	1. Briefing on 3R programme to recycle at the provided recyclable bin at linesite and office compound 2. Frond stacking to reduce agriculture waste	October 2020
5. Road Maintenance	Patching of damaged road	Oct 2020

As a sample evidence, an effort on waste reduction, the estate has carried out the following activities;

1. Training & briefing on rubbish disposal / recycling of household waste conducted on 2<sup>nd</sup> April 2019 by Mr Chan Yik Loon (Manager).

For Buntar Estate, a Continuous Improvement Plan is established as referred to SOP:16.0, Appendix: 1.0. Issue/Rev: 2/1, Date: 01-01-2020. The Plan is prepared by Hoi Kang Kyan, dated 02/1/2020 and verified by Mr Mohd Khairul bin Rosni (Manager) which includes a Description of improvement, activity, PIC, Target date and Status. Samples Description of improvement are:

Description of improvement	Activity	Target date
1. Chemical Usage Reduction	1. Spraying pump nozzle calibration 2. Planting of Beneficial plant 3. IPM	Monthly Dec 2020 Dec 2020
3. Environmental Impacts / Pollution and GHG Reduction	1. Regular service of tractors 2. Briefing on energy saving (Grid electricity)	Every 3 months March 2020
4. FFB Yield Optimization	1. EFB mulching 2. Desilting main drain of low-lying area	September 2020
5. Waste Reduction	1. Briefing on 3R programme to recycle at recycle bin provided at linesite and office 2. Frond stacking to reduce agriculture waste	September 2020
6. Road Maintenance	Patching of damaged road	September 2020

**In Compliance**    ☒ **Yes**    ☐ **No**    ☐ **Not Applicable**

## **Criterion 2 Internal audit**

**Indicator 1** Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.

**Summary** The Internal Audit Procedure in the Standard Operating Procedure on Sustainability has been reviewed as referred to SOP:19.0, Issue/Rev: 2/1, Date: 01-01-2020.

The flow diagram of the internal audit is:

Establish Audit Schedule > Selection of audit team & prepare audit plan > Conduct Audit > Audit report > Post audit meeting > Follow-up Audit > Audit verification. The frequency of an audit should be at least once a year as stated in the SOP. The Internal audit is carried out to ensure that the management system has been properly implemented and to determine the effectiveness of the implemented management system.

As evidence in Subur Estate, sighted the Sustainability Internal Audit Report for the MSPO internal audit carried out on 22<sup>nd</sup> and 23<sup>rd</sup> June 2020. The Internal Audit team members are Ms Verna See Pik Kim (Lead auditor), Mr Tong Wing Chuen and Mr Vemalan Palanchiandrian (Auditors) and documented in the Internal Audit Findings, root cause (s) & corrective action (s). The report was prepared by Ms Verna See Pik Kim and checked by Ms Lee Kuan Yee (Senior Sustainability Manager) on 30<sup>th</sup> June 2020.

For Buntar Estate, sighted the Sustainability Internal Audit Report for the MSPO internal audit carried out on 17<sup>th</sup> -18<sup>th</sup> June 2020. The Internal Audit team members are Mr Vemalan Palanchiandiran (Lead auditor), Ms Verna See Pik Kim (Auditor) and documented in the Internal Audit Findings, root cause (s) & corrective action (s). The report was prepared by Mr Vemalan Palanchiandiran and checked by Ms Lee Kuan Yee (Senior Sustainability Manager) on 30<sup>th</sup> June 2020.

The Internal Audit exercise covers the following areas;

1. Documentation
2. Interview Session
3. Site Visit – Chemical store, Water treatment plant, office, linesite, Indian temple, water's sampling point signboards, riparian zone and riparian zone signboard.

The competency of the internal auditors has been evaluated from time to time by the Senior Sustainability Manager, Ms Lee Kuan Yee.

**In Compliance**      ☒ **Yes**      ☐ **No**      ☐ **Not Applicable**

**Indicator 2**      The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.

**Summary**      The Internal Audit Procedure in the Standard Operating Procedure on Sustainability has been reviewed as referred to SOP:19.0, Issue/Rev: 2/1, Date: 01-01-2020.

Sighted the Sustainability Internal Audit Report for the MSPO internal audit carried out on 22<sup>nd</sup> and 23<sup>rd</sup> June 2020 at Subur Estate. The Internal Audit team members are Ms Verna See Pik Kim (Lead auditor), Mr Tong Wing Chuen and Mr Vemalan Palanchiandiran (Auditors) and documented in the Internal Audit Findings, root cause (s) & corrective action (s). The report was prepared by Ms Verna See Pik Kim and checked by Ms Lee Kuan Yee (Senior Sustainability Manager) on 30<sup>th</sup> June 2020.

The report has been submitted to the estate on 1<sup>st</sup> July 2020. The root cause and corrective action (s) is then being communicated to the Lead auditor via email on the 15<sup>th</sup> July 2020. Final acceptance on the root cause, corrective action (s) and evidence by the Lead Auditor are communicated to the estate on 28<sup>th</sup> July 2020. All weak points have been addressed accordingly.

For Buntar Estate, sighted the Sustainability Internal Audit Report for the MSPO internal audit carried out on 17<sup>th</sup> -18<sup>th</sup> June 2020. The Internal Audit team members are Mr Vemalan Palanchiandiran (Lead auditor) and Ms Verna See Pik Kim (Auditor) and documented in the Internal Audit Findings, root cause (s) & corrective action (s). The report was prepared by Mr Vemalan Palanchiandiran and checked by Ms Lee Kuan Yee (Senior Sustainability Manager) on 30<sup>th</sup> June 2020.

The report has been submitted to the estate on 30<sup>th</sup> June 2020. The root cause and corrective action (s) is then being communicated to the Lead auditor via email on the



14<sup>th</sup> July 2020. Final acceptance on the root cause, corrective action (s) and evidence by the Lead Auditor are communicated to the estate on 2<sup>nd</sup> August 2020. All weak points have been addressed accordingly.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 3** Report shall be made available to the management for their review.

**Summary** All findings from internal audit was responded by the management within the acceptable timeframe. This request was implemented in due course and documented as evidence.

The findings from the internal audit has been discussed and approved for implementation by the respective management unit during a sustainability management review meeting 2019/20 held on 26<sup>th</sup> July 2020.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Criterion 3 Management review**

**Indicator 1** The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.

**Summary** A Sustainability Management Review 2019/20 has been conducted on 26<sup>th</sup> July 2020 at Subur Estate. Among the agenda discussed during the meeting are:

1. Follow up action with previous management review
2. Issues/items pertaining to stakeholders engagement
3. Compliance to legal requirements
4. Annual budget and projection
5. Waste reduction
6. Training
7. Policies
8. Pollution and Greenhouse gas (GHG) Emissions
9. Internal Audit Findings
10. External Audit Findings
11. Status of preventive and corrective actions
12. Environmental Impact Assessment (EIA)
13. High Conservation Value (HCV) Management
14. Social Impact Assessment
15. Customer feedback
16. Process performance and product conformity
17. Changes that could affect Management System
18. Recommendations for Improvement
19. Optimization in Yield of FFB

For Buntar Estate, a Sustainability Management Review 2018/19 has been conducted on 14/12/2019. Among the agenda discussed during the meeting are:

1. Follow up action with previous management review
2. Issues/items pertaining to stakeholders engagement

3. Compliance to legal requirements
4. Annual budget and projection
5. Waste reduction
6. Training
7. Policies
8. Pollution and Greenhouse gas (GHG) Emissions
9. Internal Audit Findings
10. External Audit Findings
11. Status of preventive and corrective actions
12. Environmental Impact Assessment
13. High Conservation Value (HCV) Management
14. Social Impact Assessment
15. Customer feedback
16. Process performance and product conformity
17. Changes that could affect Management System
18. Recommendations for Improvement
19. Optimization in Yield of FFB

**In Compliance**      ☒ **Yes**      ☐ **No**      ☐ **Not Applicable**

<b>Criterion 4</b>	<b>Continual improvement</b>
<b>Indicator 1</b>	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.

**Summary**      Sighted SOP on Sustainability No 16.0, Appendix 1.0, Issue/Rev. 2/1 on Continuous Improvement Plan dated 01.01.2020.

For Subur Estate, the Continuous Improvement Plan for the year 2020 is made available as prepared by Mr Mohd Fariz Medon (Assistant Manager) and verified by Mr Chan Yik Loon (Manager) dated 25/01/2020 which includes:

- Chemical usage reduction
- Environmental Impacts / Pollution and GHG Reduction
- FFB yield optimization
- Waste reduction
- Road Maintenance
- Impacts on communities / smallholders
- Impacts on workers
- Integrated management of HCV/HCS, peatland and other conservation area

A Continuous Improvement Plan for Buntar Estate is established as referred to SOP:16.0, Appendix: 1.0. Issue/Rev: 2/1, Date: 01-01-2020. The Plan is prepared by Hoi Kang Kyan, dated 02/1/2020 and verified by Mr Mohd Khairul bin Rosni (Manager) which includes a Description of improvement, activity, PIC, Target date and Status. Sampled Description of improvement includes:

- Chemical usage reduction
- Environmental Impacts / Pollution and GHG Reduction
- FFB yield optimization
- Waste reduction
- Road Maintenance

- Impacts on communities / smallholders
- Impacts on workers
- Integrated management of HCV/HCS, peatland and other conservation area

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 2** The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology, where applicable, that are available and feasible for adoption

**Summary** As to the date of audit, there is no new technology identified or implemented in all estates. The current practices continued followed by their own Good Agriculture Practice (GAP) and guide by Estate General Manager. However, KKK Berhad has indicates their commitment to continuously improve or create new innovation to optimize field operation.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 3** An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.

**Summary** The estate management will conduct training or briefing to the work force if there is any new information or technique available in the market and ready to be adopted in the estate practices.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

## 2.2 Principle 2 : Transparency

### Criterion 1 Transparency of information and documents relevant to MSPO requirements

**Indicator 1** The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.

**Summary** KKK has established Standard Operating Procedures (SOP) for Stakeholders Engagement/Negotiation–SOP No.1 (Rev.4/3) dated on 1<sup>st</sup> January 2020.

The policy has identified mechanism for Request and Respond, Consultation & Meeting and Complaint & Grievances with their relevant stakeholders and how their concern and view are addressed.

Stakeholder Meeting was held on 24<sup>th</sup> February 2020 at Subur Estate Meeting Room, attended by 27 participants. The meeting was chaired by Mr. Chan Yik Loon (Estate Manager).

There are a few Request/Consultation/Communication from the stakeholders. Among the request:

Hj Ishak – Kampung Batu 12

- Request
  - To put bridge to avoid motorcycle crossing Irish Culvert. He is thankful to estate management for doing maintenance of road.
- Response
  - Estate management will put the cement bridge to avoid motorcycle crossing the Irish culvert. (Done install March 2020)

Ms. Zeyana – JTK

- Request
  - Suggested estate management to apply for LAP water, to pay new minimum wages RM1,200 and monitor the cleanliness of foreign workers houses
- Response
  - Management will try to apply LAP this year, minimum wages will pay after getting the instruction/memo from HQ and management will monitor the cleanliness of linesite area

For Buntar Estate, stakeholder Meeting was held on 19<sup>th</sup> February 2020 at Batu Lintang Estate's Meeting Room, attended by 84 participated. The meeting was collaborated with Batu Lintang Estate and mill under Batu Lintang Complex. The meeting was chaired by Mr. Yeo Boon Keat (Mill Manager).

There are a few Request/Consultation/Communication from the stakeholders. Among the request:

Poliklinik

- Request
  - Dr. Sakti enquired when will the new wage which is RM1,200 will be implemented
- Response
  - Management explained that are still pending the instruction from KLK HR Department

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

**Indicator 2** Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.

**Summary** The Management has established SOP 9 - Control of Documents & Records. Issue/rev: 2/1 dated on 1<sup>st</sup> January 2020. This SOP provides the guide for the estate management to determine the confidentiality status or available for public disclosure.

Example publicly documents listed:

1. Permit to work (Contract)
2. Employee Training Record

3. Legal Compliance
4. SIA
5. Management Review

Among the documents listed under 1) confidential are:

- SOP No. 17 – FFB pricing mechanism
- Sexual Harassment logbook
- Bank guarantee
- E-Checkroll report

All these documents were sighted in the estate office. Requests for official documents through the estate office will have to go through the Estate Manager.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 2	Transparent method of communication and consultation
Indicator 1	Procedures shall be established for consultation and communication with the relevant stakeholders.

**Summary** KLK has established Standard Operating Procedures (SOP) for Stakeholders Engagement/Negotiation–SOP No.1 (Rev.4/3) dated on 1<sup>st</sup> January 2020. The policy has identified mechanism for Request and Respond, Consultation & Meeting and Complaint & Grievances with their relevant stakeholders and how their concern and view are addressed.

Flow chart has been established on the consultation and communication process. The flow chart is available at the estate notice board.

Interview with the staff and estate workers confirmed they have been informed and updated during the stakeholder meeting and that they are aware of the above process.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Indicator 2	A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.
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**Summary** Person in charge for consultation and communication is available. Sighted the appointment letter :

- 1) Subur Estate  
The person in charge for consultation and communication agenda is led by Mr. Mohd Fariz bin Medon (Estate Assistant Manager) and appointed on 03rd January 2020 by Mr. Chan Yik Loon (Estate Manager).
- 2) Buntar Estate  
The person in charge for consultation and communication agenda is led by Mr. Hoi Kang Kyan (Estate Assistant Manager) and appointed on 02nd January 2020 by Mr. Mohd Khairul bin Rosni (Estate Manager).

There are trained by KLK Sustainability Department to maintained all the requirements.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 3** List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.

**Summary** KLK has established Standard Operating Procedures (SOP) No. 1 for Stakeholders List dated on 1<sup>st</sup> January 2020.

Sighted latest stakeholder list at Subur Estate updated on 02<sup>nd</sup> January 2020. Prepared by Mr. Mohd Fariz bin Medon (Estate Assistant Manager) and approved on 03<sup>rd</sup> January 2020 by Mr. Chan Yik Loon (Estate Manager).

- a) Government / Statutory Bodies
  - Malaysian Palm Oil Board (MPOB)
  - Department of Safety and Health (DOSH)
  - Department of Labour (JTK)
  - Department of Environment (DOE)
  - Department of Immigration Malaysia
  - Social Security Organisation (Perkeso)
  - Hospital Taiping
  - Klinik Kesihatan Batu Kurau
  - Balai Polis Batu Kurau
- b) Non-Governmental Organisation (NGO)
  - National Union of Plantation Workers (NUPW)
  - All Malayan Estates Staff Union (AMESU)
- c) Service Providers / Contractors / Suppliers
  - MPOA
  - PUSPAKOM
  - FOMEMA Sdn Bhd
  - BSN Batu Kurau
  - Technology and Quality Control Centre (TQCC)
  - Organo (Asia) Sdn Bhd
  - Yun Yit Enterprise
  - Segar A/L Vengetaraman
  - Mycrop
  - Behn Meyer & Co (M) Sdn Bhd
  - Aliran Segar Sdn Bhd
  - Tex Cycle (P2) Sdn Bhd
- d) Neighbouring Community /Plantation /Smallholders
  - Estate Batu Kurau
  - Banana Farm
  - Pondok Tanjung Estate



- Shamu Estate
- Windsor Estate
- Smallholders
- e) Estate Community / Estate Representatives
  - NUPW Secretary
  - Women's Committee Chairman
  - Temple Committee Chairman
  - Surau Committee Chairman

For Buntar Estate, sighted latest stakeholder list updated on 04<sup>th</sup> May 2020. Prepared by Mr. Hoi Kang Kyan (Estate Assistant Manager) and approved by Mr. Mohd Khairul bin Rosni (Estate Manager).

- a) Government / Statutory Bodies
  - Malaysian Palm Oil Board (MPOB)
  - Department of Safety and Health (DOSH)
  - Department of Labour (JTK)
  - Department of Environment (DOE)
  - Department of Immigration Malaysia
  - Social Security Organisation (Perkeso)
  - Department of Fire and Rescue (BOMBA)
  - Employees Provident Fund (KWSP)
  - Hospital Parit Buntar
  - Klinik Kesihatan Serdang
  - Balai Polis Bandar Baharu
- b) Non-Governmental Organisation (NGO)
  - All Malayan Estates Staff Union (AMESU)
  - National Union of Plantation Workers (NUPW)
- c) Service Providers / Contractors / Suppliers
  - MPOA
  - FOMEMA Sdn Bhd
  - Technology and Quality Control Centre (TQCC)
  - Organo (Asia) Sdn Bhd
  - Segar A/L Vengetaraman
  - S K Lorry Transport
  - Mycrop
  - G-Planter
  - Text Cycle Sdn Bhd
- d) Neighbouring Community /Plantation /Smallholders
  - Kampung Banggol Limau
  - Kampong Berjaya
  - Kampung Besar
  - Smallholders

e) Estate Community / Estate Representatives

- NUPW Secretary
- Women's Committee Chairman
- Temple Committee Chairman
- Surau Committee Chairman

The requests made will be processed / approved by Estate Sr Manager/Manager or Assistant Manager. Sighted the above request and others as stated in the log book effectively responded by estate management.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Criterion 3 Traceability**

**Indicator 1** The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).

**Summary** KLK has established Standard Operating Procedures (SOP) for Supply Chain No.18 (Rev.4/3) dated on 1<sup>st</sup> January 2020.

The purpose of this procedure is to establish a suitable identification and traceability of oil palm Fresh Fruit Bunch (FFB) production traceable from the plantation activities till dispatch of Palm Oil Mill

Sighted FFB flow chart from harvesting designated block to mill weighbridge (tickets), FFB harvesting supervision report, Standard operating procedure, In-field checking, reception and FFB grading

Verified bunch chit and weighbridge tickets that effectively carries the information of harvested Fresh Fruit Bunches (FFB).

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 2** The management shall conduct regular inspections on compliance with the established traceability system.

**Summary** All estates conduct the inspection on traceability system by daily. After the bunch counter/mandore check FFB at the platform. They will issue the bunch ticket. Then the supervisor/staff in charge will verify all the FFB record.

The regular inspection on compliance with the established traceability through;

- Random check conducted on platform/weighbridge tickets.
- Internal Audit conducted by KLK Sustainability Dept.

As evidence, sighted the "Executive Override Staff Verification" for FFB ripeness % Summary May 2020 done by staffs and executives.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 3** The management should identify and assign suitable employees to implement and maintain the traceability system.

**Summary** Person in charge for all records of traceability is available. Sighted the appointment letter :

- 1) Subur Estate  
The person in charge for traceability agenda is led by Mr. Mohd Fariz bin Medon (Estate Assistant Manager) and appointed on 03rd January 2020 by Mr. Chan Yik Loon (Estate Manager).
- 2) Buntar Estate  
The person in charge for traceability agenda is led by Mr. Hoi Kang Kyan (Estate Assistant Manager) and appointed on 02nd January 2020 by Mr. Mohd Khairul bin Rosni (Estate Manager).

There are trained by KLK Sustainability Department to maintained all the requirements.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 4** Records of sales, delivery or transportation of FFB shall be maintained.

**Summary** FFB being sell to Batu Lintang POM, own mill and being monitored by Marketing Department.

As evidence in Subur Estate, sighted the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by the both site (estate and mill).

- Date Delivery: 06/07/2020
- Weighbridge Ticket No: B163821
- Transporter: Yun Yit enterprise
- Driver name: Ahmad Masira bin Abdullah
- Weight: 30.59 MT

For Buntar Estate, sighted the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by the both site (estate and mill).

- Date Delivery: 21/07/2020
- Weighbridge Ticket No: A017819
- Transporter: Sri Rju Transport
- Driver name: Raguraju A/L Neelaswami
- Weight: 26.48 MT

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

## 2.3 Principle 3 : Compliance to legal requirements

### Criterion 1 Regulatory requirements

**Indicator 1** All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.

**Summary** The Company has established and updated SOP No. 2.0, Appendix 1, Issue/rev 2/1, dated 01.01.2020 with a Title: List & summary of applicable laws and regulations that are applicable for the estate. The Legal Register has been revised and approved by the respective person-in-charge (PIC) and the Estate Manager for the following estates;

Estate	Revision Date	PIC	Manager
Subur	24.03.2020	Sustainability Team	Mr Chan Yik Loon (Manager)
Buntar	24.03.2020	Sustainability Team	Mr Mohd Khairul Bin Rosni (Manager)

The applicable laws include:

1. Prevention and Control of Infectious Diseases Act 1988, Act 342
2. Occupational Safety and Health Act 1994 (Act 514)
3. Environmental Quality Act 1974 (Act 127)
4. Environmental Quality Act (Scheduled Waste Regulations) 2005
5. Factories and Machinery Act with regulations 1967 (Act 139)
6. Pesticides Act 1974 (Act 149)
7. Kementerian Perdagangan Dalam Negeri dan Hal Ehwal Pengguna
8. MPOB Act 1998 (Act 582)
9. Road Transport Act 1987 (Act 333)
10. Employees Social Security Act 1969 (Act 4)
11. Industrial Relations Act 1967 (Act 177)
12. Trade Union Act 1959 (Act 262)
13. Employees Provident Fund 1991 (Act 452)
14. Aboriginal Peoples Act 1954 (Act 134)
15. Arm Act 1960 (Act 206)
16. Human Rights Commission of Malaysia Act 1999 (Act 597)
17. Children and Young Persons (Employment) (Amendment) Act 2019
18. Commercial vehicles licensing Board Act 1987 (Act 334)
19. Destruction of Disease-Bearing Insects Act 1975 (Act 154)
20. Employment Act 1955 (Act 265)
21. Electricity Supply Act 1990 (Act 447)
22. Security offences (Special Measures) Act 2012 (Act 747)
23. Irrigation area Act 1953 (Act 386)
24. Land conservation Act 1960 (Act 385)
25. National Forestry Act 1984 (Act 313)
26. Estate Hospital Assistants (Registration) Act 1965 (Act 435)
27. National Heritage Act 2005 (Act 645)
28. Petroleum (Safety Measures) Act 1984 (Act 302)
29. Police Act 1967 (Act 344)
30. Malaysian Anti-Corruption Commission (Amendment) Act 2018



31. Protection of Wild Life Act 1972 (Act 76)
32. Weights and Measures Act 1972 (Act 71)
33. Passport Act 1966 (Act 150)
34. Industrial Relations Act 1967 (Act 177)
35. Workman Compensation Act 1952 (Act 273)
36. Street, Drainage and Building Act 1974 (Act 133)
37. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
38. Minimum Wages Order 2016 (MWO 2020 came into effect on 01.02.2020)
39. Wetlands and Climate Change 1999
40. Food Regulations 1985

The estates had implemented its Checklist (Workers Quarters Inspection) on weekly basis. Linesite inspection was carried out by the Estate Hospital Assistant as follow;

Estate	Staff/ EHA Name	Date of Visit
Subur Home Div	Mr Halim Bin Nanyan (EHA)	04, 11, 18 & 25.07.2020
Subur Sg Pulau Div	Mr Muhammad Hafiz Bin Azmi (Field Staff)	05, 12, 19 & 26.07.2020
Subur Norseman Div	Mr Mohamad Syafiq Bin Ahmad Syukri (Field Staff)	06, 13, 20 & 27.07.2020
Buntar	Mr Mohamad Faizol Bin Azwan (Field Staff), Mr Somu A/L Priasamy (Field Staff)	01, 07, 13, 19, 25 & 30.07.2020

The monthly Visiting Medical Officer visit are recorded in a VMO Visiting Record;

Estate	VMO Name	Date of Visit
Subur Home, Norseman & Sg Pulau Divisions	Dr Selvaraja Maniam	04 & 13.07.2020
Buntar	Dr T. Sakthi Yananthan	04 & 18.07.2020

The list is fully covered the requirements that related to MSPO compliance. These documents include information on laws, enforcement bodies, main requirement, environmental aspect, standard, fine, person in charge, and compliance status.

Also lists of permits available for estate. There are permits/licenses to be monitored and updated periodically such as permits/licenses for MPOB license, diesel, charge man certificate, fire hydrant, and etc. List of legal correspondences permit will be updated by all Person In-charge in all estates.

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

**Indicator 2** The management shall list all laws applicable to their operations in a legal requirement register.

**Summary**

The Legal Compliance Checklist – permits and licenses has been revised and approved by the respective person-in-charge (PIC) and the Estate Manager as follow;

Estate	Revision Date	PIC	Manager
Subur	23.07.2020	Puan Suriani Binti Shahrom (Chief Clerk)	Mr Chan Yik Loon (Manager)
Buntar	02.01.2020	Mr Hoi Kang Kyan (Assistant Manager)	Mr Mohd Khairul Bin Rosni (Manager)

For Subur Estate, the lists of permits/licenses which has to be monitored and updated periodically include;

1. Potongan Daripada Gaji Pekerja di bawah Seksyen 24 Akta Kerja 1955 – bagi tujuan “Potongan Yuran Union NUPW dengan kadar bayaran sebanyak (RM8.00) sebulan bagi seorang pekerja”, Ref No. JTK.PK.(1)PMT(SEK.24)10802 Jld.9(14) dated 09.05.2017.
2. Potongan Upah Daripada Gaji Pekerja di bawah Seksyen 24 Akta Kerja 1955 – bagi tujuan “Bayaran Insurans (GELA MB) dan Pendahuluan Gaji”, Ref No. (14) JTK.PK.(1)PMT(SEK.24)10802 Jld.5 dated 08.03.2013. Potongan hendaklah atas permintaan bertulis pekerja.
3. Potongan Upah Daripada Gaji Pekerja di bawah Seksyen 24(2) Akta Kerja 1955 – bagi tujuan Potongan Bayaran Bil Elektrik, Ref No. JTK.PK.(1)PMT(SEK.24)10802 Jld.12(6) effective 06.12.2017. Kadar potongan bil elektrik adalah sebanyak RM5.00 sehingga RM25.00 sebulan untuk seorang pekerja atau berdasarkan kadar sebenar penggunaan untuk rumah yang dikongsi bersama beberapa orang pekerja. Untuk rumah berkeluarga, kadar bayaran adalah kadar sebenar penggunaan elektrik. Semua bayaran hendaklah atas dasar domestic. Surat persetujuan yang ditandatangani oleh pekerja yang membenarkan potongan gaji hendaklah disimpan dan ditunjukkan kepada Ketua Pengarah pada bila-bila masa diminta olehnya.
4. Permit Barang Kawalan Berjadual (Peraturan-peraturan bekalan kawalan bekalan 1974, Peraturan 9(2), No.Siri P: A000353 for 14,500 liters diesel for a period of 30.08.2019 till 29.08.2020
5. Permit Khas Barang Kawalan Berjadual (Peraturan-peraturan bekalan kawalan bekalan 1974, Peraturan 9(2), No.Siri PK: A000551 for 20 liters petrol RON95 per day at PPK Batu Kurau (Shell) for a period of 24.04.2020 till 23.10.2020.
6. Lesen MPOB (menjual dan mengalih FFB) for 1,259ha, Ladang Subur, No Lesen 556577002000 for a period of 01.02.2020 to 31.01.2021.
7. Lesen MPOB (menghasilkan SLGBIJI, Menjual dan Mengalih SLGBIJI, Menyimpan SLGBIJI) for Nursery, Ladang Subur, No Lesen 613491011000 for a period of 01.07.2020 to 30.06.2021.
8. Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Air Receiver, No. Pendaftaran: PK PMT 2420 Ref PMT-PK/20 45024, Kelompok 980 kilo pascal expiring 05.04.2021.
9. Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Air Receiver, No. Pendaftaran: PK PMT 2421 Ref PMT-PK/20 45025, Kelompok 980 kilo pascal expiring 05.04.2021.

10. Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Air Receiver, No. Pendaftaran: PK PMT 2422 Ref PMT-PK/20 45026, Kelumpang 980 kilo pascal expiring 05.04.2021.
11. Weighbridge Stamping, Perakuan Penentuan Timbang dan Sukat, Akta Timbang dan Sukat 1972, No. Siri Alat: 184650498 for 60mt located at Home Division carried out by Metrology Corporation Malaysia Sdn Bhd on 24.07.2020.
12. Weighbridge Stamping, Perakuan Penentuan Timbang dan Sukat, Akta Timbang dan Sukat 1972, No. Siri Alat: 181950328 for 60mt located at Norseman Division carried out by Metrology Corporation Malaysia Sdn Bhd on 24.07.2020.
13. The renewal of Short Gun License under Mr Chan Yik Loon for the year 2020/2021 is in progress based on letter from Ibu Pejabat Polis Daerah Taiping, dated 30.07.2020.
14. Permit Kebenaran Menggunakan Bekalan Air Persendirian (Tubewell) di bawah Seksyen 6 (1) (a) Akta Standard-standard Minimum Perumahan dan Kemudahan Pekerja 1990” located at Subur Main Division effective 24.07.2020 till 23.07.2022.
15. Permit Kebenaran Menggunakan Bekalan Air Persendirian (Tubewell) di bawah Seksyen 6 (1) (a) Akta Standard-standard Minimum Perumahan dan Kemudahan Pekerja 1990” located at Subur Norseman Division effective 24.07.2020 till 23.07.2022.
16. Permit Kebenaran Menggunakan Bekalan Air Persendirian (Tubewell) di bawah Seksyen 6 (1) (a) Akta Standard-standard Minimum Perumahan dan Kemudahan Pekerja 1990” located at Subur Sg Pulau Division effective 24.07.2020 till 23.07.2022.
17. Registration Notice for Class Licence Bahagian Pelesenan & Tarif, Suruhanjaya Perkhidmatan Air Negara (SPAN), Jadual Kelima (Subperaturan 23(1), Water Services Industry Act 2006, Water Services Industry (Licensing) Regulations 2007, Suruhanjaya Perkhidmatan Air Negara, No. Lesen: SPAN/JKSP/PT/800-4(1)/9/16 and SPAN/JKSP/PT/800-4(2)/9/16 valid from 13.04.2020 to 12.04.2023.
18. List of Ladang Subur Main Division Fire Extinguisher Serial Number and Expired Date for 2020 valid until 13.11.2020 (13nos) updated by Puan Aziemah Binti Md Yaman on 09.07.2020.
19. List of Ladang Subur Norseman Division Fire Extinguisher Serial Number and Expired Date for 2020 valid until 08.05.2021 (13nos) updated by Puan Umi Kalsom Binti Hadi on 27.05.2020.
20. List of Ladang Subur Sg Pulau Division Fire Extinguisher Serial Number and Expired Date for 2020 valid until 08.05.2021 (10nos) updated by Siti Nasliza Binti Md Din on 27.05.2020.

For Buntar Estate, the lists of permits/licenses which has to be monitored and updated periodically include;

1. Lesen MPOB (menjual dan mengalih FFB) for 816ha, Ladang Buntar, No Lesen 565578002000 for a period of 01.11.2019 to 31.10.2020.
2. Lesen Tapak Semaian and CoPN are under process of application based on reference of email correspondence between MPOB secretariat COP with Manager of Buntar Estate on 27.07.2020.



3. Permit Barang Kawalan Berjadual (Peraturan-peraturan Kawalan Bekalan 1974, Peraturan 9(2), No.Siri P: K001092 for 13,600 liters diesel for a period of 12.03.2020 till 11.03.2021
4. Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Air Receiver Tank, No. Pendaftaran: KD PMT 1310, Ref No.: PMT-KD/20 25437, Kelumpang 862 kilo pascal expiring 27.04.2021.
5. Perakuan Kelayakan Pengandung Tekanan Tak Berapi – Air Receiver Tank, No. Pendaftaran: KD PMT 1311, Ref No.: PMT-KD/20 25438, Kelumpang 862 kilo pascal expiring 27.04.2021.
6. List of Fire Extinguisher Serial Number and Expired Date for 2020 valid until 19.02.2021 (16nos) updated by Mr Hoi Kang Kyan (Assistant Manager) on 02.01.2020.
7. Gun License (Lesen Memiliki Senjata dan Peluru), Serial No.: BB390 under the name of Mr Mohd Khairul Bin Rosni, I.C No.: 830713-10-5607 since 11.11.2018.
8. Potongan Insuran Berkelompok GELA - bagi tujuan "membuat potongan insuran berkelompok GELA pada setiap bulan mulai bulan Mac 2016 sebanyak RM10.00 based on letter from National Union Of Plantation Workers (NUPW), Ref No.: NUPW/KPPSB/SK/E/btr/16 dated 08.03.2016.
9. Potongan Yuran Kesatuan – bagi tujuan "Potongan Yuran Kesatuan pada setiap bulan mulai bulan Disember 2018 dengan kadar bayaran sebanyak (RM8.00) sebulan bagi seorang pekerja", Ref No. NUPW/KD/E14/03/20 dated 13.03.2020.
10. Potongan Upah Daripada Gaji Pekerja di bawah Seksyen 24 Akta Kerja 1955 – bagi tujuan Potongan Bil Air, Ref No. PMT/10203/2018/0032(3) effective 02.07.2018. Potongan hendaklah atas permintaan bertulis pekerja. Surat persetujuan yang ditandatangani oleh pekerja yang membenarkan potongan gaji hendaklah disimpan dan ditunjukkan kepada Ketua Pengarah pada bila-bila masa diminta olehnya. Sighted senarai nama pekerja beserta tanda tangan berhubung dengan potongan bil air, submitted by the Manager of Buntar Estate addressed to Penolong Pengarah Tenaga Kerja Kanan, Pejabat tenaga Kerja Kulim dated 16.05.2018.
11. Surat Sokongan Perlesenan LPG/ Produk Petroleum for Ladang Buntar untuk kuantiti dibenarkan sebanyak 13,600liter from Jabatan Bomba dan Penyelamat Malaysia Zon 3, Kedah Ref No.: JBPM/KD ZKM:700-5/1/20/113 dated 23.01.2018.

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

**Indicator 3** The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.

**Summary** SOP No.2.0 issue has specified any changes to legal requirements are tracked by means of periodic review and evaluation on the Laws & regulations list to ensure that any new/addition as well as changes and amendment are captured and update, through the following manner:

1. Enquiring the laws books publisher
2. Communication with law/enforcement officers
3. Website

List of legal correspondences permit will be updated by all Person In-charge in both estates.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 4** The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.

**Summary** The person in charge (PIC) to monitor compliance and to track and update the changes in regulatory requirements are as follow;

Estate	PIC	Manager	Letter Date
Subur	Mohd Fariz Bin Medon (Assistant Manager)	Mr Chan Yik Loon (Manager)	03.01.2020
Subur	Mr Ooi Poh Sheng (Assistant Manager)	Mr Chan Yik Loon (Manager)	10.03.2020
Buntar	Mr Hoi Kang Kyan (Assistant Manager)	Mr Mohd Khairul Bin Rosni (Manager)	02.01.2020

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

## **Criterion 2 Land use rights**

**Indicator 1** The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.

**Summary** The copy of land title is kept in the estate's office and were sighted during the audit, while the original copy is kept at the KLK Bhd HQ, Ipoh, Perak.

For Subur Estate, the land title details as tabulated below;

Lot No	Land Title (Ha)	Acquisition (Ha)	Quit Rent (Ha)	Syarat Nyata	Cukai tanah (RM)
1978	123.0698	0.5188	122.5510	Pertanian	11,818.00
2751	81.6452		81.6452	Tapioca prohibited	7,844.00
2819	210.7400		210.7400	Commercial crop	21,080.00
2925	30.6290		30.6290	Commercial crop	2,186.00
2926	18.4760		18.4760	Commercial crop	814.00
3447	9.0370		9.0370	Tapioca prohibited	401.00
4035	0.6171		0.6171	Getah/ Kelapa sawit	28.00

4599	47.1584		47.1584	Getah & Kelapa	4,720.00
4801	4.3933		4.3933	Nil	194.00
5044	4.0468		4.0468	Nil	181.00
5550	185.3426		185.3426	Getah/ Kelapa sawit	18,540.00
5717	92.9764	2.1116	4.2010	Tapioca prohibited	207.00
5717			86.6800	Tapioca prohibited	8,670.00
5719	77.5225	1.2531	76.2694	Pertanian	7,450.00
6069	0.3045		0.3045	Nil	16.00
6070	0.4725		0.4725	Nil	20.00
6071	0.2363		0.2363	Nil	12.00
6072	0.8422		0.8422	Nil	36.00
10518	148.8000	4.3882	144.4118	Nil	14,295.00
5504, 5506, 5520, 5522	261.8297		261.8252	Getah/ Kelapa sawit	26,190.00
Total	1,298.1393	8.2717	1,289.8793		124,702.00

Note: Lot 4599 (Getah & Kelapa) conversion to Oil Palm is in progress via email from Mr Tnyamuthu A/L Thomas – Admin Executive) dated 06.06.2018 and follow-up letter from the estate to Mr Tnyamuthu A/L Thomas on 15.01.2020.

Verified evidence of annual payment of quit rent for 2019 paid to the Bendahari Negeri Perak, Pejabat Tanah Daerah Larut & Matang (Lampiran A) amounted to RM124,702.00 for 1,289.8793ha.

Land acquisition at Subur Estate had involved Lot 1978, 5717, 5719 & 10518 for an area of 8.2717ha based on Borang K, endorsed by Pejabat Tanah Daerah Larut Matang, Perak.

For Buntar Estate, the land title details as tabulated below;

Lot No	Land Title (Ha)	Acquisition (Ha)	Quit Rent (Ha)	Syarat Nyata	Cukai tanah (RM)
106	99.9271		99.9271	Kelapa sawit	14,990.00
1052	24.5341		24.5336	Nil	1,841.00
1053	55.4238		55.4238	Nil	8,314.00
1073	105.2563		105.2563	Kelapa sawit	15,789.00
1074	52.5282		52.5282	Kelapa sawit	7,880.00
1075	5.5037		5.5037	Kelapa sawit	276.00
1076	2.1144		2.1144	Kelapa sawit	64.00
1077	30.6094		30.6094	Kelapa sawit	2,296.00

1078	144.7422		144.7422	Nil	21,712.00
1079	17.3189		17.3189	Kelapa sawit	1,299.00
2833	3.1770		3.1770	Kelapa sawit	96.00
2834	3.0629		3.0629	Kelapa sawit	92.00
2835	3.0593		3.0593	Kelapa sawit	92.00
Sub-Total	547.2573	0.000	547.2568		74,741.00
13	3.0499		3.0499	Kelapa sawit	122.00
4257	174.5173	0.9305	173.4088	Getah/KSawit	26,178.00
4258	1.0772		1.0773	Kelapa sawit	36.00
4260	1.8084		1.8084	Kelapa sawit	74.00
4326	0.9079	0.0821	0.7020	Kelapa sawit	25.00
4327	4.4714	0.5774	3.9004	Kelapa sawit	207.00
4886	0.6980	0.0854	0.6127	Kelapa sawit	21.00
5034	0.5800	0.0282	0.5519	Kelapa sawit	17.00
5036	0.6643	0.0500	0.6143	Kelapa sawit	19.00
5061	27.9054		27.9054	Kelapa sawit	2,093.00
6748	137.4000		137.4000	Getah/KSawit	20,610.00
Sub-Total	353.0798	1.7536	351.0311		49,402.00
Total	900.3371	1.7536	898.2879		124,143.00

Eleven (11) land titles i.e. Lot 13, 4257, 4258, 4260, 4326, 4327, 4886, 5034, 5036, 5061 and 6748 are under the ownership of Palermo Corporation, a Subsidiary Company of Kuala Lumpur Kepong Berhad. The rest are under the Ownership of Kuala Lumpur Kepong Berhad.

Verified evidence of annual payment of quit rent for 2019 paid to the Pentadbir Tanah Daerah Bandar Baharu, Pejabat Tanah Daerah Bandar Baharu, Kulim Kedah (Lampiran A) amounted to RM124,143.00 for 898.2879ha.

Land acquisition at Buntar Estate had involved Lot 4257, 4326, 4327, 4886, 5034 & 5036 for an area of 1.7536ha based on Borang H, Akta Pengambilan Tanah, 1960 (Seksyen 16) dd. 08.07.2015, 14.09.2014 (3 lot), 18.08.2014 & 06.08.2015 endorsed by Pejabat Tanah Daerah Bandar Baharu Kulim, Kedah.

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

**Indicator 2** The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.

**Summary** The estate has demonstrated legal ownership of its land by having legal land titles to the land. The copy of land title is kept in the estate's office and was sighted during the audit.

All the land titles for Subur Estate are under the ownership of Kuala Lumpur Kepong Berhad while 11 out of 24 land titles for Buntar Estate was under the ownership of Palermo Corporation i.e. a Subsidiary Company of Kuala Lumpur Kepong Berhad.

The detail of Estates Area Statement is tabulated below;

Description	Subur (Ha)	Buntar (Ha)
Mature Oil Palm	997	675
Immature Oil Palm	262	140
Mature Rubber		
Immature Rubber		
Nursery	2	1
Building site, roads, etc.	16	28
Wasteland and Swamps	13	27
Conservation area		
Immature Mahogany		11
Immature Khaya		17
Total as per Titled	1,290	899

Note: Area statement declared without decimal point.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 3** Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.

**Summary** The Boundary Markers Monitoring Checklist for the Estate has been updated by the following Person-In-Charge;

Estate	PIC	Revised Date	No. of Boundary Marker
Subur	Mr Mat Hussain Bin Deraman	19.07.2020	42
Subur (Norseman Div)	Mr Muhammad Syafiq Bin Ahmad Syukri	30.07.2020	89
Subur (Sg Pulau Div)	Mr Muhammad Hafiz Zafri Bin Azmi	25.07.2020	75
Buntar	Mr Hoi Kang Kyan (Assistant Manager)	16.06.2020	39

The identification of Boundary markers/stones has been carried out in stages. As a sample evidences, some of the coordinates determined by the estates are;

Estate	Boundary ID No.	GPS Coordinate
Subur	112	5°02'19.0433" N, 100°47'19.8995" E
Subur (Norseman Div)	170	4°58.06'75.710" N, 100°45'14.76696" E
Subur (Sg Pulau Div)	101	5°00'13.78995" N, 100°47'20.65776" E
Buntar	117	5°09'38.44996" N, 100°36'14.53050" E

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 4** Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).

**Summary** No disputes have been recorded in the estate area. There is no evidence of conflict present in this estate. There is no violence on instigated violence in maintaining peace because company has a clear procedure for land conflict.

Estates land fully owned by Kuala Lumpur Kepong Berhad.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

### **Criterion 3 Customary rights**

**Indicator 1** Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.

**Summary** There is no customary land within or surrounding the estates. There are also no land disputes or claims involving the estates. The company has proper legal land titles for the land ownership.

Estates land fully owned by Kuala Lumpur Kepong Berhad.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 2** Maps of an appropriate scale showing extent of recognized customary rights shall be made available.

**Summary** There is no customary land within or surrounding the estates. There are also no land conflict or disputes recorded by the estate. The estate land titles and ownerships are legally identified and documented.

Estates land fully owned by Kuala Lumpur Kepong Berhad.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 3** Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.

**Summary** There is no land conflict or disputes recorded by the estate. The estate land titles and ownerships are legally identified and documented.

Estate land fully owned by Kuala Lumpur Kepong Berhad.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

## 2.4 Principle 4 : Social responsibility, health, safety and employment condition

### Criterion 1 Social impact assessment (SIA)

**Indicator 1** Social impacts should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.

**Summary** KLK Berhad has reviewed the Sustainability Manual which includes the SOP No. 13: In-House Social Impact Assessment (SIA); Dated 01-01-2020.

Latest SIA report conducted for Internal Stakeholder is dated 27<sup>th</sup> April 2020, with 133 sets of questionnaires were distributed. Estate reviewed the Baseline SIA for Internal Stakeholders in year 2020 which covered for:

- Section A: Access and use rights
- Section B: Economic Livelihoods and Working Conditions
- Section C: Cultural and Religious Value
- Section D: Health and Education Facilities
- Section E: Subsistence activities
- Section F: Amenity
- Section G: Employment
- Section H: Human Rights
- Section I: Food and Water Security

As sampled:

Questionnaire
100% (133/133) respondents stated that the management provided them with free PPE such as safety helmet, rubber shoes and gloves.
Enhancement plan
Management will continue to provide free PPE to all workers according to their work needs.
Evidence
Sighted the PPE record is made available at site.

Management had developed an Enhancement plan to promote positive impacts and mitigate negative impacts resulting from the assessment.

Sighted latest stakeholder meeting minutes record dated 24/02/2020, conducted at Home division, Ladang Subur. Meeting minutes is prepared by En. Mohd Fariz bin Medon, Asst Manager Ldg Subur, and reviewed by Mr Chan Yik Loon, Estate Manager.



Stakeholder meeting attended by 27 external stakeholders and evidenced of the attendance are recorded which includes; BOMBA, MPOB, PERHILITAN, JPJ, village representatives, NUPW representatives and representatives from Balai Polis Batu Kurau.

For Buntar Estate, latest SIA report conducted for Internal Stakeholder is dated 16<sup>th</sup> March 2020, with 99 sets of questionnaires were distributed. Estate reviewed the Baseline SIA for Internal Stakeholders in year 2020 which covered for:

- Section A: Access and use rights
- Section B: Economic Livelihoods and Working Conditions
- Section C: Cultural and Religious Value
- Section D: Health and Education Facilities
- Section E: Subsistence activities
- Section F: Amenity
- Section G: Employment
- Section H: Human Rights
- Section I: Food and Water Security

As sampled:

<b>Questionnaire</b>
100% (99/99) of the respondents stated that their freedom of movement was not restricted by the management
<b>Enhancement plan</b>
Management to continue the current practice where no restriction on worker's freedom of movement as stipulated in KLK Sustainability Policy.
<b>Evidence</b>
Sighted records on training for Sustainability Policy is made available to all workers.

Management had developed an Enhancement plan to promote positive impacts and mitigate negative impacts resulting from the assessment. Sighted records on latest stakeholder meeting conducted at Club House, Batu Lintang Estate on 19/02/2020. Meeting minutes is prepared by Mr Ravi a/l Kanniah (Asst Manager) and reviewed by Mr Yeo Boon Keat, Batu Lintang POM Manager. Meeting minutes dated 20/2/2020.

Stakeholder meeting attended by 84 external stakeholders and evidenced of the attendance are recorded which includes; Pejabat Kesihatan Bandar Baharu, TNB Bandar Baharu, Kedai Runcit, MPOA representatives, Temple representatives, smallholders, contractors, NUPW Kedah, Village representatives and PUSPEN.

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

## **Criterion 2 Complaints and grievances**

**Indicator 1** A system for dealing with complaints and grievances shall be established and documented.

## Summary

KLK Berhad has established the Stakeholders Engagement / Negotiation Procedure, revised 4/3, dated on 01.01.2020 which covers the complaint and grievance procedures.

SOP has outlined the

- request & response,
- consultation & communication
- complaint & grievance

Mechanism in order to handle issues highlighted by stakeholder, Communication and consultation process are communicated through training programs and the records with attendance list are sighted.

Sampled briefing on the procedures to the workers has been incorporated during the KLK Sustainability Briefing conducted on 22/02/2020.

For external communication, the management provide the information and the implementation takes place during the stakeholder meetings. At this moment, no negative complaints made by internal/external stakeholders.

There are 5 grievances channel available under this procedure:

- Grievances forms available at KLK website
- By calling the hotline number
- By email
- By post to head office
- By dropping it into the suggestion boxes

Briefing on the procedures to the workers (Subur Estate) has been incorporated during the KLK Sustainability Briefing conducted on:

- Home division: 27/2/2020
- Sg Pulau Division: 26/2/2020
- Norseman Division: 25/2/2020
- Briefing was conducted by Mr Gurvin (Sustainability Executive).

For external communication, the management provide the information and the implementation takes place during the stakeholder meetings. At this moment, no negative complaints made by internal/external stakeholders.

Sighted latest stakeholder meeting minutes record dated 24/02/2020, conducted at Home division, Ladang Subur. Meeting minutes is prepared by En. Mohd Fariz bin Medon, Asst Manager Ldg Subur, and reviewed by Mr Chan Yik Loon, Estate Manager.

Briefing on the procedures to the workers has been incorporated during the KLK Sustainability Briefing conducted on 04/02/2020.

For external communication, the management provide the information and the implementation takes place during the stakeholder meetings. At this moment, no negative complaints made by internal/external stakeholders.

Sighted records on latest stakeholder meeting conducted at Club House, Batu Lintang Estate on 19/02/2020. Meeting minutes is prepared by Mr Ravi a/l Kanniah (Asst Manager) and reviewed by Mr Yeo Boon Keat, Batu Lintang POM Manager. Meeting minutes dated 20/2/2020.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 2** The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.

**Summary** KLK Berhad has reviewed the Sustainability Manual which includes the Stakeholder Engagement / Negotiation Procedure. SOP 1; Issue/Rev 4/3; Date 1st January 2020.

The SOP elaborates on the mechanism of handling through Identification > Engagement> Review. As stated in the SOP (Flow: Engagement), (Para 3.0: Complaint & grievance (C&G)), the Manager are appointed to be in-charge to ensure that all complaint & grievances are verified, investigated and communicated to the respective stakeholder. This would include the action(s) initiated thereafter and the respective timeframe.

Any disputes could be lodged through either 5 channels available (Para 3.0: Complaint & grievance (C&G):

1. Grievance form available at [www.klk.com.my](http://www.klk.com.my) or scan QR code to download the form.
2. Hotline: +605-2408000 (extension 2201)
3. email: [hr@klk.com.my](mailto:hr@klk.com.my)
4. Post to: Head office
5. Dropping into the Suggestion Boxes

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 3** A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.

**Summary** Sighted the records in the Stakeholders Log Book for mill complaint/grievances. Most internal request / complaints are basically house maintenance works and rectified by Management. Workers able to explain their understanding on the complaint procedure. They may reach to the management if there are any complaint needed to be raised. Complaint form is made available at main office.

KLK ensures all grievances from external stakeholders relating to the implementation of its Sustainability Policy within its operation and across its supply chain are handled via this grievance procedure. It outlines a clear, transparent and impartial methodology in dealing with the grievances throughout the entire process. KLK views such feedback and input to be important to have a meaningful gauge on the effectiveness in the implementation of its Sustainability Policy. Grievances may be submitted via the following channels to:

- The Grievance Officer

- Website: e-Grievance Form
- Mail: Sustainability Department
- Wisma Taiko, No 1, Jalan S.P. Seenivasagam, 30000 Ipoh, Perak, Malaysia
- Fax: +605-240 8118
- Official website: <http://www.klk.com.my>.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 4** Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.

**Summary** KLK Berhad has reviewed the Sustainability Manual which includes the Stakeholder Engagement / Negotiation Procedure. SOP 1; Issue/Rev 4/3; Date 1st January 2020.

For external communication, the management provide the information and the implementation takes place during the stakeholder meetings. At this moment, no negative complaints made by internal/external stakeholders.

As evidence:

- 1) Subur Estate  
Sighted latest stakeholder meeting minutes record dated 24/02/2020, conducted at Home division, Ladang Subur. Meeting minutes is prepared by En. Mohd Fariz bin Medon, Asst Manager Ldg Subur, and reviewed by Mr Chan Yik Loon, Estate Manager.
- 2) Buntar Estate  
Sighted records on latest stakeholder meeting conducted at Club House, Batu Lintang Estate on 19/02/2020. Meeting minutes is prepared by Mr Ravi a/l Kanniah (Asst Manager) and reviewed by Mr Yeo Boon Keat, Batu Lintang POM Manager. Meeting minutes dated 20/2/2020.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 5** Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.

**Summary** Sighted records of Stakeholders complaint forms dated from 2019/2020 and record is fully filled up and filed. All the complaints resolved.

No negative complaints made by external stakeholders within last 24 months.

The internal stakeholder's complaint is usually on repairing at the workers quarters such as sampled "Permintaan & Maklum Balas" is:

- Nama: Saravanan (No.16)
- Perkara: Bumbung Bocor
- Tarikh: 20/7/2020
- Cadangan Tindakan: Akan memanggil kontraktor yang dilantik untuk membaiki kebocoran bumbung.

- Tindakan: Kerja pembaikan telah siap dijalankan
- Tarikh / Pengesahan: 21/7/2020

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Criterion 3 Commitment to contribute to local sustainable development**

**Indicator 1** Growers should contribute to local development in consultation with the local communities.

**Summary** All estates are committed and have contributed to the communities. As evidence:

- 1) Subur Estate:  
The estate management has contributed to the internal and external communities. Contribution records were signed as below:
  - Regional 9 A side football tournament 2020
- 2) Buntar Estate:  
The estate management has arranged CSR program for their internal and external stakeholders.
  - CSR Clorox Linesite dated 29/3/2020
  - Covid 19 Rice and cooking oil dated 28/3/2020

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Criterion 4 Employees safety and health**

**Indicator 1** An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.

**Summary** Sighted the Occupational Safety & Health Policy. Issue/Revised 3/2, dated 1<sup>st</sup> January 2020. Approved by Mr. Patrick Kee Chuan Peng (Group Plantations Director).

The OSH Policy is in Bahasa Malaysia and English that can be easily understood by all levels of its employees. This policy is displayed in all the offices and on notice boards. This policy being adhered to with regards to the implementation of (OSH) requirements within the company.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 2** The occupational safety and health plan shall cover the following:

- a) A safety and health policy, which is communicated and implemented.
- b) The risks of all operations shall be assessed and documented.
- c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:
  - i) all employees involved shall be adequately trained on safe working practices; and
  - ii) all precautions attached to products shall be properly observed and applied.

- d) The management shall provide the appropriate personal protective equipment (PPE) at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).
- e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.
- f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.
- g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meetings are kept and the concerns of the employees and any remedial actions taken are recorded.
- h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.
- i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.
- j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.

## Summary

Sighted the Occupational Safety & Health Policy. Issue/Revised 3/2, dated 1<sup>st</sup> January 2020. Approved by Mr. Patrick Kee Chuan Peng (Group Plantations Director).

The OSH Policy is in Bahasa Malaysia and English that can be easily understood by all levels of its employees. This policy is displayed in all the offices and on notice boards. This policy being adhered to with regards to the implementation of (OSH) requirements within the company.

HIRARC is consist of hazard identification (type of work activity, hazard & effect), Risk analysis (Existing risk control, likelihood, severity & risk) & Risk Control (Recommended control measures & PIC appointed are Staff or Executive).

Latest HIRARC (Subur Estate) reviewed was conducted on 2<sup>nd</sup> January 2020 upon accident happen at harvesting area. For Buntar Estate, latest HIRARC reviewed is done on 1st January 2020 conducted by Mr. Mohd Khairul bin Rosni (Estate Manager) together with KLK OSH Dep.

Annual training programme plan for Subur Estate for the year 2020 on safety aspects sighted.

No.	Training	Target Date
1	KLK Sustainability Briefing	Jan 2020
2	KLK Code of Conduct for Employees	April 2020
3	Briefing on triple rinse and piercing	May 2020
4	Briefing on implementation of IPM	June 2020

6	Briefing on Scheduled Waste management	September 2020
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During field visit to the Spraying activity area, sighted the workers have been trained with safety and the workers wear the PPE required by his works. Sighted records on training for spraying which was conducted on 23/07/2020.

Sighted records on PPE provided to the workers in the PPE Issuance record for Weeders, Harvester and sprayers. PPE are provided as recommended in the HIRARC available

PPE Issuance and replacement record is made available. As interviewed workers, PPE will be provided by the estate management. Sighted the PPE issuing records for

- a. Sprayer
- b. Manuring operator
- c. Harvester

SOP Chemical Handling is made available as referred to "Prosedur Kerja Selamat – Aktiviti Kerja: Pengendalian Bahan Kimia" – Rev 02/2015.

As evidence, sighted training for chemical sprayers and manuring operators (Subur Estate) based on SOP conducted on 17/02/2020 and 15/03/2020. Sighted the training attendance record and photographs as evidence.

Latest Chemical Exposure Monitoring report (Subur Estate) is made available dated 15<sup>th</sup> June 2019 with the reference for CHRA report : HQ/14/ASS/00/357-2018/095. Report was prepared by Mr Sugunish Sukumaran (competent person).

The latest CHRA (Subur Estate) was conducted on 29<sup>th</sup> February 2016 and expires on 22<sup>nd</sup> November 2017 and Medical Surveillance Report for the year 2019 by Dr.T Sakthi Yananthan MD – DOSH: HQ/12/DOC/00/262 are made available.

Sighted the Medical Surveillance Report for the year 2020 by Dr. Nazatul Shiha dated 21/02/2020 for Subur Estate.

Sighted an appointment letter for the person in charge for OSH matters, Mr Chan Yik Loon (Manager) dated 26<sup>th</sup> January 2020, appointed by Mr. Tee Ming Chong (General Manager).

Sighted an OSH Meeting minutes are recorded and latest OSH meeting was conducted 29<sup>th</sup> June 2020 attended by 14 personnel. Next OSH Meeting to be conducted on September 2020.

ERP (Emergency response plan) include the emergency contact number, Emergency Respond Plan Procedure and exit routes are made available in file and notice board.

First Aid Kit Training was conducted by Hospital Assistant En Halim on 8<sup>th</sup> July 2020 to in total of 6 First Aid Box holder has been trained.



JKKP 8 has been submitted on 11/01/2020. Seen the acknowledgement letter [Akuan Terima] from DOSH. Reference no: JKKP 8/46913/2019. Three accidents recorded as:

- Ajay Kumar (R 6195444) – submitted JKKP 6 on 23<sup>rd</sup> June 2019
- Ajay Kumar (R 6195444) – submitted JKKP 6 on 11<sup>th</sup> February 2019
- Muhammad Afizur Rahman (BM 0702130) – submitted JKKP 6 on 13<sup>th</sup> February 2019.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

<b>Criterion 5 Employment conditions</b>
<b>Indicator 1</b> The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.

**Summary** KLK has established Sustainability Manual which include the policy as referred to: Title: Policy, Issue/Rev: 3/2 date: 01-01-2020.

Para 2: Social – Workplace and Communities elaborate on the KLK commitment to the:

- 2.1: Respect and Recognise the rights in workplace
- 2.2: Respect the Rights of Indigenous and Local Communities
- 2.3: Facilitate the inclusion of smallholders/farmers into the supply chain

Communication of the policy to workforce is carried out as during the Sustainability Policy briefing and the "KLK Sustainability Policy" is displayed in notice boards inside the office as well as outside the office. The policy also publicly available through the official website: <http://www.klk.com.my>.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

<b>Indicator 2</b> The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.
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**Summary** The equal opportunity policy is available in KLK Sustainability Policy dated 30<sup>th</sup> August 2018 signed by CEO Tan Sri Dato' Seri Lee Oi Hian.

The Policy is displayed in notice boards inside the office as well as outside the office. The policy also publicly available through the official website: <http://www.klk.com.my> All workers enjoy the same scale of pay and provided with equal housing and work facilities.

No evidence of discrimination based on race, skin color, religion, gender, national origin, ancestry, disability, marital status, and sexual orientation was found in the estate. Communicated to internal and external stakeholders during stakeholders meeting.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

<b>Indicator 3</b> Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should
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be sufficient to meet basic needs and provide some discretionary income based on minimum wage.

### Summary

Pay and conditions are documented in the appointment letter of the staff and workers. Interview with both estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. No confinement history and no illegal or forced deduction as per this audit period.

The salary is according to 'Guidelines on the Implementation on the Minimum Wages Order 2020'. The workers will receive wages RM1,100 per month. However, new amendment has come into force where the minimum wages standard has been increased from RM 1,100 to RM 1,200. KLK Berhad responded to this new amendment and has exercised this effectively from June 2020 onwards.

As sampled taken:

Mr. A – General Worker (Subur Estate)

JUNE 2020		
Earnings:		
Basic payment	RM46.15 x 23 days	RM1061.45
KO		
Overtime	RM8.6545 x 33	RM285.60
Cuti am		RM42.81
		<b>RM1,389.86</b>
Deduction:		
Advance		RM300.00
Electric		RM3.70
<b>Net Salary</b>		<b>RM1,086.16</b>

Ms B - General Worker (I/c: 5464)

JUNE 2020		
Earnings:		
Basic payment	RM46.15 x 21 days	RM969.15
KO	RM18.80 x 37	RM695.60
Overtime	RM8.6529 x 87	RM752.80
Cuti am		RM84.62
		<b>RM2,502.17</b>
Deduction:		
Advance		RM300.00
Water		RM4.95
NUPW		RM11.00
Insuran		RM20.00

KWSP		RM194.00
PERKESO		RM12.75
EIS		RM5.10
<b>Net Salary</b>		<b>RM1,954.37</b>

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

**Indicator 4** Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.

**Summary** The salary is according to 'Guidelines on the Implementation on the Minimum Wages Order 2020'. National Wages Consultative Council Act 2011 (Act 732) Malaysian minimum salary is RM1,100.00 – RM1,200.00 as stated in the guidelines.

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

**Indicator 5** The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.

**Summary** Each operating unit's management has kept their employees' personal details in their personal file. This information includes the name, ID number (passport or IC number), date of birth, place of origin, job description, wages and etc.

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

**Indicator 6** All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.

**Summary** Contracts for local and Indonesian foreign workers were sampled. The terms and conditions of employment are contained in the employment contracts and include duration of employment, , salary, working hours, medical benefits, accommodation, annual leave, sick leave, termination of service, and other benefits provided (housing, employment cost, etc).

For contracts that were prepared in Bahasa, explanation and briefing were given to the workers prior to signing. A copy of employment contract is given to the individual worker and this was further confirmed by the workers during interviews.

Employment contract has been translated into different language followed by the nationality, at Subur Estate as seen for:

- Md Mostafa (Bangladeshi), contract is available in Bangla Language [Version 1.0\_2019].

Employment contract has been translated into different language followed by the nationality, at Buntar Estate as seen for:

- Mohammad Ismail Hossain (Bangladeshi), contract is available in Bangla Language [Version 1.0\_2019].
- Muhammad Yusuf Haidir (Indonesian), contract is available in Bahasa Indonesia [Version 1.0\_2019]

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 7** The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.

**Summary** Working hours is 8 hours. From Monday to Saturday. Total monthly working hours is 208 hours. The overtime maximum is 104 hours according to Malaysian Law.

During site visit, sighted above data displayed at notice board. Barcode Scan time chit being use for the workers attendance record.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 8** The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.

**Summary** Working hours allowed as per described in the contract agreement is 8 hours per day. The time break was brief by the estate/mill representative during the muster call. The workers can demonstrate a good understanding regarding on the overtime rate and the payment was made accordingly. Pay slip was made available to the audit team. Sighted the item such as basic salary, over time, deductions and etc. The calculation for over time was clearly stated in the pay slip.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 9** Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.

**Summary** Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid according the stipulated minimum wage and that they understand all the deductions being made.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 10** Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.

**Summary** All workers have been provided with medical and accident insurance. Since 1<sup>st</sup> Jan 2019 foreign worker are cover under SOCSO.

With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations.



**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 11** In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.

**Summary** All employees are provided with a house complete with house facilities. Any damages will bare by the estate management. Site visit to the resident area shows that house provided is habitable as per guided by the Workers Minimum Standards Housing & Amenities Act 1990.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 12** The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.

**Summary** In KLK Sustainability Policy dated 30<sup>th</sup> August 2018 signed by CEO Tan Sri Dato' Seri Lee Oi Hian. The Policy is displayed at the office notice boards.

For all estates, the appointment letter was given to the woman committee and signed by the respective estate managers. The committee will serve for 2 years.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 13** The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.

**Summary** The policy is available In KLK Sustainability Policy dated 30<sup>th</sup> August 2018 signed by CEO Tan Sri Dato' Seri Lee Oi Hian.

The policy is displayed in notice boards inside the office as well as outside the office. The policy also publicly available through the official website: <http://www.klk.com.my/> Local or foreign workers are given the freedom which it is an optional for them to join worker union formed in estate. Interview with both estates asst. Confirmed that foreign workers are allowed to join Union if any.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 14** Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children and young persons is acceptable on family farms, under adult supervision, and when not interfering with their education. They shall not be exposed to hazardous working conditions.

**Summary** The policy on children and young persons is available In KLK Sustainability Policy dated 30<sup>th</sup> August 2018 signed by CEO Tan Sri Dato' Seri Lee Oi Hian.

The Policy is displayed in notice boards. The policy also publicly available through the official website: <http://www.klk.com.my>. It is communicated to internal and external stakeholders during stakeholders meeting.

The company has established and implemented minimum age policy and no child labor. Interviews with workers and staff confirmed that there is no children employed in estate. There are no children below ages of 18 working in the estate at time of audit.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

#### **Criterion 6 Training and competency**

**Indicator 1** All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.

**Summary** All estates have established a comprehensive annual OSH training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers.

Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training. Sample of the training programme includes:

- KLK Sustainability Briefing
- Briefing on Employment contract, MAPA/NUPW agreement
- KLK code of conduct for employees
- Briefing on triple rinse and piercing
- Briefing on Scheduled waste management

Sampled Training records for Subur Estate are:

<b>No.</b>	<b>Training</b>	<b>Status</b>
1	KLK Sustainability Briefing	Conducted on 27/2/2020
2	Briefing on MAPA/NUPW Agreement 2019	Conducted on 2/3/2020
3	KLK Code of Conduct for employees	Conducted on 1/4/2020
4	Briefing on triple rinse and piercing	Conducted on 4/5/2020
5	Briefing on Implementation of integrated pest management (IPM)	Conducted on 14/6/2020

Sampled Training records for Buntar Estate are:

No.	Training	Status
1	KLK Sustainability Briefing	Conducted on 4/2/2020
2	KLK Code of Conduct for employees	Conducted on 4/2/2020
3	Briefing on triple rinse and piercing	Conducted on 12/1/2020

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 2** Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.

**Summary** Each operating unit has identified the training need for each of their employees and each employee were given training or briefing based on their work station or job description. This may include from the management until the general workers. Training needs analysis and training program were made available to the audit team and the audit team has confirmed that all employees were scheduled to attend a training related to their job or work station.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 3** A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.

**Summary** All workers involved in the operations have been adequately trained in safe working practice. Both estates have a comprehensive annual training plan for its staffs and workers and this was sighted in the training records file for each staffs and workers. The training plan for 2019/2020 was sighted.

Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the training. Sample of the training programme:

- 1) KLK sustainability policy briefing, programmed on March 2020.
- 2) KLK code of conduct for employee programmed on Oct 2020.
- 3) Briefing on MAPA/NUPW agreement 2019
- 4) Briefing on triple rinsing and piercing
- 5) Briefing on implementation of IPM
- 6) Briefing on water sampling procedure
- 7) Briefing on scheduled waste management.
- 8) Post arrival orientation training

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable



## 2.5 Principle 5 : Environment, natural resources, biodiversity, and ecosystem services

### Criterion 1 Environmental management plan

**Indicator 1** An environmental policy and management plan which shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.

**Summary** Kuala Lumpur Kepong (KLK) Berhad has revised its policy on Environmental in the KLK Sustainability Policy which applies to all its subsidiaries signed by Chief Executive Officer, Tan Sri Dato' Seri Lee Oi Hian on 30.08.2018.

Based on the Environmental Policy, the Company is committed towards the implementation of the following practices:

1. No Deforestation
2. Protection of Peatlands
3. No Burning - Practice a strict No Burning policy in all KLK operations including new plantings and re-plantings.
4. Protecting High Conservation Value Areas
5. Reduce Net Emissions of Greenhouse Gas ("GHG")

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 2** The environmental management plan shall cover the following:  
a) An environmental policy and objectives;  
b) The aspects and impacts analysis of all operations.

**Summary** KLK Berhad has established the SOP 10.0 - "Environmental Aspect & Impact Assessment" Issue/Rev 3/2 dated 01.01.2020 prepared by the Sustainability Department with the objective to identify all activities or aspects of the Estate/ Palm Oil Mill that have impact to the environment.

The estates management has conducted environmental aspect and impact assessment for all its' activities in year 2020. The environmental assessment findings are recorded in document titled "Environmental Aspect & Impact Assessment (EAIA), Environmental Management Plan (EMP) & Waste Management Plan (WMP) SOP 10.0, Appendix 1.0, Issue/Rev 3/2 prepared and approved by the following personnel;

Estate	Revision Date	PIC	Manager
Subur	03.01.2020	Mr Mohd Fariz Bin Medon (Assistant Manager)	Mr Chan Yik Loon (Manager)
Buntar	15.03.2020	Mr Hoi Kang Kyan (Assistant Manager)	Mr Mohd Khairul Bin Rosni (Manager)

The environmental aspect & impact assessment (EAIA) register has identified columns for Major Activity, Waste Generated, Aspect, Impact, Risk assessment (likelihood (L),

Consequence (C), Rating (LXC) & Management plan required (Y/N). EAIA is being reviewed on annual basis.

The environmental aspect & impact assessment has covered 24 keys process/Area and its Major Activity includes;

1. Chemical Premix Area - Chemical mixing, PPE washing, triple rinse
2. Chemical Store - Intake and issue of Class 1,2,3 and 4 chemicals
3. Clinic – provides treatment to patients
4. Diesel tank – diesel handling during intake and issue
5. Empty chemical containers store – storage and disposal of triple rinsed empty chemical containers
6. Empty fertilizer bags store – storage of empty fertilizer bags
7. Fertilizer store – intake and issue of fertilizer
8. FFB Collection – FFB loading at platform
9. Grass cutting activity – grass cutting at line site, cemetery, office area
10. Harvesting – frond/ bunch cutting
11. Immature maintenance – spraying and manuring
12. Landfill – transportation & dumping of domestic waste
13. Mature maintenance – spraying/ mist blowing and manuring
14. Mechanization (Longstar/ Power Barrow) – bunch/ loose fruits collection
15. Nursery – watering, spraying, manuring
16. Office/ crèche/ linesite – disposal of rubbish and waste water and electricity consumption
17. POL Store – POL handling during intake and issue
18. Replanting – felling, construction of roads, silt pit, drainage, conservation terraces
19. Road maintenance – road grading or road maintenance whole estate
20. Scheduled waste store – storage and disposal of SW
21. Scrap iron area – storage and disposal of scrap iron
22. Tractor parking and washing bay – parking of tractors/trailers/lorry and washing of tractors/trailer/lorry
23. Water treatment plant – treatment of water
24. Maintenance in workshop – vehicle maintenance

The Environmental Management Plan (EMP) has been incorporated with Environmental Aspect & Impact Assessment (EAIA) & Waste Management Plan (WMP). Sample evidences of Environmental Management Plan (EMP) established by the estates includes;

No	Major Activity/Aspect	Impact	Impact Management Control
1	Diesel spillage	Water & Land pollution	To ensure bund volume is 110% of the total diesel tank volume and sump of diesel tank are in good condition, to dispose the scheduled waste through license scheduled waste collector.
2	Fertilizer spillage	Water & Land pollution	To ensure the fertilizers are stock on pallet if it is non-cement floor.

3	Chemicals spillage	Water & Land pollution	To ensure bund and sump are in good condition, regular monitoring for spillage, to provide chemical handling training to premix operator.
4	POL Spillage	Water & Land pollution	To ensure bund and sump of POL store are in good condition, to prepare secondary containment for transferring utensil, to dispose the scheduled waste through license scheduled waste collector.
5	Emission of greenhouse gases from diesel engine	Global warming	To ensure regular maintenance (repair of leaking tractor) of the vehicle involved.
6	Storage of empty fertilizer bags	Nil	To reuse the empty fertilizer bag as platform for loose fruit collection, to dispose through license collector.
7	Scheduled waste spillage	Water pollution	To ensure bund and sump of scheduled waste store are in good condition, to dispose the scheduled waste through license scheduled waste collector.
8	Dumping of non-biodegradable wastes	Land pollution	To provide recycle bins in linesite, to provide training to all workers

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 3** An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.

**Summary** The Environmental Improvement Plan has been incorporated in the Continuous Improvement Plan Year 2020 (Environmental) prepared and approved by the following personnel;

Estate	Revision Date	PIC	Manager
Subur	25.01.2020	Mr Mohd Fariz Bin Medon (Assistant Manager)	Mr Chan Yik Loon (Manager)
Buntar	02.01.2020	Mr Hoi Kang Kyan (Assistant Manager)	Mr Mohd Khairul Bin Rosni (Manager)

The sample evidence of improvement for Chemical Usage Reduction, Environmental Impacts/Pollution and GHG Reduction, Waste Reduction and Integrated management of HCV/HCS, peatland and other conservation area, include the following improvement activities;

1. Spraying pump nozzle calibration
2. Planting of beneficial plant
3. IPM
4. Regular service of Tractors
5. Proper disposal of scheduled wastes through licensed contractor
6. Proper disposal empty pesticide and chemical container
7. Briefing on 3R programme to recycle at the provided recyclable bin at line site and office compound
8. Frond stacking to reduce agriculture waste
9. Precautionary management strategy and monitoring plan on management area(s)
10. Briefing on energy saving (Grid Electricity)
11. EFB Mulching

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 4** A programme to promote the positive impacts should be included in the continual improvement plan.

**Summary** The program of Continuous Improvement Plan (Environmental) prepared and approved by the following personnel;

Estate	Revision Date	PIC	Manager
Subur	25.01.2020	Mr Mohd Fariz Bin Medon (Assistant Manager)	Mr Chan Yik Loon (Manager)
Buntar	02.01.2020	Mr Hoi Kang Kyan (Assistant Manager)	Mr Mohd Khairul Bin Rosni (Manager)

For Subur Estate, the Continuous Improvement Plan includes;

1. Chemical usage reduction – planting of beneficial plant – scheduled on October 2020.
2. Chemical usage reduction – spraying pump nozzle calibration – scheduled on February 2020, date of completion 20.02.2020
3. Chemical usage reduction – IPM – scheduled on October 2020.
4. Environmental Impact/ Pollution and GHG reduction – regular service of tractors – scheduled on October 2020
12. Environmental Impact/ Pollution and GHG reduction – Proper disposal of scheduled wastes through licensed contractor – scheduled on June 2020, Last disposal December 2019.
13. Environmental Impact/ Pollution and GHG reduction - Proper disposal empty pesticide and chemical container – scheduled on June 2020, last disposed on December 2019
5. Waste reduction – Briefing on 3R programme – scheduled October 2020, in-progress
6. Waste reduction – Frond stacking to reduce agriculture waste – scheduled October 2020, in-progress.

7. Integrated management of HCV/HCS, peatland and other conservation area – precautionary management strategy and monitoring plan on management area (s) – scheduled October 2020, in-progress

For Buntar Estate, the Continuous Improvement Plan includes;

1. Chemical usage reduction – planting of beneficial plant – scheduled on December 2020.
2. Chemical usage reduction – spraying pump nozzle calibration – scheduled on monthly, on-going
3. Chemical usage reduction – IPM – scheduled on December 2020.
4. Environmental Impact/ Pollution and GHG reduction – regular service of tractors – scheduled at every 3 months, on-going
5. Environmental Impact/ Pollution and GHG reduction – briefing on energy saving (Grid Electricity) – scheduled on March 2020, completed on 19.02.2020.
6. Waste reduction – Briefing on 3R programme – scheduled on September 2020.
7. Waste reduction – Frond stacking to reduce agriculture waste – scheduled on September 2020.
8. Integrated management of HCV/HCS, peatland and other conservation area – precautionary management strategy and monitoring plan on management area (s) – scheduled September 2020.

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

**Indicator 5** An awareness and training programme shall be established and implemented to ensure that all employees understand the policy, objectives of the environmental management and improvement management plans and are working towards achieving the objectives.

### Summary

For Subur Estate, the training programme and implementation on Environmental aspects for year 2020 as follow;

Description	Training Schedules	Training Implementation	No. of Attendees
KLK Sustainability Briefing on Policy	January 2020	27.02.2020	2 executives, 1 staff & 43 workers
KLK Sustainability Briefing on RTE Awareness	January 2020	27.02.2020	2 executives, 1 staff & 43 workers
KLK Sustainability Briefing on Domestic waste management	January 2020	27.02.2020	2 executives, 1 staff & 43 workers
KLK Sustainability Briefing on Riparian Zone management	January 2020	27.02.2020	2 executives, 1 staff & 43 workers

Briefing on triple rinse and piercing	May 2020	04.05.2020	1 executive & 1 worker
Briefing on water sampling procedure	August 2020	Not due	Not due
Briefing on scheduled waste management	September 2020	Not due	Not due

For Buntar Estate, the training programme and implementation on Environmental aspects for year 2020 as follow;

Description	Training Schedules	Training Implementation	No. of Attendees
Briefing on triple rinse and piercing	January 2020	12.01.2020	1 executive, 2 staff & 1 workers
KLK Sustainability Briefing on Policy	February 2020	04.02.2020	1 executive, 3 staff & 56 workers
KLK Sustainability Briefing on RTE Awareness	February 2020	04.02.2020	1 executive, 3 staff & 56 workers
KLK Sustainability Briefing on Domestic waste management	February 2020	04.02.2020	1 executive, 3 staff & 56 workers
KLK Sustainability Briefing on Riparian Zone management	February 2020	04.02.2020	1 executive, 3 staff & 56 workers
Briefing on water sampling procedure	September 2020	Not due	Not due
Briefing on scheduled waste management	September 2020	Not due	Not due

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 6** Management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.

**Summary** The Sustainability Management Review Meeting was held on the following date;

Estate	Period	Date of meeting	No. of Attendees
Subur	2018/2019	23.12.2019	10 persons
Buntar	2018/2019	14.12.2019	7 persons

The Sustainability Management Review Meeting discussed the following environmental issues;

1. Waste reduction – The management was provided recycle bins to execute 3R programme. 3R concept was emphasized during sustainability briefing. The management was utilized fertilizer bags for loose fruits collection. Scheduled waste has been last disposed by licensed SW contractor.
2. Pollution and Greenhouse Gas (GHG) Emissions – Management Plan to reduce greenhouse gas was incorporated in Environmental Management Plan and calculation on GHG emission. GHG monitoring data to be reported to the Sustainability Team.
3. Pollution and Greenhouse Gas (GHG) Emissions – GHG monitoring data to be reported to the Sustainability Department. Diesel usage, electricity, chemical usage and fertilizer usage are the essential contributor.
4. Environmental Impact Assessment – Environmental impacts and aspect assessment have been reviewed and updated according to all the estate operations. Relevant environment management plan has been identified according to each impact that has been assessed. Waste management plan has been developed in accordance to EAIA to mitigate the negative impacts.
5. High Conservation Value (HCV) Management – There is no HCV area identified in Subur Estate but have its management areas such as stream, temple, surau, water catchment, area and cemetery.
6. High Conservation Value (HCV) Management – There is no HCV area identified in Buntar Estate according to In-House HCV assessment report.

The stakeholders meeting held on 24.02.2020 (Subur Estate) and 19.02.2020 (Buntar Estate) has also discussed matters related to environment include;

1. EAIA – pallet was made available in fertilizer store to reduce land and water contamination. Drip tray was utilized to ensure minimum diesel spillage in tractor parking bay and workshop (during tractor service), bund and sump in tractor washing bay was maintained in good condition to reduce the oil residue contaminate water and land. For diesel tank, the capacity of the bund is made available to hold 110% of the capacity of diesel tank in case of spillage or leakage.
2. HCV or management area – There is no HCV area identified in Subur Estate. However, there are few Management Area being identified, which are Anak Sungai Relau Berdiri (PM2009D) at Sungai Pulau Division, Indian Cemetery (PM2006A), Water Catchment Area (PM2009B, PM1999A)
3. Fire Prevention and Control Measure - the Zero Burning policy to all the stakeholders and prevention measure that is being carried out. Subur Estate has trained its Emergency response Team and provide sufficient equipment for fire prevention.
4. EAIA, EMP & WMP – the Belt Press usage is for greenhouse gas reduction. The estate management will continuously monitor the riparian zone of 20M along the river boundary with estate. Estate management practice chipping and pulverization rather than conventional practice by burning palm trunk - "Zero Burning Sustainability Policy" is implemented during replanting.
5. HCV or management area – There is no HCV area identified in Buntar Estate. For Home division, there is a water catchment pond in PM2001A which planted



with jungle trees. The other management area is Indian cemetery in PR2014A. For Kedah division, there is no HCV area found. Hindu Temple classified as management area.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

## **Criterion 2 Efficiency of energy use and use of renewable energy**

**Indicator 1** Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.

**Summary** Monitoring of Diesel Usage is conducted based on SOP 12.0, Appendix 4, Rev 3/2 of Waste Management & Energy Use dated 01.01.2020 in terms of litre/mt FFB transported for a period of January to June 2020.

Description	Subur	Buntar
FFB,mt	9,463.36	8,817.15
Diesel, liter	21,427	14,634
Average, Liter/mt FFB	2.26	1.659
Diesel baseline value	2.20	3.274
Electricity, kWH	29,066	23,916
Average, kWH/mt FFB	3.07	2.712
Electricity baseline value	2.67	0.870
Water, m <sup>3</sup>	11,000	8,829
Average, m <sup>3</sup> /mt FFB	1.16	1.001
Water baseline value	1.02	0.656

Note: No genset being used by the estate. The electricity supply for the estate is obtained from TNB.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 2** The oil palm premises shall estimate the direct usage of nonrenewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.

**Summary** The estimate of direct usage of Non-renewable Energy Consumption for their operations in 2019/2020;

Description	Subur	Buntar
FFB,mt	23,182	16,360
Diesel, liter	49,000	55,200
Average, Liter/mt FFB	2.12	3.374
Electricity, kWH	60,000	13,572

Average, kWh/mt FFB	2.59	0.829
Water, m <sup>3</sup>	22,000	4,632
Average, m <sup>3</sup> /mt FFB	0.95	0.283

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 3** The use of renewable energy should be applied where possible.

**Summary** The estates applied mill by-products as organic fertilizer such as Empty Fruit Bunch. The By-Product Application record indicated the application from January to June 2020.

Estate	Area	MT	Ha	MT/Ha
Subur (Sg Pulau)	PM10A	464.9	23.24	20.00
Buntar	PM03A, 10B, 00B	3,204.46	109	20.23

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

### **Criterion 3 Waste management and disposal**

**Indicator 1** All waste products and sources of pollution shall be identified and documented.

**Summary** The POM has identified types of waste and sources of the pollution. The type of waste generated due the mill operation is incorporated in the "Environmental Aspect & Impact Assessment (EAIA), Environmental Management Plan (EMP) & Waste Management Plan, SOP 10 Appendix 1.0, Issue / Rev: 3/2 for each type of activity / Area such as:-

1. FFB Collection
2. Chemical Premix Area
3. Workshop
4. Vehicle maintenance
5. Landfill
6. Diesel tank
7. etc.

KLK Berhad has established the SOP 12.0: Scheduled Waste Management, Issue/Rev 2/1 dated 01.01.2020. The estates had identified the Scheduled Wastes (SW) as follow;

1. SW102 – Used Batteries
2. SW305 – Spent lubricant oil
3. SW306 – Spent hydraulic oil
4. SW410 – Rags, plastics, papers or filters contaminated with scheduled waste
5. SW404 – Clinical Wastes

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 2** A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measures for:  
a) Identifying and monitoring sources of waste and pollution.

b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.

### Summary

KLK Berhad has established the SOP 12.0: Scheduled Waste Management, Issue/Rev 2/1 dated 01.01.2020.

The Waste Management Plan (WMP) has been incorporated in the Environmental Aspect & Impact Assessment (EAIA), Environmental Management Plan (EMP) & Waste Management Plan (WMP) were documented based on the SOP 10.0 Appendix 1, Rev. 3/2 dated 01.01.2020.

As a sample evidence for Subur Estate, the Waste Management Plan (WMP) revised on 01.01.2020 describes the measurement to control the waste generated from Chemical Premix Area are as follow;

1. Process/Area: Chemical Premix Area
2. Major Activity: Chemical mixing, PPE washing, triple rinse
3. Waste generated: Empty chemical containers
4. Methods: Dispose or Reuse
5. Management Plan: To ensure empty chemicals containers undergoes triple rinse and pierced, to dispose through scheduled waste contractor and Reuse as premix container.

As a sample evidence for Buntar Estate, the Waste Management Plan (WMP) prepared/revised by Mr Hoi Kang Kyan (Assistant Manager), verified by Mr Mohd Khairul Bin Rosni (Manager) on 15.03.2020 describes the measurement to control the waste generated from Scheduled Waste Store as follow;

1. Process/Area: Scheduled Waste Store
2. Major Activity: Storage and disposal of scheduled waste
3. Waste generated: Used hydraulic oil, used lubricant oil, used oil filter, used rags and used PPE.
4. Methods: Dispose
5. Management Plan: To ensure the scheduled waste item dispose through license scheduled waste collector – Texcycle Sdn Bhd. To dispose the scheduled waste not exceed 180 days or less than 20mt.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

### Indicator 3

The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.

### Summary

The estate has SOP 6.0, Issue/Rev 4/3 dated 01.01.2020 with a title "Safe Use and Storage of Agrochemicals/Chemicals", to ensure proper handling, storage and disposal of agrochemicals/ chemicals.

As a sample evidence for Subur Estate, the Register of Chemicals Hazardous to Health 2020 prepared by Mr Mohd Fariz Bin Medon (Assistant Manager), reviewed by Mr Chan Yik Loon (Manager) on 02.01.2020 for the following Location/Process;

1. Chemical store: 19 chemical names

2. Fertilizer store: 16 chemical names
3. Oil & lubricant store: 6 chemical names
4. Water treatment plant: 1 chemical names

The Scheduled Waste inventory for Subur Estate includes;

SW Code	305	410	409	404
Previous Disposal Date	30.12.2019	30.12.2019	30.12.2019	05.12.2019
Quantity Disposed (Unit)	0.149mt	0.221mt	0.0287mt	0.01kg
Generated Date after Disposal	20.02.2020	30.03.2020	15.04.2020	15.03.2020
Recent Disposal Date	22.06.2020	22.06.2020	17.06.2020	18.06.2020
Quantity Disposed (Unit)	0.228mt	0.168mt	0.2046mt	0.03kg
Licensed Contractor	Texcycle (P2) Sdn Bhd	Texcycle (P2) Sdn Bhd	G-Planter	Future NRG
Remarks	< 180 days	<180 days	< 180 days	< 180 days

Used rags (waste generated) contaminated during diesel handling (intake and issue) to be disposed through the SW collector – Texcycle (P2) Sdn Bhd not exceed 180 days or less than 20mt.

Used oil drum during POL handling (intake and issue) to be disposed through the scheduled waste collector – Texcycle Sdn Bhd not exceed 180 days or less than 20mt.

Texcycle (P2) Sdn Bhd has been appointed as a licensed collector to collect the scheduled wastes of SW305 and SW410, G-Planter for SW409 while Future NRG have been appointed as a collector for Clinical Wastes (SW404).

As a sample evidence for Buntar Estate, the Register of Chemicals Hazardous to Health 2020 prepared by Mr Hoi Kang Kyan (Assistant Manager) and reviewed by Mr Mohd Khairul Bin Rosni (Manager) on 10.05.2020 for the following Location/Process;

1. Chemical store - herbicide: 20 chemical names
2. Fertilizer store: 28 chemical names
3. Tractor, Oil & lubricant store: 2 chemical names

The Scheduled Waste inventory for Buntar Estate includes;

SW Code	109	305	410	409	404
Previous Disposal Date	26.12.2019	26.12.2019	26.12.2019	26.12.2019	16.01.2020
Quantity Disposed (Unit)	0.003mt	0.15mt	0.006mt	0.004mt	0.001mt

Generated Date after Disposal	25.02.2020	17.02.2020	17.02.2020	13.01.2020	21.02.2020
Recent Disposal Date	11.06.2020	11.06.2020	11.06.2020	11.06.2020	20.07.2020
Quantity Disposed (Unit)	0.0035mt	0.14mt	0.006mt	0.004mt	0.001mt
Licensed Contractor	Texcycle (P2) Sdn Bhd	Texcycle (P2) Sdn Bhd	Texcycle (P2) Sdn Bhd	Texcycle (P2) Sdn Bhd	Future NRG
Remarks	< 180 days	< 180 days	< 180 days	< 180 days	< 180 days

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

**Indicator 4** Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.

**Summary** During site visit it has been sighted that the chemical containers are punctured and disposed in an environmentally and socially responsible way to prevent contamination of water source or to human health.

The measurement to control the empty pesticide containers are;

1. Process/Area: Chemical Premix Area
2. Major Activity: Chemical mixing, PPE washing and triple rinse
3. Waste generated: Empty chemical containers
4. Methods: Dispose & Reuse
5. Management Plan: To ensure empty chemicals containers undergoes triple rinse and pierced, to dispose through scheduled waste contractor, reuse as premix container.

The measurement to control the empty pesticide containers;

1. Location: chemical mixing, PPE washing, triple rinse
2. Waste generated: empty chemical containers
3. Methods: Dispose or Reuse
4. Management Plan: To ensure empty chemicals containers undergoes triple rinse and pierced, to dispose through G-Planter and Reuse as premix containers

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

**Indicator 5** Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.

**Summary**

Sighted SOP 12.0 on Sustainability – Waste Management and Energy Use Rev 3/2 dated 01.01.2020 established by the KLK Sustainability Department HQ.

The domestic waste from the housing area is well managed and all domestic wastes are collected and disposed at the following designated landfill;

Estate	Collection frequency (times per week)	Location of landfill	Collection Date
Subur	2 times	PM2003A	Not sighted
Buntar	1 time	PM2014A	07, 13, 19, 25.07.2020

For Subur Estate, the Waste Management Plan (WMP) prepared by Mr Mohd Fariz Bin Medon (Assistant Manager) and verified by Mr Chan Yik Loon (Manager) on 03.01.2020 stated the following;

1. Major activity: Dumping of non-biodegradable wastes
2. Waste generated: Non-biodegradable waste
3. Methods: Recycle
4. Management Plan: To collect and recycle
5. PIC: Assistant Manager.

For Buntar Estate, the Waste Management Plan (WMP) prepared by Mr Hoi Kang Kyan (Assistant Manager) and verified by Mr Mohd Khairul Bin Rosni (Manager) on 15.03.2020 stated the following;

1. Process/ Area: Office/ Creche/ Linesite
2. Major activity: Disposal of rubbish and waste water
3. Waste generated: Organic waste
4. Methods: Dispose
5. Management Plan: To be dump inside the landfill
6. PIC: Assistant Manager.
7. Status: Monthly

**In Compliance**    ☒ **Yes**                      ☐ No                      ☐ Not Applicable

**Criterion 4 Reduction of pollution and emission including greenhouse gas**

**Indicator 1** An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.

**Summary**

The polluting activities has been assessed during environmental aspect and impact assessment. The EAIA assessment findings including list of polluting sources are recorded in document titled "Environmental Aspect & Impact Assessment (EAIA) & Environmental Management Plan (EMP) & Waste Management plan (WMP).

As a sample evidence, the assessment on greenhouse gas emissions has been planned based on the following activity;

1. Major Activity/Aspect: Emission of greenhouse gases from diesel engine, from chemicals, fertilizer residue washed into water, nitrogen fertilizer, diesel engine

2. Impact: Global warming
3. Impact Management Control: To ensure regular maintenance (repair of leaking tractor) of the vehicle involved, to ensure dosage of chemicals are adhered to, to conduct training to manuring operator.
4. PIC: Asst Manager and Staff
5. Monitoring control: Refer to vehicle maintenance logbook.
6. Status: Some are done and some On-going

The GHG Calculation for 2019 based on the following parameters;

Description	Subur	Buntar
Electricity consumption (kWH)	52,888	14,969
Diesel/petrol consumption (Litre)	47,324	56,294
River water use (m <sup>3</sup> )		
Catchment water use (m <sup>3</sup> )		
Tubewell water use (m <sup>3</sup> )	20,227	
Government Supply (m <sup>3</sup> )		11,293
FFB produced (mt)	19,805.41	17,192.73
EFB Mulching (mt)	787.11	6,707.97
Decanter Cake appl. (mt)		
Belt press cake appl. (mt)		
Ecomat application (pcs)		
Fertilizer application (bag)	34,207	19,357
Agrochemicals application (lit/kg)	7,126.37	7,643
Estate size (ha)	1,290	899
OP Planted (ha)	1,259	815
Mature OP area (ha)	1,023	757
Distance – estate to Mill (km)	55km (home), 56km (SP), 53km (NS)	9km (home), 20km (Kedah Div)
Average Weight per Load (mt)	25	12

The estate has implemented its GHG Calculator to calculate the following emissions parameter;

1. Land conversion
2. Crop sequestration
3. CO<sub>2</sub> emissions from Fertilizer
4. N<sub>2</sub>O Emissions from Fertilizer
5. Fuel consumption

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 2** An action plan to reduce identified significant pollutants and emissions shall be established and implemented.



## Summary

KLK Sustainability Policy listed down its commitment on the following environmental aspects;

1. Protection of Peatlands – Practice a strict No New Development and Drainage of Peatlands policy, regardless of depth.
2. Zero burning policy was established by KLK Sustainability Dept. under its Sustainability Manual Item No. 1.3: No Burning – Practice a strict Zero Burning policy in all KLK operations including new plantings and re-plantings signed by CEO, Tan Sri Dato' Seri Lee Oi Hian, dated 01.01.2020.

The Environmental Management Plan (EMP) to reduce pollutant from the activity of storage and disposal of triple rinsed empty chemical containers which will cause land pollution;

1. Major Activity/Aspect: Chemicals spillage
2. Impact: Water & Land pollution
3. Impact Management Control: To ensure bund and sump are in good condition, regular monitoring for spillage and to provide chemical handling training to premix operator.
4. Person-In-Charge: Staff
5. Monitoring Control: Refer to premix area checklist, refer to training programme.
6. Status: Monthly update and on-going

The Environmental Management Plan (EMP) to reduce emission from the activity of FFB collection – emission of greenhouse gases from diesel engine which will cause global warming;

1. Major Activity/Aspect: Emission of greenhouse gases from diesel engine
2. Impact: Global warming
3. Impact Management Control: To ensure regular maintenance (repair of leaking tractor) of the vehicle involved, to advise contractors to have regular maintenance.
4. Person-In-Charge: Staff
5. Monitoring Control: Refer to tractor service book.
6. Status: On-going

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

Criterion 5	Natural water resources
<b>Indicator 1</b>	<p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ol style="list-style-type: none"> <li>a) Assessment of water usage and sources of supply.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.</li> <li>c) Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> <li>d) Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</li> <li>e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</li> </ol>

f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

### Summary

The water courses and wetlands protection are covered in SOP 5.0 Issue/Rev 2/1 dated 01.01.2020: Surface & Groundwater Management.

For Subur Estate, the Water Management Plan established by the estate are as follow;

1. Water for Consumption – Tubewell (HM Div), Water Catchment (NS Div), Tubewell (SP Div)
2. Water for Operation i.e. field drain, stream
3. Wastewater from linesite.

For Buntar Estate, the Water Management Plan established by the estate are as follow;

1. Water for Consumption – from Government: SADA Buntar Home Division and Kedah Division.
2. Water for Operation i.e. from field drain.
3. Wastewater from linesite.

Among the management and monitoring plan outlined by the management on water for consumption such as;

1. Water sampling programme
2. Management plan on water facilities
3. Water analysis result and action plan
4. Monitoring plan on daily usage and rainfall record.
5. To establish drainage map and identify downstream of main drain end-point.
6. To set aside a minimum of 20m Riparian Zone along the boundary
7. To erect "Riparian Zone" signboard.
8. Training on water sampling

The water quality analysis report for treated drinking water, analyzed by Organo (Asia) Sdn Bhd, Shah Alam, Selangor are;

Parameter	Subur Home Div	Subur Norseman Div	Subur Sg Pulau Div	Buntar	M.O.H Standard
Reported date	20.07.2020	20.07.2020	20.07.2020	N/A	-
pH	7.3	6.8	7.0	N/A	6.5 – 9.0
Turbidity (NTU)	0.5	0.42	0.52	N/A	< 5
Free Cl (mg/l)	1.50	1.50	1.00	N/A	> 0.20
Al (mg/l)	0.02	0.02	0.02	N/A	< 0.20
E-Coli (MPN/100ml)	ND (<1.1)	ND (<1.1)	ND (<1.1)	N/A	ND/ 100ml

Note: ND means Not Detected.

Note: N/A means Not Applicable

The water quality analysis report for raw water (prior to treatment), analyzed by Technology & Quality Control Centre, Kuala Lumpur Kepong Bhd, Kota Damansara are;

Parameter	Subur Home Div	Subur Sg Pulau Div	Subur Norseman Div	Buntar	M.O.H Standard
Location	Tubewell A	Tubewell F	Water Catchment	N/A	
Tested date	13.03.2020	14.03.2020	16.03.2020	N/A	
Dissolved Oxygen (% Sat)	83	85	61	N/A	
pH Value	4.9	5.0	4.7	N/A	6.5 – 9.0
BOD, ppm	4	3	4	N/A	
COD, ppm	23	21	39	N/A	
NH <sub>3</sub> -N, ppm	2	2	2	N/A	
Suspended Solids, ppm	6	4	4	N/A	N/A
WQI	73	75	64	N/A	
Class	III	III	III	N/A	
Remarks	Slightly polluted	Slightly polluted	Slightly polluted	N/A	

Note: N/A means Not Applicable

The Domestic Wastewater samples analysis results for linesite, analyzed by Technology & Quality Control Centre, Kuala Lumpur Kepong Bhd, Kota Damansara are;

Estate	Subur Home Div	Subur Sg Pulau Div	Subur Norseman Div	Buntar (Home Div)	Buntar (Kedah Div)	DOE's Limit, ppm
Tested Date	13.03.2020	14.03.2020	16.03.2020	23.06.2020	26.06.2020	
BOD (ppm)	7	22	5	8	9	50

Note: BOD results passed the DOE's limit

The analysis results on stream inlet and stream outlet at Subur Estate, from Technology & Quality Control Centre, Kuala Lumpur Kepong Bhd, Kota Damansara tabulated below;

Parameter	Subur Sg Pulau Div	Subur Sg Pulau Div
Location	Stream Inlet	Stream Outlet
Tested Date	14.03.2020	16.03.2020
BOD, ppm	7	7
DOE's Limit, ppm	50	50

The analysis results on stream inlet and stream outlet at Buntar Estate, from Technology & Quality Control Centre, Kuala Lumpur Kepong Bhd, Kota Damansara tabulated below;

Location	Highway Incoming (Kedah Div)	Watergate 1 Outgoing (Kedah Div)	Watergate 2 Outgoing (Kedah Div)	Watergate 3 Outgoing (Kedah Div)
Tested Date	23.06.2020	24.06.2020	25.06.2020	26.06.2020
Parameter				
Dissolved Oxygen % Sat.	77	85	74	75
pH value	3.0	2.5	3.0	2.5
BOD (3days@30°C), mg/L	6	5	3	6
COD, mg/L	26	25	23	28
Amm-N (NH <sub>3</sub> -N),mg/L	2	2	2	2
Suspended solids, mg/L	48	37	5	53
WQI	62	64	67	60
Class	III	III	III	III
Remarks	Slightly polluted	Slightly polluted	Slightly polluted	Slightly polluted

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 2** No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

**Summary** No river passing through the Subur and Buntar Estates.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 3** Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).

**Summary** There were road side drains constructed along the main roads to divert and conserve water at designated points.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Criterion 6** Status of rare, threatened, or endangered species and high biodiversity value area

**Indicator 1** Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:

- a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.
- b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.

## Summary

The HCV assessment is carried out based on SOP 11.0 Rev 3/2 - In-House High Conservation Value (HCV) Assessment which was established by KLK Sustainability Department using guidance from Malaysian Red Lists, IUCN Red List, consultation with conservationist, or other relevant parties e.g. Wildlife and Forestry Department.

The summary of the assessment area's attributes and characteristic relevant to the determination of HCV presence;

1. HCV 1 – there is no significant concentrations of HCV 1 species (RTE or endemic), or which contains habitat critical to the survival of these species in the assessment area.
2. HCV 2 - The estate had developed with oil palm and there was no large landscape ecosystem (more than 50,000ha)
3. HCV 3 – there is no RTE ecosystem and habitat in the assessment area.
4. HCV 4 – There are no rivers in the assessment area or any area which serves as basic ecosystem services in critical situations.
5. HCV 5 – there was no natural sites or resources in the assessment area which local communities are depend on.
6. HCV 6 – there are no custom ceremonies or ritual, which require cultural, religious or sacred site, being practiced by locals.

The definition/understanding of the HCV types is based on the following criteria;

1. HCV 1 – Concentrations of biological diversity including endemic species, and rare, threatened or endangered (RTE) species that are significant at global, regional or national levels.
2. HCV 2 – Large landscape-level ecosystems and ecosystem mosaics, that are significant at global, regional or national levels, and that contain viable populations of the great majority of the naturally occurring species in natural patterns of distribution and abundance.
3. HCV 3 - Rare, threatened, or endangered ecosystems, habitats or refugia.
4. HCV 4 – Basic ecosystem services in critical situations including protection of water catchments and control of erosion of vulnerable soils and slopes.
5. HCV 5 – Sites and resources fundamentals for satisfying the basic necessities of local communities or indigenous peoples (for example for livelihoods, health, nutrition, water), identified through engagement with these communities or indigenous peoples.
6. HCV 6 – Sites, resources, habitats and landscapes of global or national cultural, archaeological or historical significance, and/or of critical cultural, ecological, economic or religious/sacred importance for the traditional cultures of local communities or indigenous peoples, identified through engagement with these local communities or indigenous peoples.

The In-House High Conservation Value (HCV) Assessment has been carried out by In-House HCV Assessor as stated below;



Estate	Assessor's Name	Date of Assessment
Subur	Ms Lee Kuan Yee and Mr Koo Wai Kit	18.03.2018
Buntar	Ms Lee Kuan Yee	20.03.2018

The IUCN status of identified Fauna in the estates has been updated from time to time includes;

Fauna Species	Subur	Buntar
Long-tailed leaf monkey	LC	LC
Rice field Rat	LC	LC
Banded Leaf Monkey	NT	-
Malayan field rat	LC	LC
Plantain squirrel	LC	LC
Palm civet	LC	LC
Wild boar	LC	LC
Blue Throated Bee-Eater	LC	LC
Common Hill Myna	LC	LC
Tit-Babbler	NT	-
Greater Racket-tailed Drongo	LC	-
Oriental Magpie - Robin	LC	LC
Buff-necked Woodpecker	NT	-
Greater Coucal	LC	NT
Black-naped Oriole	LC	LC
Asian Grass Frog	LC	LC
Black-spectacled toad	LC	LC
Schlegel's frog	LC	LC
White-Lipped Tree Frog	LC	LC
Many-lined Sun Skink	LC	LC

Note: LC=Least Concern, NT=Near Threatened

The IUCN status of identified Flora in the estates has been updated from time to time includes;

Flora Species	Subur	Buntar
Nil	Nil	Nil
Nil	Nil	Nil

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 2** If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:  
a) Ensuring that any legal requirements relating to the protection of the species are met.  
b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities and developing responsible measures to resolve human-wildlife conflicts.

**Summary** In its Continuous Improvement Plan, the estate will carry out the integrated management of HCV/ HCS, peatland and other conservation area through precautionary management strategy and monitoring plan on management area(s).

The management strategies to protect and conserve the Water Catchment Pond 1 & 2 includes;

1. To set aside 20m riparian zone around the pond.
2. To erect "Riparian Zone" signboard, in the effort to prevent illegal activities (e.g. hunting or fishing activities").
3. To paint in red and white bands on every alternate palm bordering the Riparian Zones.
4. To prohibit any spraying and manuring activities.
5. To conduct monitoring using "Management Area Monitoring Checklist".

The management strategies to protect and conserve the Indian Temple includes;

1. To erect "Temple" signboard.
2. To ensure proper housekeeping.
3. To prohibit any spraying and manuring activities.
4. To conduct monitoring using "Management Area Monitoring Checklist".

The management strategies to protect and conserve the Surau includes;

1. To erect Surau signboard
2. To ensure proper housekeeping.
3. To prohibit any spraying and manuring.
4. To conduct monitoring using "Management Area Monitoring Checklist".

The management strategies to protect and conserve the Sungai Kerian includes;

1. To set aside minimum 20m riparian zone.
2. To paint in red and white bands on the frond butt of at least every alternate palm bordering the Riparian Zones.
3. To erect riparian zone's signboard.
4. To prohibit any spraying and manuring activities
5. To conduct regular monitoring using "Management Area Monitoring Checklist".

The management strategies to protect and conserve the Unplanted Area (Hilly And Stone Area) includes;

1. The area is hilly and consist of a lot of stones and hence not suitable to plant oil palm.
2. To conduct regular monitoring using "Management Area Monitoring Checklist".

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 3** A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.

**Summary** The monthly management area monitoring checklist carried out at the following location;



Parameter	Monitoring details for each Estate		
	Subur	Buntar (Home Div)	Buntar (Kedah Div)
Monitoring date	15.07.2020	14.07.2020	14.07.2020
Buffer zone	In order	N/A	Sg Kerian
Fauna	Not seen	Not seen	Not seen
Flora	Not seen	Not seen	Not seen
Signboard	In order	In order	In order
Soil erosion	Not seen	Not seen	Not seen
Encroachment/ hunting	Not seen	Not seen	Not seen
Chemical spraying	Not seen	Not seen	Not seen
Manuring	Not seen	Not seen	Not seen
Open burning	Not seen	Not seen	Not seen
Other pollution	Not seen	Not seen	Not seen

The management areas observed during the monthly inspection are;

No.	Monitoring areas by the Estates	
	Subur	Buntar
1	Water Catchment Area	Nil
2	Cemetery	Cemetery (2)
3	Unplanted area	Unplanted area (2)
4	Stream	Nil
5	Temple (5)	Temple (3)
6	Surau (2)	Surau (1)
7	Water catchment pond (2)	Water catchment pond
8	Nil	River, Sg Kerian

**In Compliance**      ☒ **Yes**      ☐ No      ☐ Not Applicable

#### **Criterion 7 Zero burning practices**

**Indicator 1** Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.

**Summary** KLK Sustainability Policy listed down its commitment on the following environmental aspect;

1. Zero burning policy was established by KLK Sustainability Department under its Sustainability Manual Item No. 1.3 : No Burning – Practice a strict Zero Burning policy in all KLK operations including new plantings and re-plantings signed by CEO, Tan Sri Dato' Seri Lee Oi Hian, dated 01.01.2020.

During site visit, no evidence of open burning in estate area either in the plantation or in linesite area. Sighted signage of zero burning being erected by the estate at the strategic locations.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 2** A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.

**Summary** No significant risk of diseased palm was reported in the estate. Open burning during new plantings and re-plantings is not allowed.

Estate replanting programme is based on KLK Group Policy – Agriculture (Oil Palm) Policy No. GP/AGRI/OP 7 and agronomic practices.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 3** Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.

**Summary** No controlled burning being sought by the estate. During replanting process, the old palm to be felled, chipped and shredded and the remains will be pulverised and left in the field for self-decomposed.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 4** Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.

**Summary** The following practices has been implemented by the management during replanting in accordance to its Policy No. GP/AGRIC/OP7: Replanting-3, Classification: Shredding of Palms:

1. Excavate all old timber stumps, utility poles, boulders, etc. and place these in clearly marked stacks for subsequent removal.
2. Palms are felled and the entire palm bole and root mass are excavated.
3. Trunks are chipped at 45° to the grain and the chips must be less than 7.5cm (3 inches) thick and should be spread thinly into 1 to 2 layers thick.
4. Fronds should be chopped into 3 equal parts and stacks along the side of chips.
5. Palm chips and cut fronds are stacked in the interrows and old planting rows.
6. It is important not to spread the chips or cut fronds on to the hole in order that inspection can be carried out.
7. Pulverizing is carried out using tractor >90hp fitted with a creeper gear and rear mounted pulverizer. Ensure that the pulverized palm biomass do not accumulate in thick layers in the depressions.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

## 2.6 Principle 6 : Best practices

### Criterion 1 Site management

**Indicator 1** Standard operating procedures shall be appropriately documented and consistently implemented and monitored.

**Summary** The estate has implemented Good Agriculture Practice (GAP) as seen from visit to the estate and seen from the document and also interviewing the workers.

Estate have 6 types of Manuals-

- 1) Group Policy Agriculture Oil Palm
- 2) Group Policy Occupational Safety & Health - Guidelines
- 3) Group Policy Occupational Safety & Health – Manual
- 4) Sustainability Manual & Standard Operating Procedure
- 5) COVID 19 by Majlis Keselamatan Negara (MKN) - SOP Sektor Agrikomoditi
- 6) COVID 19 Emergency Preparedness and Response Guidelines for Plantation (Estate and Mill Operations) – Malaysia March 2020.

The document was well maintained and implemented.

- 1) Group Policy Agriculture Oil Palm includes:
  - i. GP/AGRIC/OP1 – Harvesting
  - ii. GP/AGRIC/OP2 – Field Upkeep
  - iii. GP/AGRIC/OP3 – Nutrition
  - iv. GP/AGRIC/OP4 – Pest & Diseases
  - v. GP/AGRIC/OP5 – Conservation
  - vi. GP/AGRIC/OP6 – By product
  - vii. GP/AGRIC/OP7 – Replanting
  - viii. GP/AGRIC/OP8 – Nursery
  - ix. GP/AGRIC/OP9 – Field identification
  - x. GP/AGRIC/OP10 – Road & Drains
- 2) Group Policy Occupational Safety & Health – Guidelines includes:
  - i. Safe Operating Procedure (SOP)
  - ii. Safety Guidelines
  - iii. Safety Checklist
  - iv. Training Material
  - v. Safety Signages
- 3) Group Policy Occupational Safety & Health – Manual includes:
  - i. GP/OSH 01 – Policy
  - ii. GP/OSH 02 – OSH Management System (1-5)
  - iii. GP/OSH 03 – SOP 1
  - iv. GP/OSH 04 – Emergency Plan 1-2
  - v. GP/OSH 05 – Health & Safety
- 4) Sustainability Manual & Standard Operating Procedure (20) includes:
  - i. SOP 1 – Stakeholders Engagement

- ii. SOP 2 – Legal Compliance
  - iii. SOP 3 – Land Acquisition (OP Planting)
  - iv. SOP 4 – Soil Erosion & Fertility and Road Maintenance
  - v. SOP 5 – Surface Water & Groundwater Management
- 5) COVID 19 by Majlis Keselamatan Negara (MKN) - SOP Sektor Agrikomoditi includes:
- i. Saringan Kesihatan
    - Pemeriksaan dan Pemantauan Kesihatan Sebelum Operasi
    - Tindakan Pencegahan Semasa Operasi
    - Pemeriksaan Kesihatan ke atas Pelawat/Pembekal
  - ii. Laporan kesihatan (di premis dan penginapan pekerja yang disediakan syarikat)
  - iii. Aplikasi Sejahtera
  - iv. Protokol Pencegahan Penyakit & Sekatan
  - v. Saringan Kesihatan
  - vi. Laporan kesihatan (di premis dan penginapan pekerja yang disediakan syarikat)
  - vii. Aplikasi Sejahtera
- 6) COVID 19 Emergency Preparedness and Response Guidelines for Plantation (Estate and Mill Operations) – Malaysia March 2020 includes:
- i. Education On COVID-19 For Workers
  - ii. Standard Operating Procedures (SOPs) and Guidelines
    - Preventive Actions at Operating Centres
    - Health Screening and Monitoring
    - Guidance for Managing Suspected or Confirmed COVID1-9 cases
    - Disinfection Services
  - iii. Workforce Management at Estates and Palm Oil Mills
  - iv. Protocol of Estates and Mills Closure Order by Government
  - v. Appendix
    - Emergency contact
    - List of private hospitals and healthcare providers for home sampling
    - List of designated hospital for handling COVID-19 cases

Regular inspection and supervision are conducted by Mandore, Supervisor, Executives as well as HQ Department.

Estate Department is responsible to monitor overall estate performance on a monthly basis. The assessment will be reported in:

- 1) General Manager – Twice a year
- 2) Agronomist Report – Once a year

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 2** Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as



siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.

**Summary** KLK has established Standard Operating Procedure on SOP No. 4; Sustainability – Soil Erosion & Fertility and Road Maintenance; Rev: 2/1: Date: 01/01/2020.

In addition, soil maps for the estate are evident that there are no fragile soils exist in the estate.

A management strategy for purpose of planting on slopes above a certain limit is evident in Soil Erosion & Fertility and Road Maintenance (SOP: 4.0). Slightly slopes area which is exceeding the 15 degrees slopes as according to the company SOP.

Sighted estate map – Scale: 1:20,000

- During site visit observed there is no terracing above 15 Degrees

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 3** A visual identification or reference system shall be established for each field.

**Summary** All estates have a visual reference system to identify each field or block. Each field has the signboard with block number, year of planting & hectare only. Task marking for harvester was painted on the palm trunk.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

## **Criterion 2 Economic and financial viability plan**

**Indicator 1** A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.

**Summary** All estates had an annual budget for the financial year 2019/2020 – 2021/2022. The estate budget includes the projected FFB, OER, PK and etc production which projected for three years from 2019/2020 until 2020/2021

It also incorporated item such as general charges, estate maintenance, fixed assets and etc. Sighted documented Business and Management Plan.

As evidence in Subur Estate, the business plan prepared by Mr. Mod Fariz Medon (Estate Assistant Manager) and approved by Mr. Chan Yik Loon (Estate Manager).

FY	2019/20	2020/21	2021/22
FFB	23,182	26,395	28,544
Estimate OER %	21.80	21.80	21.80
FFB Price	422	506	541
KER	4.70	4.70	4.70
Ex-Estate Cost/Mt	265.18	250	250

Net Price RM	3,635,401.24	6,757,120.00	8,306,304.00
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As evidence in Buntar Estate, the business plan prepared by Mr. Hoi Kang Kyan (Estate Assistant Manager) and approved by Mr. Mohd Khairul bin Rosni (Estate Manager).

FY	2019/20	2020/21	2021/22
FFB	16,604	14,152	14,273
Estimate OER %	21.80	21.80	21.80
FFB Price	400	420	420
KER	4.70	4.70	4.70
Ex-Estate Cost/Mt	270	270	270
Net Price RM	2,158,520	2,122,800	2,140,950

**In Compliance**    ☒ **Yes**            ☐ No            ☐ Not Applicable

**Indicator 2** Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.

**Summary**      Sighted replanting programme for Subur Estate 2019/20 to 2023/2024:

Financial Year	Field /Clone	Total Ha	Progeny/Clone proposed
2019/20	NS 99B	54	DXP
	NS 00A	14	AA Hybrida 2
2020/21	SB 96A	23	DXP
	NS 95A	19	AA Hybrida 2
	NS 97A	14	
2021/22	SB 99A	61	DXP
			AA Hybrida 2
2022/23	NIL	NIL	NIL
2023/24	NIL	NIL	NIL

For Buntar Estate, sighted replanting programme for 2019/20 To 2023/2024:

Financial Year	Field /Clone	Total Ha	Progeny/Clone proposed
2019/20	98D1/39	82	DXP
	98D2/43		AA Hybrida 2
2020/21	98D3/45	97	DXP
	97C1/52		AA Hybrida 2
2021/22	00D/22	85	DXP

	97C2/63		AA Hybrida 2
2022/23	00B/79	79	DXP AA Hybrida 2
2023/24	01/C/84	84	DXP AA Hybrida 2

**In Compliance**      ☒ **Yes**      ☐ **No**      ☐ **Not Applicable**

**Indicator 3** The business or management plan may contain:  
a) Attention to quality of planting materials and FFB.  
b) Crop projection: site yield potential, age profile, FFB yield trends.  
c) Cost of production: cost per tonne of FFB.  
d) Price forecast.  
e) Financial indicators: cost benefit, discounted cash flow, return on investment.

**Summary** All estates had an annual budget for the financial year 2019/2020 – 2021/2022. The estate budget includes the projected FFB, OER, PK and etc production which projected for three years from 2019/2020 until 2020/2021

It also incorporated item such as general charges, estate maintenance, fixed assets and etc. Sighted documented Business and Management Plan.

As evidence in Subur Estate, the business plan prepared by Mr. Mod Fariz Medon (Estate Assistant Manager) and approved by Mr. Chan Yik Loon (Estate Manager).

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Estimate OER %	21.80	21.80	21.80
FFB Price	400	420	420
KER	4.70	4.70	4.70
Ex-Estate Cost/Mt	270	270	270
Net Price RM	2,158,520	2,122,800	2,140,950



**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 4** The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.

**Summary** The estate performance is recorded in the monthly progress report. Details on the actual vs budget i.e. Upkeep maintenance, FFB Production, capital expenditure are shown therein.

Sighted the Manager Estate Report (June 2020) done by estate management. Latest on 21<sup>st</sup> July 2020 (Subur Estate) and 10<sup>th</sup> July 2020 (Buntar Estate) through online "Manager Estate Report System – MER".

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

### **Criterion 3 Transparent and fair price dealing**

**Indicator 1** Pricing mechanisms for the products and other services shall be documented and effectively implemented.

**Summary** KLK has developed SOP for FFB Pricing Mechanism, SOP No. 17 Issue/Rev 3/2 dated 01/01/2020. Stated:

- To compute FFB based price for the month
- Any agreements made should be fair legal and transparent.
- Generally, payment is made bimonthly by 10<sup>th</sup> and 20<sup>th</sup> of each month.

There is no existing mechanism of determining FFB pricing for the estate as the crops being processed by its own mill.

The company will make an announcement for tender for other services like ffb transportation, replanting, hiring excavator/backhoe and etc.

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 2** All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.

**Summary** All contracts are kept in Subur Estate office. Sighted the contract Agreement signed by contractor and Subur Estate. As evidence, sampled:

- Sighted the Contract Agreement between estate with Yun Yit Enterprise (FFB Transport) sealed on 01<sup>st</sup> March 2019.
- Sighted the Contract Agreement between estate with Lee Replanting Construction (Replanting) sealed on 01<sup>st</sup> January 2020.

Payment will be paid 30 days after the estate received the invoice from contractors.

As evidence sighted the invoice send by:

- Yun Yit Enterprise (FFB Transport) to estate on 30<sup>th</sup> June 2020. Estate paid to the contractor on 07<sup>th</sup> July 2020.; Invoice No: IV2006-001 & IV2006-002; Cheque no: 708839; RM 24,498.51

For Buntar Estate, all contracts are kept in estate office. Sighted the contract Agreement signed by contractor and Buntar Estate. As evidence, sampled:

- Sighted the Contract Agreement between estate with Hup Seng Heng (FFB Transport) sealed on 01<sup>st</sup> June 2019.
- Sighted the Contract Agreement between estate with Leong Kam Wah (Replanting Contractor) sealed on 01<sup>st</sup> May 2020.

Payment will be paid 30 days after the estate received the invoice from contractors.

As evidence sighted the invoice send by:

- Hup Seng Heng (FFB Transport) to estate on 31<sup>st</sup> May 2020. Estate paid to the contractor on 06<sup>th</sup> June 2020.; Invoice No: IV-01815; Cheque no: 604805; RM 41,703.63.

**In Compliance**    ☒ **Yes**                      ☐ **No**                      ☐ **Not Applicable**

Criterion 4 Contractor	
<b>Indicator 1</b>	Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.

**Summary**                      All the contractors aware that estate is certified under MSPO. Therefore, the contractor has been instructed by estate management to follow the MSPO standard requirement.

As evidence in Subur Estate, sighted of evidence of MSPO clause for contractor in agreement:

- Sighted the Contract Agreement between estate with Yun Yit Enterprise (FFB Transport) sealed on 01<sup>st</sup> March 2019; Contract Agreement Terms and Conditions; Appendix I; "KLK Berhad – Occupational Safety and Health and Sustainability Requirement. Sighted the contract agreement/payment slip for their workers:
- Mr. A – 5167  

April 2020  
= RM 1,400.00

March 2020  
= RM 1,400.00
- Sighted the Contract Agreement between estate with Lee Replanting Construction (Replanting) sealed on 01<sup>st</sup> January 2020; Contract Agreement Terms and Conditions; Appendix I; "KLK Berhad – Occupational Safety and



Health and Sustainability Requirement. Sighted the contract agreement/payment slip for their workers:

- Mr. B

May 2020  
= RM 2,887.00

April 2020  
= RM 3,000.00

March 2020  
= RM 2,890.00

For Buntar Estate, sighted of evidence of MSPO clause for contractor in agreement:

- Sighted the Contract Agreement between estate with Hup Seng Heng (FFB Transport) sealed on 01<sup>st</sup> June 2019; Contract Agreement Terms and Conditions; Appendix I; "KLK Berhad – Occupational Safety and Health and Sustainability Requirement. Sighted the contract agreement/payment slip for their workers:

- Mr. C – 5621

June 2020  
= RM 1,500.00

May 2020  
= RM 1,500.00

- Sighted the Contract Agreement between estate with Leong Kam Wah (Replanting Contractor) sealed on 01<sup>st</sup> May 2020; Contract Agreement Terms and Conditions; Appendix I; "KLK Berhad – Occupational Safety and Health and Sustainability Requirement. Sighted the contract agreement/payment slip for their workers:

- Mr. D – 5591

June 2020  
= RM 3,465.10

**In Compliance** ☒ **Yes** ☐ No ☐ Not Applicable

**Indicator 2** The management shall provide evidence of agreed contracts with the contractor.

**Summary** All the contractors are aware that estate is certified under MSPO. Therefore, the contractor has been informed by estate management to follow the MSPO standard requirement.

Sighted all contract includes an agreement signed by contractor and estate manager with term and condition which includes:

- Contractor must adhere to KLK Sustainability policy and all estate standard certifications includes MSPO

Stated the term and conditions for payment method. Payment will be paid 30 days after the estate received the invoice from contractors.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 3** The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.

**Summary** All estates were audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 03<sup>rd</sup> August 2020 – 04<sup>th</sup> August 2020. Sighted audit plan dated 20<sup>th</sup> July 2020 (2<sup>nd</sup> Revised) which have been accepted address to Ms. Lee Kuan Yee, the KLK Sustainability Sr. Manager. All the auditors are qualified MSPO auditor. As per agreed, the KLK Berhad accept the GGC MSPO Auditors to verify through a physical inspection if required for audit purposed.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

**Indicator 4** The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.

**Summary** Estate verified the work done by the contractors before all the payment paid to the contractors.

Estate also inspect the contractor's workers. As per interviewed and also during site visit, the workers aware with OSH requirement. As example, the workers wear the PPE during the work task that given to them.

**In Compliance** ☒ **Yes** ☐ **No** ☐ **Not Applicable**

## 2.7 Principle 7 : Development of new planting

**Criterion 1** Oil palm shall not be planted on land with a high biodiversity value

**Indicator 1** Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ **Yes** ☐ **No** ☒ **Not Applicable**

**Indicator 2** No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management



Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

## **Criterion 2 Peat land**

**Indicator 1** New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.

**Summary** At this moment, there were no new plantings involving peat area. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

## **Criterion 3 Social and Environmental Impact Assessment (SEIA)**

**Indicator 1** A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 2** SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 3** The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 4** Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

#### **Criterion 4 Soil and topographic information**

**Indicator 1** Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 2** Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

#### **Criterion 5 Planting on steep terrain, marginal and fragile soils**

**Indicator 1** Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 2** Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 3** Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

#### **Criterion 6 Customary land**

**Indicator 1** No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables

indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 2** Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 3** Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 4** The owner of recognized customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 5** Identification and assessment of legal and recognised customary rights shall be documented.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 6** A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**



**Indicator 7** The process and outcome of any compensation claims shall be documented and made publicly available.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

**Indicator 8** Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.

**Summary** There were no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for KLK Batu Lintang Complex [Estates].

**In Compliance** ☐ Yes ☐ No ☒ **Not Applicable**

## 2.8 Details of Audit Findings

### Details Non-Conformity

- See Appendix B -

### Details of Area of Concern

- See Appendix B -

### Details of Noteworthy / Positive Findings

- 1) The estate management has demonstrated fully commitment during the entire audit process.
- 2) Top management continuously establishes directions for the middle and upper management to execute in ways to comply with the MSPO management system in future.
- 3) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 4) Signages throughout office, chemical area and in the field sites, effectively maintained and appropriate to the needs of the process.
- 5) Good relationship being maintained with surrounding smallholders and villages.
- 6) Good positive feedback received from internal and external stakeholders.

## Appendix A: Audit Plan

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
02 <sup>nd</sup> August 2020	TBA	➤ <b>Travelling to Batu Lintang Complex.</b>	MS	NMS ABS
03 <sup>rd</sup> August 2020	08:00 – 09:00	➤ <b>Centralize Opening Meeting at Subur Estate:</b> <ul style="list-style-type: none"> <li>• Presentation by the manager/coordinator</li> <li>• Presentation by Lead Auditor.</li> </ul> ➤ Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable).	MS	NMS ABS
	09:00 – 13:00	<b>Subur Estate</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> <li>• Verification on "Complaint Case from Stakeholders".</li> </ul> </li> </ul>	MS	NMS ABS
	10:30 – 12:30	➤ <b>Estate inspection:</b> <ul style="list-style-type: none"> <li>• Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</li> </ul>	MS	NMS ABS
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	MS	NMS ABS
	14:00 – 16:00	➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>• Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul>	MS	NMS ABS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	MS	NMS ABS

<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>





04 <sup>th</sup> August 2020	08:00 – 13:00	<b>Buntar Estate</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	MS	NMS ABS
	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Estate inspection:</b> <ul style="list-style-type: none"> <li>Field inspection, boundary inspection, fertilizer application, field spraying, harvesting, workers interview, buffer zone, conservation area, office, workshop, agriculture best practices, chemical store, and pre-mixing, etc.</li> </ul> </li> </ul>	MS	NMS ABS
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	MS	NMS ABS
	14:00 – 16:00	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	MS	NMS ABS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 2.	MS	NMS ABS



<b>AGENDA</b>				
<b>Date</b>	<b>Time</b>	<b>Subjects</b>	<b>Lead Auditor</b>	<b>Auditor</b>
05 <sup>th</sup> August 2020	09:00 – 13:00	<b>Batu Lintang Palm Oil Mill</b> <ul style="list-style-type: none"> <li>➤ <b>Document Audit:</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.</li> </ul> </li> </ul>	MS	NMS ABS
	10:30 – 12:30	<ul style="list-style-type: none"> <li>➤ <b>Mill Inspection:</b> <ul style="list-style-type: none"> <li>Workshop, Laboratory, Environment, OHS, Chemical Stores, Workers Welfare and Interview, Clinic, Landfill, Mill Housing, Biogas System, WWTP, Schedule Waste, POME.</li> </ul> </li> </ul>	MS	NMS ABS
	13:00 – 14:00	➤ <b>Lunch/Rest</b>	MS	NMS ABS
	14:00 – 15:30	<ul style="list-style-type: none"> <li>➤ <b>Continue document review</b> <ul style="list-style-type: none"> <li>Public documents, SOPs, Policies, Internal audit, Production &amp; Supply chain records, FFB</li> </ul> </li> </ul>	MS	NMS ABS



		pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc.		
	15:30 – 16:00	➤ Verify any outstanding issues and auditor discussion.	MS	NMS ABS
	16:00 – 17:00	➤ <b>Centralize Closing Meeting at Batu Lintang POM:</b> ➤ Chaired by the audit Lead Auditor • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ <b>End of assessment</b>	MS	NMS ABS

## Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit			
<b>Major Nonconformities:</b>	Non-were raised during this audit.		
<b>Minor Nonconformities:</b>	Non-were raised during this audit.		
<b>Area of Concern:</b>	The following AOC's were raised for this audit.		
<b>Company Name</b>	KL Kepong Berhad – Batu Lintang Complex [Estates]		
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input checked="" type="checkbox"/>	Recertification
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>	GGC-A13-MSPO-2017		
<b>NC No. / Ref.</b>	A13/MSPO/AOC/01	<b>Date Detected</b>	05 <sup>th</sup> August 2020
<b>Site(s) concern</b>	Subur Estate & Buntar Estate	<b>Target Completion</b>	-
<b>Normative Reference and Requirement</b>	4.6.1.1 Area of Concern  Standard operating procedures shall be appropriately documented and consistently implemented and monitored.		
<b>NC Type</b>	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern		
<b>Description of Non-Conformity</b>	SOP 12 Waste Management & Energy Use		
<b>NC Objective Evidence:</b>			
During site visit to store/skid tank/workshop areas, sighted the oil trap sump to be used to trap used/spillage lubricant. However, there are few of the oil trap sumps not properly maintained by estate management.			
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>	
			

<b>Company Name</b>	KL Kepong Berhad – Batu Lintang Complex [Estates]		
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input checked="" type="checkbox"/>	Recertification
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>	GGC-A13-MSPO-2017		
<b>NC No. / Ref.</b>	A13/MSPO/AOC/02	<b>Date Detected</b>	05 <sup>th</sup> August 2020
<b>Site(s) concern</b>	Buntar Estate	<b>Target Completion</b>	-
<b>Normative Reference and Requirement</b>	4.4.4.2 The occupational safety and health plan should cover the following: i. Employees trained in First Aid shall be present at all estate operations. First Aid equipment should be available at each worksite.		
<b>NC Type</b>	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern		
<b>Description of Non-Conformity</b>	Inadequate monitoring for first aid kit		
<b>NC Objective Evidence:</b>			
Inadequate monitoring on the first aid kit box available in estate as it was found that the “eye solution” with expiry date of November 2019.			
<b>Lead Auditor Signature:</b> 		<b>Client Signature:</b> 	

<b>Company Name</b>	KL Kepong Berhad – Batu Lintang Complex [Estates]		
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input checked="" type="checkbox"/>	Recertification
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>	GGC-A13-MSPO-2017		
<b>NC No. / Ref.</b>	A13/MSPO/AOC/03	<b>Date Detected</b>	05 <sup>th</sup> August 2020
<b>Site(s) concern</b>	Subur Estate	<b>Target Completion</b>	-
<b>Normative Reference and Requirement</b>	4.6.4.1 Area of Concern  Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.		
<b>NC Type</b>	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern		




<b>Description of Non-Conformity</b>	Inadequate Records - SOCSO
<b>NC Objective Evidence:</b>  Yundarnoto; B7195986 works as Excavator Operator under Replanting Contractors.	
<b>Lead Auditor Signature:</b> 	<b>Client Signature:</b> 

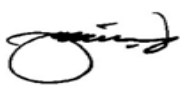

<b>Non-Conformities Identified During Previous Audit [ASA1]</b>
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<b>Major Nonconformities:</b>	Non-were raised during this audit.
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<b>Minor Nonconformities:</b>	Non-were raised during this audit.
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<b>Area of Concern:</b>	The following AOC's were raised for this audit.
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<b>Company Name</b>	KL Kepong Berhad – Batu Lintang Complex [Estates]		
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2
	Surveillance	<input checked="" type="checkbox"/>	Recertification
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders		
<b>Client Number</b>	GGC-A13-MSPO-2017		
<b>NC No. / Ref.</b>	A13/MSPO/AOC/01	<b>Date Detected</b>	17 <sup>th</sup> July 2019
<b>Site(s) concern</b>	Pelam Estate	<b>Target Completion</b>	-
<b>Normative Reference and Requirement</b>	4.4.2.2 Area of Concern  The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.		
<b>NC Type</b>	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern		
<b>Description of Non-Conformity</b>	Bypassing estate road		
<b>NC Objective Evidence:</b>  A complaint received from a resident of Kampung Baru Bakai in regards to the usage of "Minitar" road, with the purpose of bypassing the estate land dated 04 <sup>th</sup> October 2018 to MPOCC. The Global Gateway Certifications Sdn Bhd conducted the stakeholders meeting on 16 <sup>th</sup> July 2019 at Dewan Orang Ramai Kampung Baru Bakai. Villagers agreed this is a misunderstanding between complainant and the estate management.  Therefore, Kampung Baru Bakai villagers, agreed to pull out the complaint by issuing a letter stating this is a misunderstanding and the letter is prepared by Penghulu Mukim Bakai on behalf of Kampung Baru Bakai villagers. The letter will be sent to MPOCC for acknowledgment purpose. The matter will be resolved by applying the request of usage of road through the farm to the estate management by Penghulu Mukim Bakai.			
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>	
			

<b>Company Name</b>	KL Kepong Berhad – Batu Lintang Complex [Estates]			
<b>Stage of Audit</b>	Initial Stage 1	<input type="checkbox"/>	Initial Stage 2	<input type="checkbox"/>
	Surveillance	<input checked="" type="checkbox"/>	Recertification	<input type="checkbox"/>
<b>Audited Standard</b>	Part 3: General Principles for Oil Palm Plantations and Organized Smallholders			
<b>Client Number</b>	GGC-A13-MSPO-2017			
<b>NC No. / Ref.</b>	A13/MSPO/AOC/02	<b>Date Detected</b>	17 <sup>th</sup> July 2019	
<b>Site(s) concern</b>	Batu Lintang Estate	<b>Target Completion</b>	-	
<b>Normative Reference and Requirement</b>	4.4.4.2 The occupational safety and health plan shall cover the following: b) The risks of all operations shall be assessed and documented.			
<b>NC Type</b>	<input type="checkbox"/> Major <input type="checkbox"/> Minor <input checked="" type="checkbox"/> Area of Concern			
<b>Description of Non-Conformity</b>	Incomplete provision of PPE usage on HIRARC			
<b>NC Objective Evidence:</b>				
Observed by the auditor, the HIRARC for Manual Harvesting FFB dated 1 <sup>st</sup> May 2019 is not stated with the appropriate PPE as compared with other HIRARC such as receiving chemical, transporting FFB to the mill, workshop and etc.				
<b>Lead Auditor Signature:</b>		<b>Client Signature:</b>		
				

## Appendix C : List of Stakeholders Contacted

Attendance List
Internal Stakeholders
1) Estates management team and staff
2) Gender Committee Representatives
3) Male and Female workers
4) Workers Representatives
5) Foreign Workers Representatives
External Stakeholders
1) Contractors
2) Suppliers