

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

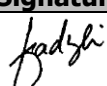
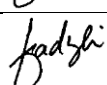

CERTIFICATION AUDIT REPORT


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

Kuala Lumpur Kepong Berhad
Tuan Mee Estate

-Individual Certification-

ANNUAL SURVEILLANCE AUDIT 3
29th June 2020

Revision History					
Rev	Date	Description	Performed by	Role	Signature
A	15.07.2020	Issued as Draft Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
B	05.08.2020	Issued as Final Report	Mohd Fadzli Bin Bistamam	Lead Auditor	
B	15.08.2020	Final Report Approved	Muhd Jamalul Arif	Certifier	

Acknowledgment by Kuala Kepong Kepong Berhad					
Rev	Date	Description	Management Representative	Role	Signature
B	15.08.2020	Acceptance of the contents	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 Tuan Mee Estate. 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 Tuan Mee POM are from their own estates [Tuan Mee Estate], out-growers and other smallholders.

This assessment was conducted onsite on 29th June 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
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Business Address	Wisma Taiko, 1, Jalan S.P Seenivasagam, 30000 Ipoh, Perak.
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Contact Person	Ms. Lee Kuan Yee
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Office Telephone	+6052417844
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E-Mail	kuanyee.lee@klk.com.my
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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.	Tuan Mee Estate	Batu 24, Jalan Kuala Selangor - Kepong, 47000 Sg. Buloh, Selangor Darul Ehsan.	101.455682	3.268800

MPOB License Information

No	Name Of The Site	LICENCE NUMBER	EXPIRY DATE	SCOPE ACTIVITY
1.	Tuan Mee Estate (Tuan Mee Home Division)	501485102000	31/03/2021	"Menjual dan Mengalih FFB"
	Tuan Mee Estate	504435102000	30/04/2021	"Menjual dan Mengalih FFB"



	(Tuan Mee Bukit Darah)			
	Tuan Mee Estate	612315011000	31/05/2021	"Menghasilkan, Menjual & mengalih, Menyimpan (Nursery)"

Others Sustainability Certification

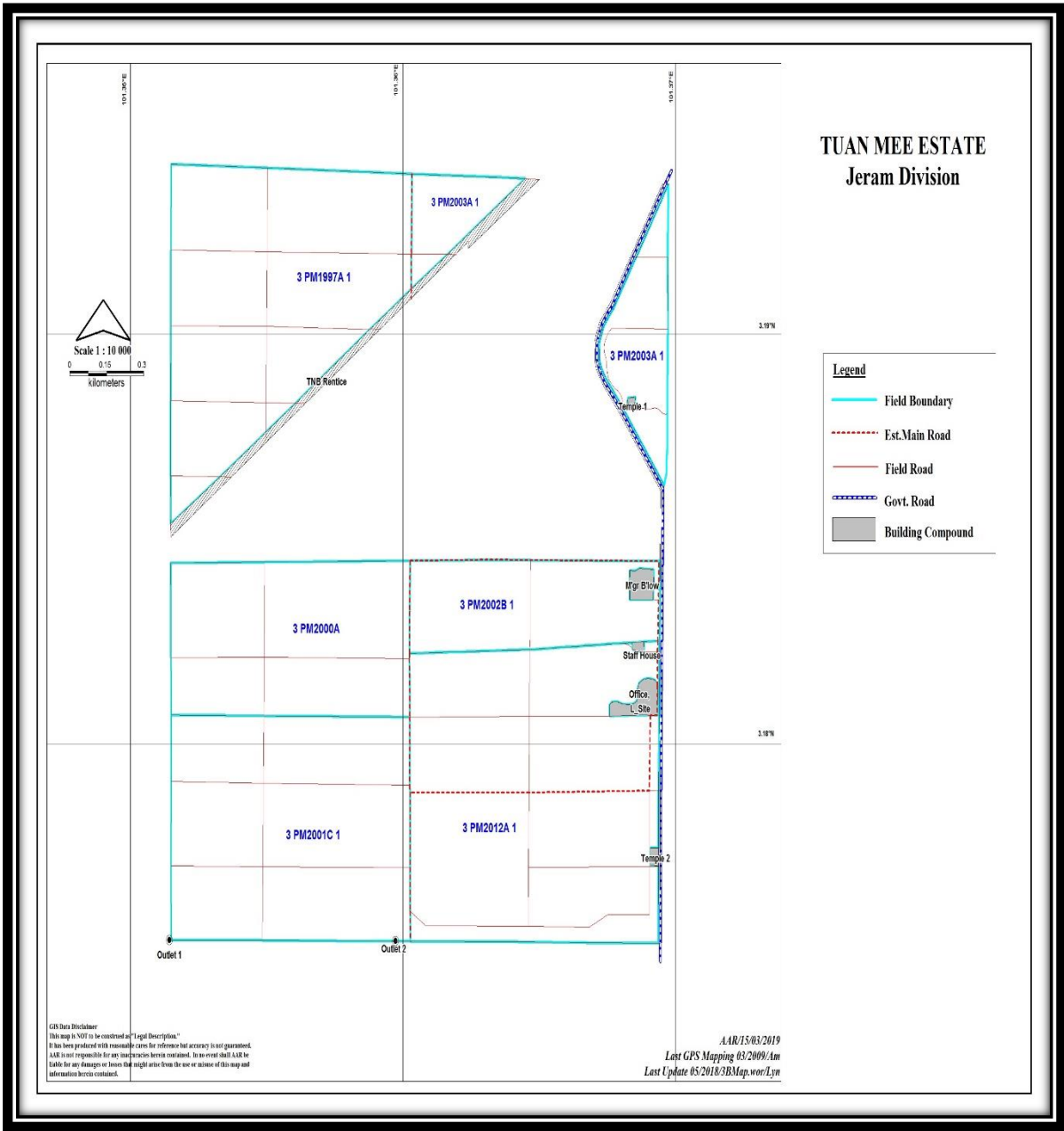
No	Name Of The Site	Others Sustainability Certifications
1.	Tuan Mee Estate	1) RSPO (Roundtable on Sustainable Palm Oil) 2) International Sustainability and Carbon Certification (ISCC)

1.4 Map Showing Geographical Location

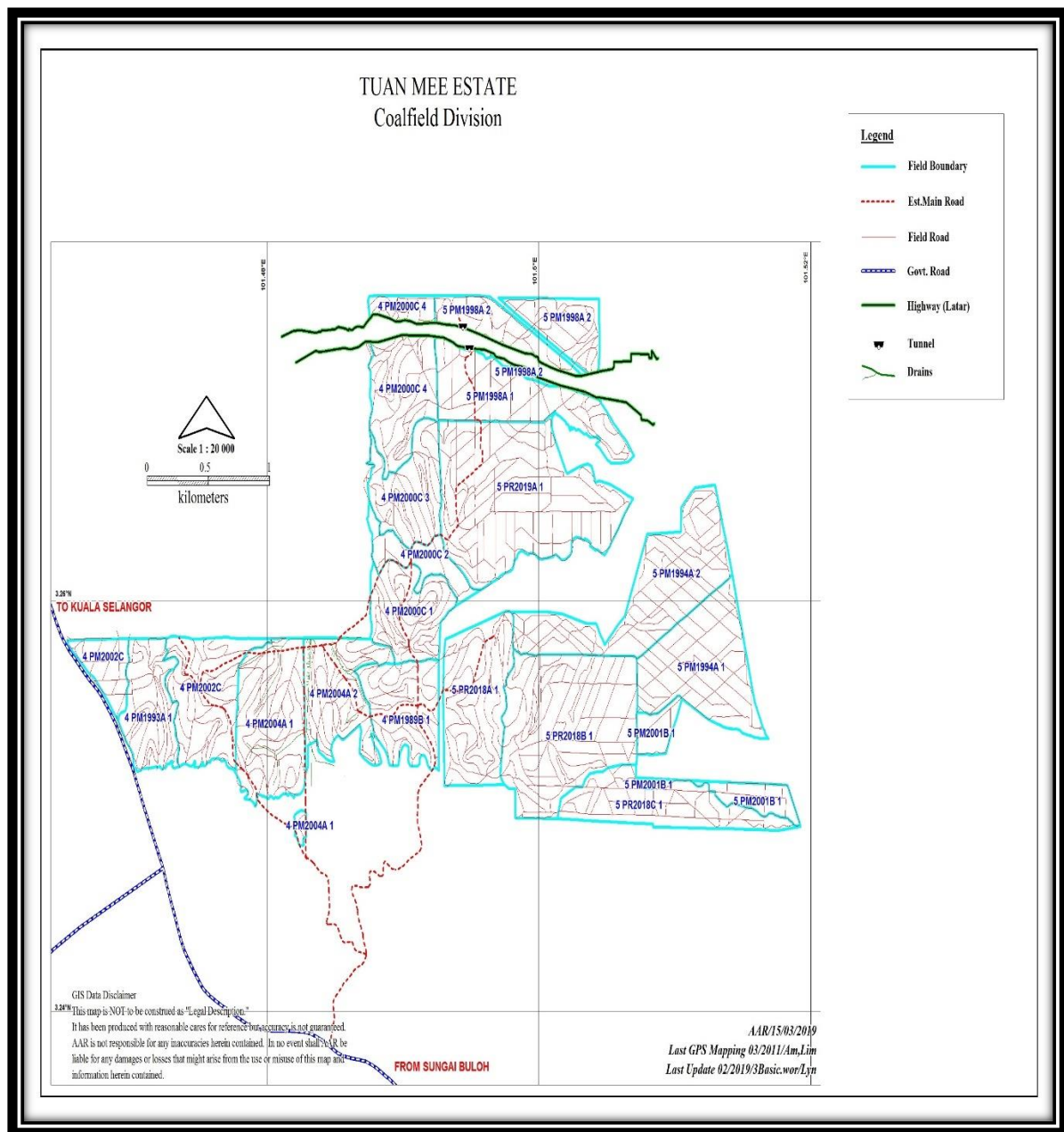
1) Tuan Mee Complex [Mill & Estate]



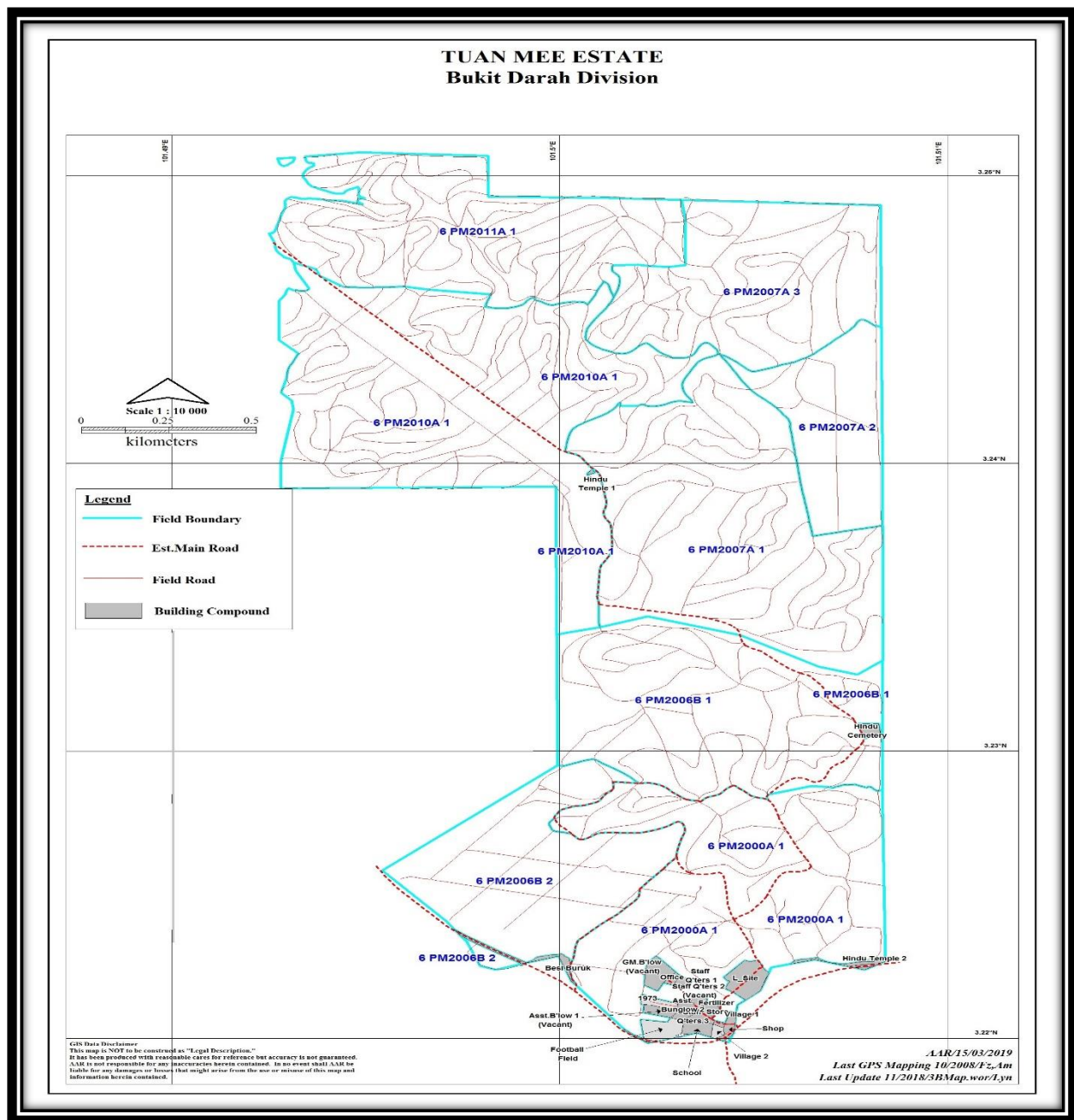
3) Tuan Mee Estate (Jeram Division)



4) Tuan Mee Estate (Coalfield Division)



5) Tuan Mee Estate (Bukit Darah Division)



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
Tuan Mee Estate	*2592	2369	1827
Total	2592	2369	1827

*Reduction of 86 Ha compared to last year due to land acquisition in Lot 1595 and Lot 2956.

Name Of The Supply Base	Area Summary (HA)		
	Conservation Area	HCV	Others
Tuan Mee Estate	8.48	-	214.52
Total	8.48	-	214.52

Name of the Certification Unit	FFB Summary (MT)		
	Projected from last audit [Jun 2019-May 2020]	Actual Production for 12 Months [Jun 2019-May 2020]	Projected Production for next 12 Months [Jun 2020-May 2021]
Tuan Mee Estate	48,715	39,003.63	48,250
Total	48,715	39,003.63	48,250

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

Assessment standard

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

Certificate number

GGC-KLK007-MSPO-02-2017

Initial certificate issued date

22nd December 2017

Certificate expiry date

21st December 2022

Stage 1 assessment date

Not Applicable as client certified for RSPO, ISCC and SCCS

Stage 2 / Main Assessment	17 th October 2017
Annual Surveillance 1 [ASA 1]	12 th May 2018
Annual Surveillance 2 [ASA 2]	03 rd July 2019
Annual Surveillance 3 [ASA 3]	29 th June 2020
Annual Surveillance 4 [ASA 4]	July 2021

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Mohd Fadzli Bin Bistamam

Post graduate qualification in Agricultural Engineering with more than 7 years working experience in Oil Palm Plantation Industry. More than 7 years of working experience in Oil Palm Plantation Industry with skills in Good Agricultural Practices (GAP) and Integrated Pest Management (IPM). Experience in managing estate workers, handling of mineral and peat soil and knowledgeable in chemical control of weeds and Pest & Diseases in Oil Palm Plantation Sector.

Fully trained in similar agriculture certification programs such as RSPO, MSPO and ISCC. Completed and certified in ISO 9001:2015, RSPO Lead Auditor Course, MSPO Training and ISCC Basic Training. Thus, became qualified Lead Auditor for the above programs.

Involved in Oil Palm Sustainability Audit since year 2016. Involved in audits conducted in Malaysia, Indonesia, Papua New Guinea, Ivory Coast, India and Singapore. Member of GGC MSPO audit team. Able to write and speak in Bahasa Malaysia and English.

Auditor

Name: Ismadi bin Ismail

He holds Diploma in Planting Industry Management from MARA Institute of Technology, Kuantan Pahang. 24 years of working experiences with various plantation companies and skills in Best Agriculture Practices (GAP) for plantation. Fully trained in CoP, MSPO and OSHAS. Qualified as Lead Auditor/Auditor for MSPO and CoP. Involved in MSPO assessment since 2017. Completed and certified MSPO Auditor course in 2017 held by SGS (M) Sdn Bhd and ISO 9001:2015 lead auditor course by TOMC. Member of GGC MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Md. Jefri Sharaai

Bachelor Degree in Chemical Engineering and Master Degree (Science) in Quality & Productivity. Total of 25 years working experiences in various industries and disciplines; manufacturing, production, quality, internal audit, research & development, oil & gas design engineering. Involved in auditing, developing, implementing and maintaining of ISO 9001, ISO 14001 and OHSAS 18001. Having years of auditing experiences in Roundtable on Sustainable Palm Oil (RSPO) and Malaysian Sustainable Palm Oil (MSPO) sustainable programme.

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 not applied as there is only one estate, namely “Tuan Mee Estate”.

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.

1.9 Audit Plan Information

Audit Date	29 th June 2020
Name of site(s) visited	Tuan Mee Estate
Total number of man-days spent	3 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	0	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, 01st 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 is 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"> • They have good understanding about MSPO. • They have good understanding about complaint and grievance mechanism. • PPE given by company – free. • They were treated equally with no discrimination based on gender. • They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs. 	No action requires	Positive findings
2.	Stakeholders B (Tractor Driver)	<ul style="list-style-type: none"> • Good understanding about MSPO. • They are happy with the management and hope to extend their contract. • They have good understanding about 	No action requires	Positive findings

		<p>complaint and grievance mechanism.</p> <ul style="list-style-type: none"> • PPE given by company – free. • They claimed that the management provides good living quarters with proper domestic waste collection and promptly attend to quarters repairs. • They confirmed wages are being paid more than the Minimum Wage Order 2018 of RM1,100.00 per month and no issue on wages received as well as the deductions made. 		
3.	Stakeholders C (Contractors)	<ul style="list-style-type: none"> • They have good understanding about MSPO. • They informed that the payments were made promptly without any delay. Contract agreement were signed prior commencement of work. • They were aware that any complaints or suggestions could be forwarded to the mill/estate management. • The company has good relation with supplier and there is no issue with company's performance. 	No action requires	Positive findings
4.	Stakeholders D (Suppliers)	<ul style="list-style-type: none"> • Informed that the payment was made promptly. • The contract agreement with the management is fair and transparent. • The company has good relation with supplier and there is no issue with company's performance • He has good understanding about complaint and grievance mechanism. 	No action requires	Positive findings
5.	Stakeholders E (Estate - Gender Committee Representatives)	<ul style="list-style-type: none"> • There was no discrimination, sexual harassment or violence case reported thus far. 	No action requires	Positive findings

		<ul style="list-style-type: none"> The Management is quite supportive on the Committee activities. 		
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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 Tuan Mee Estate. 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) is 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 raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted with no major non-conformity findings. Therefore, the Lead Auditor recommends to continuing a certificate of compliance "MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders" to KLK Tuan Mee Estate.

1.13 Date of Next Surveillance Audit

The fourth (4th) annual surveillance assessment visit will be scheduled after 12 months from the date of this audit.

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
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 KLK has established Sustainability Manual dated 1st January 2020, Issue /Rev: 3/2 by KLK Sustainability Department. The policy signed by Tan Sri Dato Lee Oi Hian, Chief Executive Officer, dated 30th August 2018. Sighted Policy of MSPO; 01st October 2017

Communication and consultation process are also communicated through training programs and the records with attendance lists was sighted. Latest sustainability training at Tuan Mee Estate was conducted on 2nd January 2020 for 133 workers the training conducted by Mr Muhammad Afif Fikri bin Ghazali, the Estate Assistant Manager.

In view of Movement Controlled Order, no physical meeting being conducted and the feedback from external stakeholders are through e-mail. Handout and questionnaires being send to 60 External Stakeholders on 4th & 5th June 2020. The link for the questionnaires as follow, <https://forms.gle/rSVrjbWenoL9shB99>. Merely, 9 replied to the Management. As per audit and interviewed with estate workers, all workers are aware and answered to auditors very well the MSPO Policy. Also sighted the implementation on site.

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

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

Summary Sighted Policy of MSPO; Dated 01st October 2017, stated "We are committed to meet the sustainability requirements of MSPO and committed to continuous improvement"

Sighted SOP on Sustainability No 16.0, Appendix 1 – Continuous Improvement Plan (Environmental); Issue / Rev: 2/1; Date 01/01/2020, Page 1 of 1. The estate has developed Continuous Improvement Plan for year 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 KLK has established Sustainability Manual. It is done by KLK Sustainability Department. Sighted SOP 19.0 titled "Internal Audit Procedures" Issue / Rev: 2/1; Date 01/01/2020. The Management had drawn an Internal Audit Plan and being carried out once a year to all Estates. The latest internal audit was conducted on 10th to 12th February 2020. Internal Audit at Tuan Mee Estate was led by Mr. Mohammad Faruq bin Norazman and

assisted by Mr. Tong Wing Chuen and Miss Verna See Pik Kim. Audit report has been verified during the audit.

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 All the findings from Internal Audit Team are covering 20 Sustainability Standard Operating Procedures, Interview Session and Site visit. Seen, 10 findings on Standard Operating Procedures, 6 on Interview Session and 7 on Site Visit. Seen the response and action taken by Estate Manager for all the findings by the KLK Sustainability Department being reply on 7th March 2020. All details well documented by estate management.

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

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

Summary The internal audit report was documented and made available for management review. As evidence, all findings from internal audit was responded by the estate management within the acceptable timeframe.

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 KLK has established SOP 16.0; Management Review; Issue/Rev: 2/1; Date on 1st January 2020. As evidence, last management review for Tuan Mee Estate was conducted on 14th October 2019, chaired by the Estate Manager and attended by 8 personnel.

Other than internal audit matter, 17 more agendas were discussed in Management Review comprising Stakeholders Engagement Issues, Compliance to Legal Requirements, Annual Budget and Projection, Waste Reduction, Training, Policy, Pollution and Greenhouse Gas Emissions, Internal Audit Findings, External Audit Findings, Status of findings and corrective action, Environmental Impact assessment, Social Impact Assessment, High Conservation Value and Optimization in Yield, Customer feedback, Process Performance and product conformity, Changes that could affect Management System and Recommendations for Improvement

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

Criterion 4 Continual improvement

Indicator 1	The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.
Summary	<p>Sighted SOP on Sustainability No 16.0, Appendix 1 – Continuous Improvement Plan (Environmental); Issue / Rev: 2/1; Date 01/01/2020, Page 1 of 1. Estate has developed Continuous Improvement Plan year 2020.</p> <p>Example plan verified during the audit:</p> <p>Category: Environmental Target: Chemical Usage Reduction Plans:</p> <ol style="list-style-type: none"> 1. Spray pump calibration (Target completion: March 2020) 2. Planting of beneficial plant (Target completion: September 2020) <p>Target: Waste Reduction Plans:</p> <ol style="list-style-type: none"> 1. Briefing on recycling programme (Target completion: April 2020) 2. Frond stacking to reduce waste (Target completion: September 2020) <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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	<p>There is no new application of new technology implemented during the certification period. The current practices continued and guide by Estate General Manager.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
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	<p>The current practices continued and remain unchanged. However, estate management will implement and monitor any new technologies being implemented and training of other personnel. Currently, estate was carried out the training based on the estate current practices.</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>

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

KLK Berhad has established the Stakeholder Engagement/Negotiation Procedure. SOP 1.0; Issue/Rev 4/3; Date 01.01.2020. The purpose of this procedure is to outline the arrangements for consultation and communication by KLK Berhad estate and mill management with its relevant stakeholders and how their concerns and views are addressed.

The management has communicated to the relevant stakeholders on company policies and procedures on how to request for information from the estates via e-mailing the training materials to all the stakeholders identified. This method (E-mail) was used due to Movement Restriction Order (MCO) issued by Malaysian Government. A total of 9 stakeholders have replied received the training materials while others are not responding. The training materials were also handed by hand to stakeholders such as:

1. BOMBA
2. KWSP
3. LHDN
4. Klinik Kesihatan Ijok
5. Balai Polis Batu Arang
6. SJK (T) Ladang Tuan Mee
7. Kuala Lumpur – Kuala Selangor Expressway (LATAR)

As the date of audit (June 2020) there was no special request to the estate from any external stakeholders. Requests are only from internal stakeholders related to housing and building repairs. Sighted form "Buku Log Pihak Berkepentingan" during the audit.

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

KLK Berhad established SOP 9.0 for Control of Documents and Records, Issue: 2, Rev: 1, dated on 01.01.2020. The SOP is a guideline for KLK Berhad to determine the confidentiality status or availability for public disclosure. For confidential document, need to get approval from KLK Berhad HQ.

The procedure has clearly stated documents which are publicly available to stakeholders. Also sighted summary list (SOP 9, Appendix 4, Issue 2, Rev 1 dated 01.01.2020) which lists all documents which are publicly available and confidential to stakeholders. Among the confidential documents listed such as the FFB pricing mechanism, Estate Capital Expenditure, HQ Accounts, HQ Administration and Cash Requisition. The publicly available documents are available upon request (Read Only) such as:

1. Sustainable Palm Oil Manual
2. Policies
3. SOPs (SOP 1 to SOP 20)
4. Social Impact Assessment
5. Chemical Register & CSDS
6. JKKP 6, 7, 8, 9 Statistics & Investigation Record

7. Training Program & Records
8. Emergency Response Procedures

All listed documents are made available at estate office. Requesting for official documents through the estate office require approval from the estate manager/assistant in charge to get receive permission for access.

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 Berhad has established the Stakeholder Engagement/Negotiation Procedure. Procedure. SOP 1; Issue/Rev 4/3; Date 01.01.2020. The purpose of this procedure is to outline the arrangements for consultation and communication by KLK Berhad estate and mill management with its relevant stakeholders and how their concerns and views are addressed. The flow identified:

1. Request & Response
2. Consultation & Communication
3. Complaint & Grievance (C&G)

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 The estate has appointed Mr. Ho We Jien (Assistant Manager) as the person in-charge for all issues related to Sustainability and stakeholders. Sighted appointment letter dated 02.01.2020 approved by the Estate Manager, Mr. Chin Yik Loon).

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.
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Summary List of stakeholders as per documented in SOP 1.0 Appendix 1.0 updated on 07.01.2020. The list has been verified by the Estate Manager. List of Stakeholders sighted. Sampled Stakeholders who are segregated into the following:

1. Governmental Organization
 - MPOB Kelana Jaya
 - Department of Safety and Health, S. Jaya
 - Department of Environment
 - BOMBA, Rawang.
 - Balai Polis Batu Arang
 - PERKESO, Rawang
 - Pejabat Kesihatan Daerah K. Selangor

2. Service Providers
 - MAYBANK, Kepong
 - FOMEMA, Taman Maluri
 - SYABAS
 - TNB, Rawang
3. Contractors/Supplier
 - JCB Contractors
 - G-Planter Sdn Bhd
 - My crop – Chemical/Chemical Equipment Supplier
 - Jayamas Timber & Hardware Sdn Bhd

As the date of audit (June 2020) there was no special request to the estate from any external stakeholders. Requests are only from internal stakeholders related to housing and building repairs. Sighted form "Buku Log Pihak Berkepentingan" during the audit.

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	<p>KLK is committed to trace all the palm products produced by KLK own plantations. This has been translated into their traceability procedure SOP 18 – Supply Chain Procedure, (Issue/Rev: 4/3, Dated: 01.01.2020) where they will endeavour to put in place a traceable palm oil supply chain.</p> <p>The SOP spells out all procedures in relation to the supply chain system at this operating system. Sighted all records done by estate management. From field to the mill. Estate will record all the bunch that harvest by the harvester. Estate has used barcode scanner to count all the bunch.</p> <p>All record will transfer to FFB Bunch Payment Record Book and FFB Crop Summary. Bunch count data summary is can be generated daily or monthly. Sighted record "Mill Declared Weight To-Date List 2020 May" showing a total FFB weight 983,500 kg of FFB. The records of delivery or transportation of FFB will be maintained and kept by the both site (estate and mill).</p> <p>In Compliance <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable</p>
Indicator 2	The management shall conduct regular inspections on compliance with the established traceability system.
Summary	<p>Estate has conducted 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.</p>

The field harvesting supervisor are responsible to on regular inspection. The effectiveness is tested and verified during internal audit conducted by KLK Sustainability Department. KLK Sustainability Department also do the internal audit-based SOP 18 – Supply Chain Procedure, (Issue/Rev: 4/3, Dated: 01.01.2020. Latest internal audit was conducted on 10th to 12th February 2020.

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

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

Summary The estate has appointed Mr. Ho We Jien (Assistant Manager) as the person in-charge for all issues related to Supply Chain Matters. Sighted appointment letter dated 02.01.2020 approved by the Estate Manager, Mr. Chin Yik Loon).

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

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

Summary FFB from the estate is directly send to Tuan Mee palm Oil Mill. Records are available during the audit. Sighted:

FFB Delivery Advice Internal/External

Date: 07.05.2020

S/N: 0530852

Field: 00 A

Weight: 5,000 kg

MSPO Cert: GGC-KLK007-MSPO-01-2017 (22/12/2017 – 21/12/2022)

Weighbridge Ticket

Date: 07.05.2020

Sender: Tuan Mee Estate

Mill: Kilang Kelapa Sawit Tuan Mee

W/B Ticket No: A260590

Material: FFB

Weight: 4,710 kg

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 estate has established all applicable laws are recorded in the table name "List & Summary of Applicable Laws & Regulations" following SOP 2, Rev 1/0 Legal Compliance.

The lists were prepared on 2/01/2020 by Sustainability Team and acknowledge by Muhammad Nazmi Othman (Estate Senior Assistant Manager) dated 26/03/2020.

The company has established and updated SOP No. 2.0 Rev 1/2, Title: List & summary of applicable laws and regulations that are applicable for the Mill updated 01/01/2020. Some of applicable laws includes:

- i. Occupational Safety and Health Act 1994 (Act 514)
- ii. Factories and Machinery Act with regulations (Act 139)
- iii. Kementerian Perdagangan Dalam Negeri
- iv. MPOB Act 1998 (Act 582)
- v. Road Transport Act 1987 (Act 333)
- vi. Employees Social Security Act 1969 (Act 4)
- vii. Industrial Relations Act 1967 (Act 177)
- viii. Trade Unions Act 1959 (Act 262)
- ix. Human Rights Commission of Malaysia Act 1999 (Act 597)
- x. Children and Young Persons (Employment) Act 1966 (Act 350)
- xi. Immigration Act 1959/63 (Act 155)
- xii. EQA Act 1974 (Act 127)
- xiii. Electricity Supply Act 1990 (Act 447)
- xiv. Weights and Measures Act 1972 (Act 71)
- xv. Industrial Relations Act and Regulations (Act 177)
- xvi. Employees Provident Fund Act 1991 (Act 452)
- xvii. Employment Act 1955 (Act 265)
- xviii. Workman Compensation Act 1952 (Act 273)
- xix. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
- xx. Minimum Wages Order 2020

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

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

Summary

List of all applicable laws are recorded in the table name "List & Summary of Applicable Laws & Regulations" following SOP 2, Legal Compliance. The lists were prepared on 2/01/2020 by Sustainability Team and acknowledge by Muhammad Nazmi Othman (Estate Senior Assistant Manager) dated 26/03/2020.

Sighted example of legal lists is:

- Occupational Safety & Health Act 1994
- Environmental Mainstreaming Directive
- Factories and Machinery Act 1967 (Act 139)
- Pesticides Act 1974 (Act 149)
- Minimum order wages

- National land code
- International Labour Organization (ILO) Convention

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 The legal requirements registered are updated annually or when they are new amendments by the officer in-charge in the estate.

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 Sighted appointment letter of Muhammad Nazmi Othman (Sr.Assist Manager) dated 02/01/2020 responsible for updating legal regulatory matters.

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 Total titled hectareage is 2,592 Ha and planted hectareage is 2,369 Ha [matured 1,827 Ha, Nursery 3 Ha and immature is 542 Ha].

In 28 August 2019, the state Government has gazetted a total of 85.564 Ha, from GRN 51664/Lot 1595 (73.423 Ha) and GRN 37850/Lot 2956 (12.141 Ha) which in Mukim of Jeram, District of Kuala Selangor for

"Projek Integrated Solid Waste Management Centre (ISWMC) Mukim Jeram, Daerah Kuala Selangor".

On 24/05/2019, the estate received "Notis award dan tawaran pampasan (Borang H, Akta Pengambilan Tanah, 1960, Seksyen 16)", stating the compensation amount of RM 6,070,500.00 [GRN 37850] and RM36,711,500.00 [GRN 51664] paid to KLK respectively.

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 acquired legal ownership of lands. There are total of 31 land titles.

DIVISION	NO.LOT	LUAS TANAH HEKTAR
TUAN MEE	542 (33683,33684)	516.7239
CALADONIAN	33698 (815)	492.7530
	33695 (806) (2739)	58.6500
	33697 (806) (2739)	117.7439
	2740 (806) (2739)	5.8450
JERAM	2958	0.0081
	2959	0.1256
	1593	202.2885
COUNTRY HOMES	1754 {3424 & 3425}	151.5809
	1755	25.5200
	1846	1.0749
	1759	62.0169
	1757	55.7697
	1504	90.6985
	1861	47.1703
	1862	32.5513
	PT 1145	0.9712
	PT 1146	4.0468
	PT 1144	4.5324
	33680 (744)	6.5290
	852	3.0214
	851	110.000
	811	0.3412
	33681 (744)	189.9447
	15794	0.2023
	15795	0.2023
	15796	0.2023
	15801	0.2023
	15802	0.2023
BUKIT DARAH	1456	402.857
EX- TQCC OFFICE	23681	7.8325

Total Hectarage		2592.00
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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 estate boundary are demarcated with concrete stone (fencing pole)

During the audit, the auditor has sighted:

- demarcation survey plan done by Jurukur Generasi dated 22nd March 2019 with 30 boundaries pegs (fencing pole)
- Boundary markers monitoring checklist done by Muhammad Nazmi Othman (Sr.Asst.Manager) on 29/04/2020.

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 Tuan Mee Estate area. There is no evidence of conflict present in both estates. There is no violence on instigated violence in maintaining peace because company has a clear procedure for land conflict.

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 in or surrounding Tuan Mee Estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership.

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 in or surrounding Tuan Mee Estate. There are also no land disputes or claims involving this estate. The company has proper legal land tile for the land ownership. Therefore, no maps for recognized customary rights is available.

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 customary land in or surrounding Tuan Mee Estate. There are also no land disputes or claims involving this estate. The company has proper legal land title for the land ownership.

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 In-house Social Impact Assessment (SOP 13.0 Issue/Rev 2/1 dated 01-01-2020). KLK has established Sustainability Manual. It's done by KLK Sustainability Department.

The SIA is assessing on Access and Use Rights, Economic Likelihoods and Working Condition, Cultural and Religion Issues, Health and Education Facilities, Amenity, Employment, Human Rights and Food and Water Security.

The assessment being conducted from 14th February 2020 until 15th May 2020 in participation of 158 workers. Level of impact is determined as below: -

	Impact to workers	Percentage
1	High	< 40%
2	Moderate	40 – 60%
3	Low	>60%

Seen in the review report, the mitigation plan and targeted date for completion. The Social Impact Assessment prepared by En. Khairul Ikhwan Abu Khairi, Sustainability Executive and reviewed by En. Chin Yik Loon, the Estate Manager on 24th June 2020.

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 has established Sustainability Manual. It's done by KLK Sustainability Department. Sighted SOP No. 1: Appendix 2B, Rev 4/3 Stakeholders Engagement/Negotiation; Dated 01st Jan 2020 as the consultation and communication procedures to relevant stakeholders. SOP has outlined the

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

There are 5 grievance channels available: -

1. Use the Grievance Form available at www.klk.com.my or Scan QR Code to download the form
2. By calling our hotline: +605-2408000 (Extension 2201)
3. By e-mail: hr@klk.com.my
4. By post to: Head office
5. By dropping it into the suggestion box

Complaint and Grievances uses the same form as Stakeholders Logbook, Appendix 2A but have to indicate in the column as stated in form.

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 Sighted SOP No. 1: Appendix 2B, Rev 4/3 Stakeholders Engagement/Negotiation; Dated 01st Jan 2020 as the consultation and communication procedures to relevant stakeholders. Complaints forms seen are responded and completed within appropriate manner.

Seen samples of complaints dated 6th June 2020 by Mr. Udaiyakumar -Block D, No 9 on faulty of fluorescent lamp. The issue being resolved on 8th June 2020. It has been acknowledged by the complainant on the 9th June 2020.

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 Seen form named Stakeholder Logbook Appendix 2B, Rev 4/3 Stakeholders Engagement/Negotiation; Dated 01st Jan 2020 used for all internal complaints, consultation and request. This complaint form/method is clearly explained during KLK Sustainability Briefing for both internal employee from time to time and external stakeholders during Stakeholder Consultation Meeting.

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 Latest sustainability training at Tuan Mee Estate was conducted on 2nd January 2020 for 133 workers the training conducted by Mr Muhammad Afif Fikri bin Ghazali, the Estate Assistant Manager.

In view of Movement Controlled Order, no physical meeting being conducted and the feedback from external stakeholders are through e-mail.

Handout and questionnaires being send to 60 External Stakeholders on 4th & 5th June 2020. The link for the questionnaires as follow, [https://forms.gle /rSVrjbWenoL9shB99](https://forms.gle/rSVrjbWenoL9shB99). Merely, 9 replied to the Management.

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 all internal complaints filled, responded and the records being maintained for the last 24 months.
26 complaints recorded in 2020 as compared to 30 in 2019. No evidence of external complaints from stakeholders using Stakeholder Logbook forms.

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 Estate is committed and have contributed to local development. The contribution made to the internal and external stakeholders. The CSR have divided into four categories. As evidence, the management contributions as follow: -

Social			
No	Activities	Date	Amount
1	Donation of Face masks to Klinik Kesihatan Ijok, Klinik Kesihatan Kubu Gajah, Balai Polis Batu Arang & Balai Polis Kundang	17/4/2020	RM6,000
2	Donation of hand sanitizer to Balai Polis Batu Arang & Balai Polis Kundang	17/4/2020	RM1,600
3	Donation of essential food supply to all workers	17/4/2020	RM11,600

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 Corporate Occupational Safety & Health Policy. Established on 01st January 2020, Issue / Rev: 3/2 Page 15 of 15 which was approved by Tan Sri Dato' Seri Lee Oi Hian, Chief Executive Officer.

Sighted local OSH Policy signed by Manager, Mr. Chin Yik Loon dated 1st January 2020.

Guidelines of Group Policy on Occupational Safety and Health dated 1st July 2010 by KLK Sustainability Department

OSH Plan 2020 is available with objective to reduce serious case (major) to 2 case below 2020 and monitoring usage Personal Protective Equipment (PPE) for all workers.

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

- a. Sighted the Corporate Occupational Safety & Health Policy. Established on 01st January 2020, Issue / Rev: 3/2 Page 15 of 15 which was approved by Tan Sri Dato' Seri Lee Oi Hian, Chief Executive Officer.

Sighted local OSH Policy signed by Manager, Mr. Chin Yik Loon dated 1st January 2020.

Guidelines of Group Policy on Occupational Safety and Health dated 1st July 2010 by KLK Sustainability Department

- b. Risk assessment was conducted through HIRARC based on the severity and the likelihood.

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). HIRARC sighted for the followings work operation such as: -

1. AA Bag Mulching
2. Bunch Counter
3. Chemical spray
4. Chemical Issue
5. Chemical store
6. Construction of New Buildings
7. Creche ayah
8. Diesel Tank
9. Driving tractor
10. Electricity Supply to Housing Complex
11. Evacuation of FFB with Badang
12. Evacuation of FFB With Grabbar

HIRAC being review in 25TH June 2020 and next review will be 24th June 2021.

- c. The Estate has a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training records file for each staffs and workers. Training Plan includes: -

NO	TOPIC	MONTH PROGRAMME	STATUS
1	1 st Aid Kit	2/2020	23/1/2020
2	Fire Extinguisher	2/2020	
3	SOP Training harvesters & loaders	3/2020	6/2/2020
4	SOP Training manuring applicator	3/2020	
5	SOP Training tractor driver	4/2020	28/4/2020
6	SOP Training Sprayers	5/2020	19/5/2020
7	SOP Training harvesters & loaders		
8	SOP Training for contractors	6/2020	4/3/2020
9	SOP Training tractor and passengers	7/2020	
10	SOP Training Sprayers	8/2020	
11	SOP Training manuring applicator	9/2020	

Samples training conducted on Spraying Techniques and the Safety Aspects was sighted on 19th May 2020 attended by 19 participants.

- d. Estate has provided appropriate PPE for all workers in their operations. PPE Issuance and replacement record. Sighted for: -
 - a. Staff/AP
 - b. Harvesters
 - c. Field Workers
 - d. General Workers

During field visit, sighted the workers have been trained with safety and the workers wear the PPE required by his/her works.

All workers involved in the operations have been adequately trained in safe working practice.

- e. CHRA report dated 13th & 18th September 2018 reported by Lean Hock Leng – HQ/09/ASS/00/102 from Procoma Environmental (M) Sdn Bhd.

Sighted, Tuan Mee Estate 2020 Action Plan on CHRA Recommendations by Assessor.

A total of 42 workers have undergone medical surveillance. They were tested on Physical examination, Blood, Urine, Cholinesterase and Chest X-ray.

The workers are from the categories of storekeeper, chemical pre mixer, sprayers, manurers, nursery operator, office and workshop.

Medical Surveillance to the above workers have been conducted on 11th June 2020 at Klinik Saujana Sdn Bhd. The result yet to be obtained from the respective clinic.

- f. Person in-charge of OSH is Mr. Chin Yik Loon, The Estate Manager appointed on 11TH February 2019.
- g. OSH Committee Chart 2019 sighted. Seen, letter of appointment for committee members in the file. Estate Manager is the Chairman of OSH Committee and he is person in-charge for OSH. He will assist by KKK OSH Department. The committee meeting has been conducted as follows: -
 - a. 3rd April 2020
 - b. 26th June 2020

The meeting to discuss all issues regarding worker's safety and health.

- H. Accident reports for 2019 has been discussed in OSH Meeting.

1 major accident recorded in 2019 and the case was related to Harvesting Operation on fallen of fronds during harvesting.

Sighted the emergency procedure for the Estate. Emergency response plan available in local language (Malay and English). The ERP has been explained to all workers and staffs during training which has been conducted.

Emergency response plan include the emergency contact number, and also have Guidelines on Accident, Emergency Procedures and Exit routes as well as assembly point in file and pasted on notice board.

- i. The first aider for the Estate is Mr. Muhammad Nazmi bin Othoman and he has attended the training by Amani Dynamic Resources on 16th and 17th March.

Evidence, the 1st Aid Box being distributed to the 33 in- charge of their responsible areas ie Manuring, Spraying, Harvesting, Workshop, Stores, Office, Security and General worker.

- j. Estate has submitted JKPP 8 (I & II)/(IV) on annually basis to the DOSH. LTA calculation based on local interpretation from DOSH. JKPP 8 was submitted on 15th January 2020

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

Criterion 5 Employment conditions

Indicator 1 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 In KLK Sustainability Policy Issue/Rev 3/2 dated 01/01/2020, Page 9 of 20, Responsible consideration of employees and of individuals and communities affected by plantation and mills stated under clause (h) recognize and respect the rights of all its employees to form and join trade unions of their choice and to bargain collectively subject to the provisions of relevant national legislation.

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**

Indicator 2 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.

Summary In KLK Sustainability Policy Issue/Rev 3/2 dated 01/01/2020, Page 9 of 20, Responsible consideration of employees and of individuals and communities affected by plantation and mills stated under clause (k) Ensure Equal Opportunities in the workplace.

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.

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

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

Summary Pay and conditions are documented in the workers' Contract Agreement and wage payment records / pay slip. The salary is according to 'Guidelines on the Implementation on the Minimum Wages'. Order 2020 Malaysian minimum salary is RM1200.00 as stated in the guidelines.

Interview with both Estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment.

Several payslips (latest) has been verified and confirmed that the workers' salary are above the minimum threshold limit set by the Malaysian laws and regulations (RM1,200.00/month). Sighted EPF, SOCSO payment deduction by the company.

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 Estate has appointed two contractors: -
1. M/S Chaiho Trading as Replanting Contractor. The contract valid from 1st October 2019 until 30th April 2020.
2. CV MO Enterprise as FFB Transporting. The contract valid from 1st March 2020 until 28th February 2021.

Sample taken on Chaiho Trading: -

Two employees being engaged namely Mr Abdul Sattar bin Kalbi, 550120-12-5147 and Mr Pua Chin Leong, 720317- 14-5167. Seen their Contract Agreement and Pay slip. Payment is according to the Minimum Wages Act.

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 Employment contract stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc. The contract is in Malay as it is easy to be understood by workers.

This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local, Indonesian, Bangladesh and India.

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 more than the stipulated minimum wage and that they understand all the deductions being made.

All workers enjoy the same scale of pay and provided with equal housing and work facilities. This was confirmed through interview with workers from the Estate and also through verification of contracts of service and pay slips of workers.

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

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 Employment contract stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc. The contract is in Malay as it is easy to be understood by workers.

Sighted, Employment Contract between the Estate and the workers. The Agreement stated all the term and conditions according to Malaysian Law. The contract is in Bahasa Malaysia and their national language. This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of 16 local, 47 Bangladeshi, 25 Indian and 45 Indonesian.

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.

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 Employment contract stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc. The contract is in Malay as it is easy to be understood by workers. This contract is signed by both employee and employer and

accompanied with respective witnesses. Workers employed consisted of local, Indonesian, Bangladesh and India

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.

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 more than the stipulated minimum wage and that they understand all the deductions being made.

Documented payslip was distributed to individual workers on the day of payment. Payment being made through bank.

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.

With regards to local workers, staffs and executives, all of them are covered under EPF & SOCSO as required by the Malaysian Laws and Regulations. Seen the evidence that the company paid to the insurance by monthly basis. For Indonesian workers, will be covered under SOCSO.

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 workers are provided with housing facilities at workers linesite. Welfare Amenities: Mosque, temple, football field and etc. Electricity bill will be borne by workers and water is free. Sighted linesite inspection checklist, whereby Hospital Assistant and appointed staff inspected the linesite on weekly basis.

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 Sighted KLK Sustainability Policy issue/rev 3/2 dated 01/01/2020 approved by KLK CEO Tan Sri Dato' Seri Lee Oi Hian dated 30/8/2018 clause 2.1 (ix) Harassment and violence stated the group and its supplier/contractor shall not tolerate any type of harassment or violence.

Tuan Mee Estate has established Women's Gender Committee. The Committee lead by Pn Sivasangari with 7 other members. The last meeting was on 28th April 2020.

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 company has established policy entitled 'KLK Sustainability Policy' approved by Tan Sri Dato' Seri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 which under clause 3.2 (v) indicates Freedom of Association and Right to Collective Bargaining where workers are allowed to join collective association.

Local or foreign workers are given the freedom which it is an optional for them to join worker union formed in Estate. Thus, their freedom is not restricted by Estate management.

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 company has created and implemented minimum age policy and no child labor noted during this audit period. Interviews with workers and staff confirmed that there is no child labor employed neither in the Estate.

Stated in 'KLK Sustainability Policy approved by Tan Sri Dato' Seri Lee Oi Hian (KLK Group CEO) dated 01/12/2014 clause (3.2) (ii) 'No Child Labour' where company outlined the commitment to comply with national law in regards to minimum age requirement.

There are no children below ages of 18 working in the Estate and this was proven through checking the list of employees as well as their biodata and through Estate visits. The workers were clear that no one below 18 years old should be employed.

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 In-house Training (SOP 8.0 Issue/Rev 3/2 dated 01-01-20). KLK has established Sustainability Manual. It's done by KLK Sustainability Department.

The objective to identify any new training needs annually based on evaluation on the competency level of existing and new personnel measured against their respective scope of work.

The training plan for 2020 was sighted as follow: -

NO	TOPIC	MONTH PROGRAMME	STATUS
1	1 st Aid Kit	2/2020	23/1/2020
2	Fire Extinguisher	2/2020	
3	SOP Training harvesters & loaders	3/2020	6/2/2020
4	SOP Training manuring applicator	3/2020	
5	SOP Training tractor driver	4/2020	28/4/2020
6	SOP Training Sprayers	5/2020	19/5/2020
7	SOP Training harvesters & loaders		
8	SOP Training for contractors	6/2020	4/3/2020
9	SOP Training tractor and passengers	7/2020	
10	SOP Training Sprayers	8/2020	
11	SOP Training manuring applicator	9/2020	

Sighted training on SOP Harvesting and Loaders attended by 90 workers. The training conducted on 6th February 2020 by the Assistant Manager.

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 The annual training plan is created based on SOP 8.0 Rev 3/2 with a title of "Training" under Standard Operating Procedure on Sustainability dated 01.01.2020. To identify any new training needs annually based on the evaluation on the competency level of existing and new personnel.

Seen, all the training need / matrix of all the personnel in the files. Training Need Analysis of all workers are based on their competencies and job description.

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. The estate has 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 2020 was sighted.

Trainings conducted were recorded in the various trainings record and completed with attendance records, training materials and photographs of the 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 As sighted the management has established the environment Policy in document, "KLK Sustainability Policy". The policy was signed by Tan Sri Dato' Seri Lee Oi Hian, Chief Executive Officer, dated 30th Aug 2018.

Environmental management plan is available in document Environmental Aspect & Impact Assessment (EAIA), Environmental Management Plan (EMP) & Waste Management Plan, prepared by Muhammad Nazmi Othman (Sr. Asst Manager) and verified by Mr. Chin Yik Loon (Manager) dated 7th Jan 2020.

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 The management has established the environment Policy and Objectives in document "KLK Sustainability Policy".

The environmental policy has covered the following:

- No deforestation

- Protection of peatlands
- No burning
- Protecting High Conservation Value Areas
- Reduce GHG

As sighted the aspect impact covering all estate activities.

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 As sighted, the management has conducting an environmental management plan in document Environmental Aspect & Impact Assessment (EAIA), Environmental Management Plan (EMP) & Waste Management Plan.

Sighted the aspect & impact analysis which was done by process/area :

- Fertilizer store
- Empty Chemical Container Store
- Diesel tank
- Clinic
- Buffalo harvesting
- Chemical spillage
- FFB Collection

The mitigation is continuously implemented and monitored as per plan stated in the aspect impact table. Estate has identified "frond stacking" use to prevent soil erosion as positive impact.

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 reviewed Environmental Management Plan had considered the mitigation of negative impacts and promotion of positive ones and translated into estate programmes.

The audit team observed that the positive impact has been included into the continual improvement plan. The continual improvement plan sighted for year 2020. The CIP consist:

- 1) Improve safe and storage of chemical and waste
- 2) Chemical usage reduction
- 3) Reduction in GHG emission
- 4) Improve of social facilities
- 5) Optimization in yield of FFB

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 Sighted a training program dated 7/02/2020 covering topic "KLK Sustainability Briefing" done by Muhammad Nazmi B. Othman by Sr. Asst. Manager. The training were conducted on Feb 2020, March 2020 and April 2020 and attended by;

- General workers
- Bunch counter
- Weeder
- Harvester
- Management Team

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 Based on meeting minutes and attendance list of Environmental meeting Tuan Mee Estate. The meeting was conducted on 11.2.2019 and 30.04.2019 were attended by 10 and 21 participants respectively.

Estate has conducted environmental meeting for year 2019 and the latest meeting was on 14th Oct 2019 chaired by Mr. Chin Yik Loon (Estate Manager) and involved representatives from management and workers. Example of topics discussed were open burning, recycle waste, conservation of riparian zone and other related matters.

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 Estate has identified diesel as non-renewable energy. As sighted the both energy consumptions were recorded from year Oct 2018 to Sep 2019, updated Oct 19 by Muhammad Nazmi (Sr. Asst. Manager)

Diesel used for transportation:

- Total diesel used = 66,917litre
- Total FFB transportation = 43,263.07 Mt
- Average usage = 1.55 litre/mt
- Baseline value for 2018/2019 set as 1.76

The actual baseline value for 2018/19 is 1.55, thus meeting the target.



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 projection consumption of diesel and electricity for estate has been documented on annual basis based on the financial year with the latest available is for FY2020/21. As sighted the estimation and actual of energy use Oct 2018 to Sep 2019, updated Oct 19. The usage continuously updated in the log-book.

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

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

Summary At this moment, there is no renewable energy been practices in estate.

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 All waste products and source of pollution are identified in document Environmental Aspect & Impact Assessment (EAIA), Environmental Management Plan (EMP) & Waste Management Plan, dated 7/01/2020 example;

- Used rag
- Lubricant oil
- Oil filter

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 All waste products and source of pollution are developed and implemented as per Environmental Aspect & Impact Assessment (EAIA), Environmental Management Plan (EMP) & Waste Management Plan, dated 7/01/2020 example:

1. POL Store:
Aspect = POL spillage
Impact = water & land pollution
Control;

- ensure bund and sump of POL store and in good condition
- prepare secondary containment
- dispose by license contractor
- monthly and periodically records

2. Schedule waste store

Aspect = schedule waste spillage

Impact = water pollution

Control:

- ensure bund and sump store in good condition
- dispose by license contractor
- monthly and periodically records

3. Empty Chemical Containers Store

Storage and disposal of triple rinsed empty chemical containers

Control: periodically records, triple rinse and dispose through license container

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 As sighted, used chemical handling procedure is available in SOP 12 "Scheduled Waste Management", dated 2020.

Sighted schedule waste disposal records (fifth schedule) on 07/03/2020

-SW 102 = Spent Lead Acid = 0.0550 kg

Sighted schedule waste disposal records (fifth schedule) on 11/02/2020

-SW 102 = Spent Lead Acid = 0.0150 kg

-SW 305 = Lubricant Oil = 0.08 kg

-SW410 = Contaminated rags = 0.085 kg

-SW 410 = Oil filter = 0.0115 kg

Sighted consignment note dated 10/03/2020 and 19/06/2020.

Clinical wastes, code SW404 were disposed by license contractor Future NRG Sdn Bhd, license no. 003304. Clinical wastes (SW 404) including face mask (currently use, Movement Control Order) are continuously recorded.

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 was seen that the chemical containers are been triple rinse and punctured to prevent contamination of water source or to human health. Empty pesticide containers are disposed "triple rinse and puncture accordingly as per procedure SOP 12 Waste Management and Energy Use.

The other empty containers generated from estate are send to DOE approved contractor for disposed. Scheduled waste was disposed in accordance with scheduled waste requirements and regulation.

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

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

Summary Land fill area is identified in the estate map. Domestic wastes are disposed by land fill (Block 2002C) and was physically verified during the site visit.

Based on Map sighted the area were far away (more than 4km) from Housing and Water course.

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 GHG management plan is also identified in the document Environmental Aspect & Impact Assessment (EAIA), Environmental Management Plan (EMP) & Waste Management Plan following the procedure of SOP10 Environmental Aspect & Impact Assessment.

Identification of pollution activity are sighted available as document:

1. GHG Emission release by Nitrogen
2. From the Transportation.
3. FFB to Mill
4. Open Burning.

The estate utilized RSPO GHG Calculation Tools Ver. 4.0. Sighted summary emission for Tuan Mee complex for year 2019;

Total (Mill + Estate) :

CPO = 0.82 tCOe2

PK = 0.82 tCOe2

Mill = 0.10 tCOe/t FFB

Estate = 0.92 tCOe/ha

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

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

Summary Action plan has been sighted as Environmental management plan. Open burning is prohibited.
No peat area sighted in the estate.

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

Criterion 5 Natural water resources

Indicator 1 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:

- a) Assessment of water usage and sources of supply.
- b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate's current activities.
- 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.).
- 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.
- e) Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.
- f) Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.

Summary As sighted, the water management plan is available in document name "Water Management Plan" prepared by Mr. Ho Wen Hen, Assistant Manager. The plan includes; water source by Syabas, Tubewell and Water Catchment Pond.

Sighted water analysis test by Organo (Asia) Sdn Bhd and KLK, TQCC dated 12/05/19 and 15-19 05 2020. The water analysis shown compliance with Tubewell:Malaysian Ministry of Health specification for drinking water. Sighted water test result report date 12/05/2020:

Parameter	Results	MOH standard
pH	5.46	6.5 – 9.0
Turbidity	0.46	< 5
Alum (as Al)	0.10	< 0.20
Free Chlorine	ND (<0.1)	> 0.20
E-Coli	ND (<1.1)	ND/ 100ml

Water catchment pond consumption is continuously monitored and recorded in log book. Level of the ground water table is monitor yearly by estate sub-contractor, Vinfaat Sdn Bhd.

During site visit, sighted all the area has been protect by estate management. Demarcation of buffer zone has been made by signage installation. As evidence, sighted the signboard for "Riparian Zone".

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 construction of bunds, weirs and dams across main rivers or waterways passing through an estate.

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 Water harvesting is implemented in various ways such as retention of water in the field such as road side drains.

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 KLK has established SOP 11.0; High Conservation Value (HCV) Management; Issue/Rev: 3/2; Date on 1st January 2019.

Sighted "In-house High Conservation (HCV) Assessment" done by In House HCV Assessor (Ms. Lee Kuan Yee, Mr. Tong Wing Chuen and Mr. Koo Wai Kit). The HCV assessment is carried out based on SOP 11.0 which using guidance from HCV Toolkit for Malaysia, edition Oct 2009.

Assessment was done on 29th January 2018 by KLK Sustainability Team by using methodology as field observation, stakeholder's consultation. I.e. estate management, workers, local communities and other external stakeholders and questionnaire on species identification.

As summary, there is no status of rare, threatened, or endangered species and high biodiversity value area in the estate. However, under same approach, the management has declared water catchment ponds, river, temple, surau and cemetery as management areas. Appropriate signages as below were erected as observed during the site visit, such as:

- No Hunting
- No Fishing
- No Swimming

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 There is no status of rare, threatened, or endangered species and high biodiversity value area in the estate. Thus, no management plan has been established by estate management. However, estate conducted briefing regarding the Sustainability Policy that includes RTE species.

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 There is no status of rare, threatened, or endangered species and high biodiversity value area in the estate. Thus, no management plan has been established by estate management.

However, estate conducted briefing regarding the Sustainability Policy that includes RTE species.

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 As sighted the management has established the environment Policy in document, "KLK Sustainability Policy". The policy was signed by Tan Sri Dato' Seri Lee Oi Hian, Chief Executive Officer, dated 30 Aug 2018.

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 Estate has adopted Policy of Zero burning dated 30th August 2018 (Revised) by Tan Sri Dato' Seri Lee Oi Hian (CEO) well implemented. There is no open burning noticed during the plant visit.

Open burning in relation to new planting, re-planting or other development is not allowed and this was communicated to all employee and stakeholder. During replanting process, the old palm to be felled, chipped and pulverised and been remained in the field for self-composed.

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 4 types of Manuals-



- 1) Sustainability Standard Operating Procedure
- 2) Group Policy Agriculture Oil Palm
- 3) Group Policy Occupational Safety & Health - Guidelines
- 4) Group Policy Occupational Safety & Health - Manual

The document was well maintained and implemented.

- 1) Sustainability 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
- 2) 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 – By replanting
 - viii. GP/AGRIC/OP8 – Nursery
 - ix. GP/AGRIC/OP9 – Field identification
 - x. GP/AGRIC/OP10 – Road & Drains
- 3) Group Policy Occupational Safety & Health – Guidelines includes:
 - i. Safe Operating Procedure (SOP)
 - ii. Safety Guidelines
 - iii. Safety Checklist
 - iv. Training Material
 - v. Safety Signages
- 4) 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

As evidence in Tuan Mee Estate, 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 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 Sighted SOP 4.0 dated on 01.01.2020 for "Soil Erosion & Fertility and Road Maintenance". In addition, soil maps for the estate are evident that there are no fragile soils exist in the estate.

During replanting, the below practices are adhered:

1. Minimize use of heavy machineries during wet season to avoid soil compaction
2. Construct contour terraces for slopes >15 degrees (especially in steep terrain areas) and platform in undulating areas.
3. To ensure leguminous cover crops are established promptly after the land preparation has been completed.

Sighted estate map – Scale: 1:20,000. During site visit observed there is no steep planting on areas more than 20° angle.

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

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

Summary Estate has 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 Estate 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 2021/2022.

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

As evidence, the business plan prepared by Mr. Muhammad Nazmi bin Othman (Estate Assistant Manager) and approved by Mr. Chin Yik Loon (Estate Manager), dated 07.01.2020.

No	Units	2019/2020	2020/2021	2021/2022
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Planting Material		AA	AA	AA
FFB Projection	MT	47963	52233	55113
FFB Price/MT	RM/MT	2600	2600	2600
Ex-Estate Cost/MT	RM/MT	302.63	302.63	302.63
Net Profit	RM	110188757	1199985287	126614852

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 Replanting program sighted during the audit for year 2019/20 until 2023/24. Next replanting in Tuan Mee Estate will be in year 2021/22 for a total area of 44 Hectares. For year 2022/23, the replanting will be arranged in field CH 98A (79 Hectares).

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 Estate 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 2021/2022.

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

As evidence, the business plan prepared by Mr. Muhammad Nazmi bin Othman (Estate Assistant Manager) and approved by Mr. Chin Yik Loon (Estate Manager), dated 07.01.2020.

No	Units	2019/2020	2020/2021	2021/2022
Planting Material		AA	AA	AA
FFB Projection	MT	47963	52233	55113
FFB Price/MT	RM/MT	2600	2600	2600
Ex-Estate Cost/MT	RM/MT	302.63	302.63	302.63
Net Profit	RM	110188757	1199985287	126614852



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 report "Revenue Expenditure for the Month of May 2020" showing details of estate direct and indirect cost. The cost shown here such as actual spent, budget, variance and its unit cost. For May 2020, the actual production cost was RM 340.99/MT compared to estimate RM 267.18/MT.

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 10th and 20th 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 estate office. Sighted the contract Agreement signed by contractors and Tuan Mee Estate. As evidence, sampled:

- Sighted the Contract Agreement between estate with KLK Berhad and Chaiho Trading sealed on 01st October 2019 (Replanting Work Agreement).

Payment will be made within 30 days after the estate received the invoice from contractors or upon satisfactory completion of the work stated in the contract. Proof of payment made to this contractor as per document "Expenditure Ledger Posting for the Month of Apr 2020" sighted during the audit.

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

Criterion 4 Contractor

Indicator 1 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, sighted "Supplier Code of Conduct" signed by contractor Chaiho Trading on 01.10.2019. The document includes:

1. Regulations and compliance
2. Environmental
3. Social – Workplace and communities
4. Governance

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

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

Summary All contracts are kept in estate office. Sighted the contract Agreement signed by contractors and Tuan Mee Estate. As evidence, sampled:

- Sighted the Contract Agreement between estate with KLK Berhad and Chaiho Trading sealed on 01st October 2019 (Replanting Work Agreement).

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 Estate was audited by Global Gateway Certifications Sdn Bhd MSPO auditor on 29th June 2020. Sighted audit plan dated 19th June 2020 (2nd Revised) which have been accepted address to Miss 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 Tuan Mee Estate.

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 Tuan Mee Estate.

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 Tuan Mee Estate.

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 Tuan Mee Estate.

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 Tuan Mee Estate.

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 Tuan Mee Estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 Tuan Mee Estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 Tuan Mee Estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 Tuan Mee Estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 Tuan Mee Estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 Tuan Mee Estate.

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 Tuan Mee Estate.

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 Tuan Mee Estate.

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 Tuan Mee Estate.

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 Tuan Mee Estate.

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 Tuan Mee Estate.

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 Tuan Mee Estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 Tuan Mee Estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 Tuan Mee Estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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 Tuan Mee Estate.
In Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> 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

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
28 th June 2020	TBA	➤ Travelling to Sg. Buloh, Selangor	MFB	IBI/JS
29 th June 2020	08:00 – 09:00	➤ Centralize Opening Meeting at Tuan Mee Estate: <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor. • Confirmation of assessment scope and finalize Audit plan (including stakeholder's consultation – where applicable). 	MFB	IBI/JS
	09:00 – 13:00	Tuan Mee Estate <ul style="list-style-type: none"> ➤ Document Audit: ➤ Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MFB	IBI/JS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Estate inspection: • 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. 	MFB	IBI/JS
	13:00 – 14:00	➤ Lunch	MFB	IBI/JS
	14:00 – 16:00	<ul style="list-style-type: none"> ➤ Continue document review • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MFB	IBI/JS
	16:00 – 17:00	➤ Verify any outstanding issues, auditor discussion and end of audit for day 1.	MFB	IBI/JS

AGENDA				
Date	Time	Subjects	Lead Auditor	Auditor
30 th June 2020	08:00 – 13:00	Tuan Mee Palm Oil Mill <ul style="list-style-type: none"> ➤ Document Audit: <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MFB	IBI/JS
	10:30 – 12:30	<ul style="list-style-type: none"> ➤ Mill Inspection: <ul style="list-style-type: none"> • Workshop, Laboratory, Environment, OHS, Chemical Stores, Workers Welfare and Interview, Clinic, Landfill, Mill Housing, Biogas System, WWTP, Schedule Waste, POME. 	MFB	IBI/JS
	13:00 – 14:00	➤ Lunch	MFB	IBI/JS
	14:00 – 15:00	<ul style="list-style-type: none"> ➤ Continue document review <ul style="list-style-type: none"> • Public documents, SOPs, Policies, Internal audit, Production & Supply chain records, FFB pricing, Review on SEIA documents and records, payment records, complaint records, workers records, training records, permits, CIP, etc. 	MFB	IBI/JS
	15:00 – 16:00	➤ Verify any outstanding issues and auditor discussion.	MFB	IBI/JS
	16:00 – 17:00	<ul style="list-style-type: none"> ➤ Centralize Closing Meeting at Tuan Mee POM: <ul style="list-style-type: none"> ➤ 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 ➤ End of assessment 	MFB	IBI/JS

Appendix B : Non-Conformity details

Non-Conformities Identified During This Audit	
Major Nonconformities:	Non-were raised during this audit.
Minor Nonconformities:	Non-were raised during this audit.
Area of Concern:	Non-were raised during this audit.
Non-Conformities Identified During Previous Audit [ASA2]	
Major Nonconformities:	Non-were raised during this audit.
Minor Nonconformities:	Non-were raised during this audit.
Area of Concern:	Non-were raised during this audit.

Appendix C : List of Stakeholders Contacted

Attendance List
<p>Internal Stakeholders</p> <ol style="list-style-type: none"> 1) KLK Tuan Mee Estate management team and staff 2) Gender Committee Representatives 3) Male and Female workers 4) Workers Representatives 5) Foreign Workers Representatives <p>External Stakeholders</p> <ol style="list-style-type: none"> 1) Contractors 2) Suppliers