

GLOBAL GATEWAY CERTIFICATIONS

MALAYSIAN SUSTAINABLE PALM OIL (MSPO)

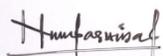
CERTIFICATION AUDIT REPORT

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

Kumpulan Ladang-ladang Perbadanan Kedah Sdn Bhd

-Group Certification-

MAIN ASSESSMENT AUDIT
05th November 2019 - 07th November 2019

| Revision History | | | | | |
|------------------|------------|------------------------|-----------------------------|-----------------|---|
| Rev | Date | Description | Performed by | Role | Signature |
| A | 04/12/2019 | Issued as Draft Report | Nurulashida binti Mohd Saad | Lead Auditor |  |
| A | 20/12/2019 | Peer Review 1 Comments | Mohd Zuhaili bin Mukri | Peer Reviewer 1 |  |
| A | 20/12/2019 | Peer Review 2 Comments | Nzri bin Rasidi | Peer Reviewer 2 |  |
| B | 24/12/2019 | Issued as Final Report | Nurulashida binti Mohd Saad | Lead Auditor |  |
| B | 27/12/2019 | Final Report Approved | Muhd Jamalul Arif bin Hamid | Certifier |  |

| Acknowledgment by Kumpulan Ladang-ladang Perbadanan Kedah Sdn Bhd | | | | | |
|---|------------|----------------------------|---------------------------|---------|---|
| Rev | Date | Description | Management Representative | Role | Signature |
| B | 27/12/2019 | Acceptance of the contents | Ahmad Tirmizi bin Hashim | Manager |  |

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 Kumpulan Ladang-ladang Perbadanan Kedah [Estates]. During this Main Assessment (Stage 2), the audit team was briefed on the supply base disposition. The group consists of 4 estates namely, Bukit Perak Utara Estate, Aman Jaya Estate, Sungai Ular Estate and Bukit Perak Selatan Estate.

This assessment was conducted onsite on 05th November 2019 – 07th November 2019 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 | Kumpulan Ladang-ladang Perbadanan Kedah Sdn Bhd |
| Business Address | Lot 159 Kompleks Alor Setar, Lebuhraya Darulaman, 05100 Alor Setar, Kedah |
| Contact Person | Ahmad Tirmizi bin Hashim |
| Office Telephone | 04-7311933 / 019-4505080 |
| E-Mail | tirmizi_klpk@yahoo.com , tirmizi@klpk.com.my |

1.3 Certification Unit

Name of the Certification Unit

| No | Name of the Certification Unit | Site Address | GPS Reference of the site office | |
|----|--------------------------------|--|----------------------------------|-----------------|
| | | | Longitude | Latitude |
| 1. | Bukit Perak Utara Estate | Pej Pos Suagai Tiang, 06750 Pendang, Kedah | E 100° 37' 15" | N 5° 55' 21" |
| 2. | Aman Jaya Estate | 3029 Kg. Sg. Division, Bandar Aman Jaya, 08000 Sg. Petani, Kedah | E 100° 33' 46" | N 5° 39' 36.1" |
| 3. | Sungai Ular Estate | P. O. Box 116, 09000 Kulim, Kedah | E 100° 35' 16.66" | N 5° 19' 53.58" |
| 4. | Bukit Perak Selatan Estate | Pejabat Pos Sungai Tiang, 06750 Pendang, Kedah | E 100° 35' 30.9" | N 5° 53' 17.1" |

MPOB License Information

| No | Name of the Site | LICENCE NUMBER | EXPIRY DATE | SCOPE ACTIVITY |
|----|----------------------------|----------------|-------------|------------------------|
| 1. | Bukit Perak Utara Estate | 617787002000 | 30/11/2020 | "Menjual dan Mengalih" |
| 2. | Aman Jaya Estate | 502792902000 | 31/01/2020 | "Menjual dan Mengalih" |
| 3. | Sungai Ular Estate | 503813102000 | 31/12/2020 | "Menjual dan Mengalih" |
| 4. | Bukit Perak Selatan Estate | 617790002000 | 30/11/2020 | "Menjual dan Mengalih" |

Others Sustainability Certification

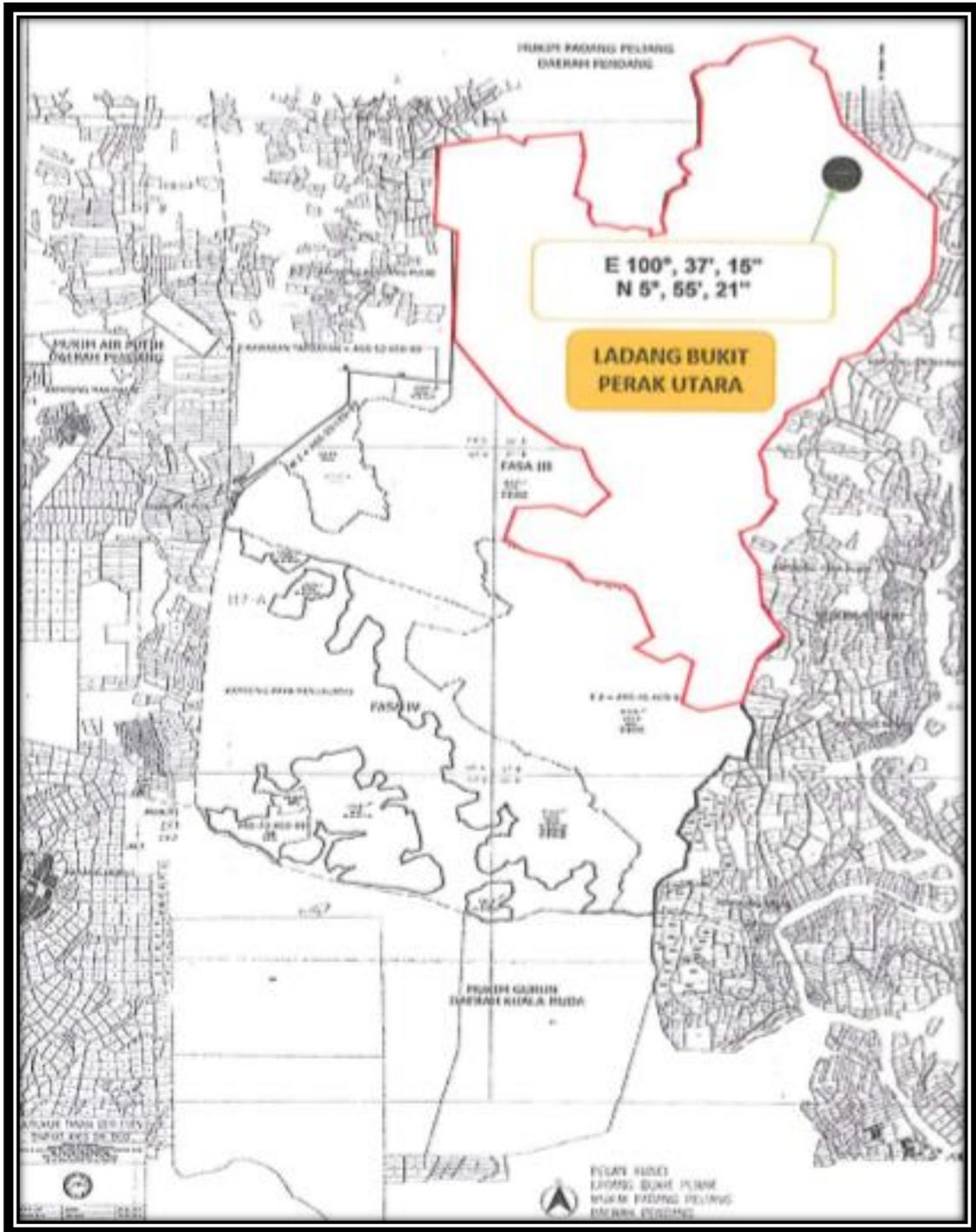
| No | Name of the Site | Others Sustainability Certification |
|----|----------------------------|-------------------------------------|
| 1. | Bukit Perak Utara Estate | Nil |
| 2. | Aman Jaya Estate | |
| 3. | Sungai Ular Estate | |
| 4. | Bukit Perak Selatan Estate | |

1.4 Map Showing Geographical Location

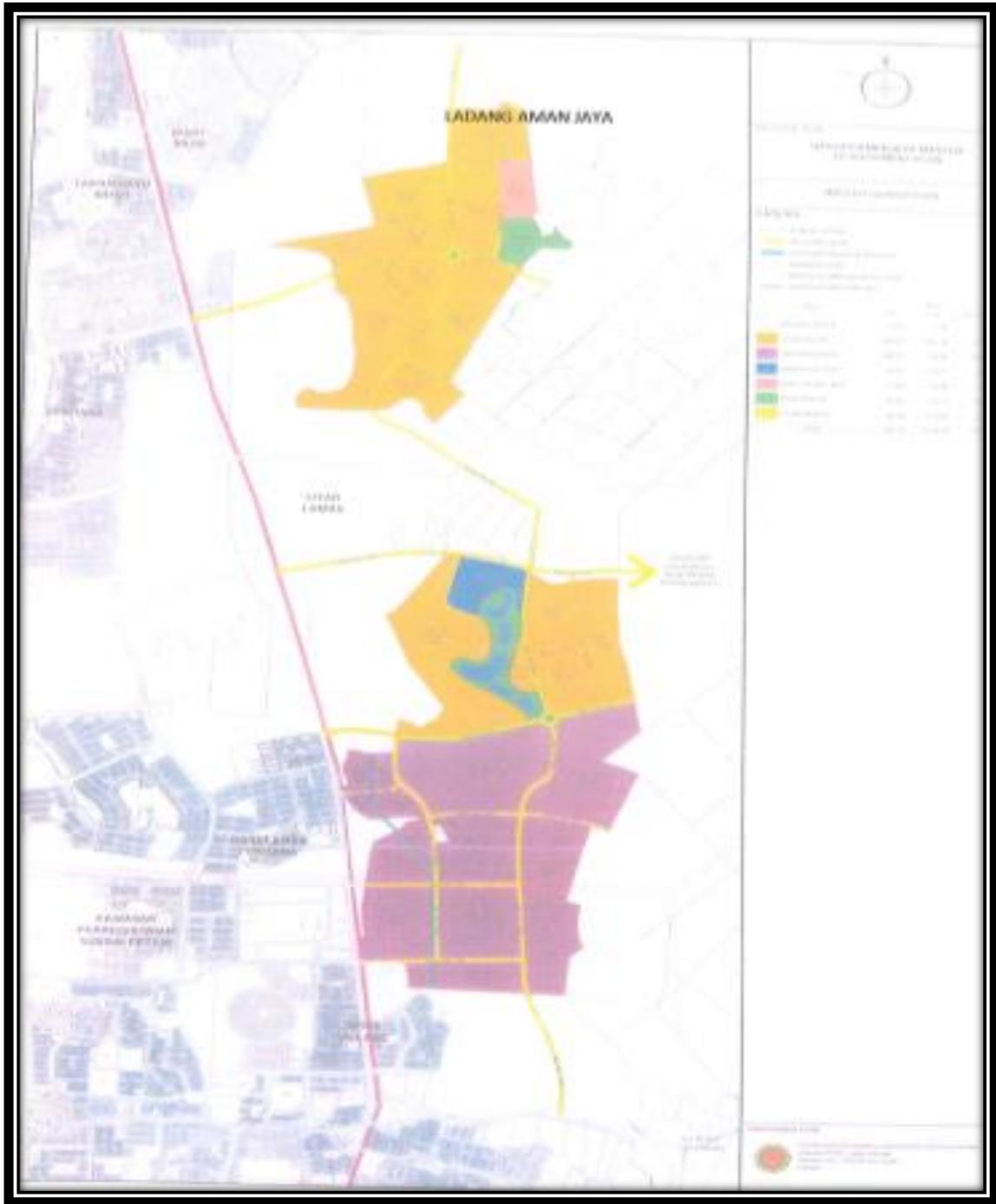
a) Kumpulan Ladang-ladang Perbadanan Kedah [Estates]



b) Bukit Perak Utara Estate



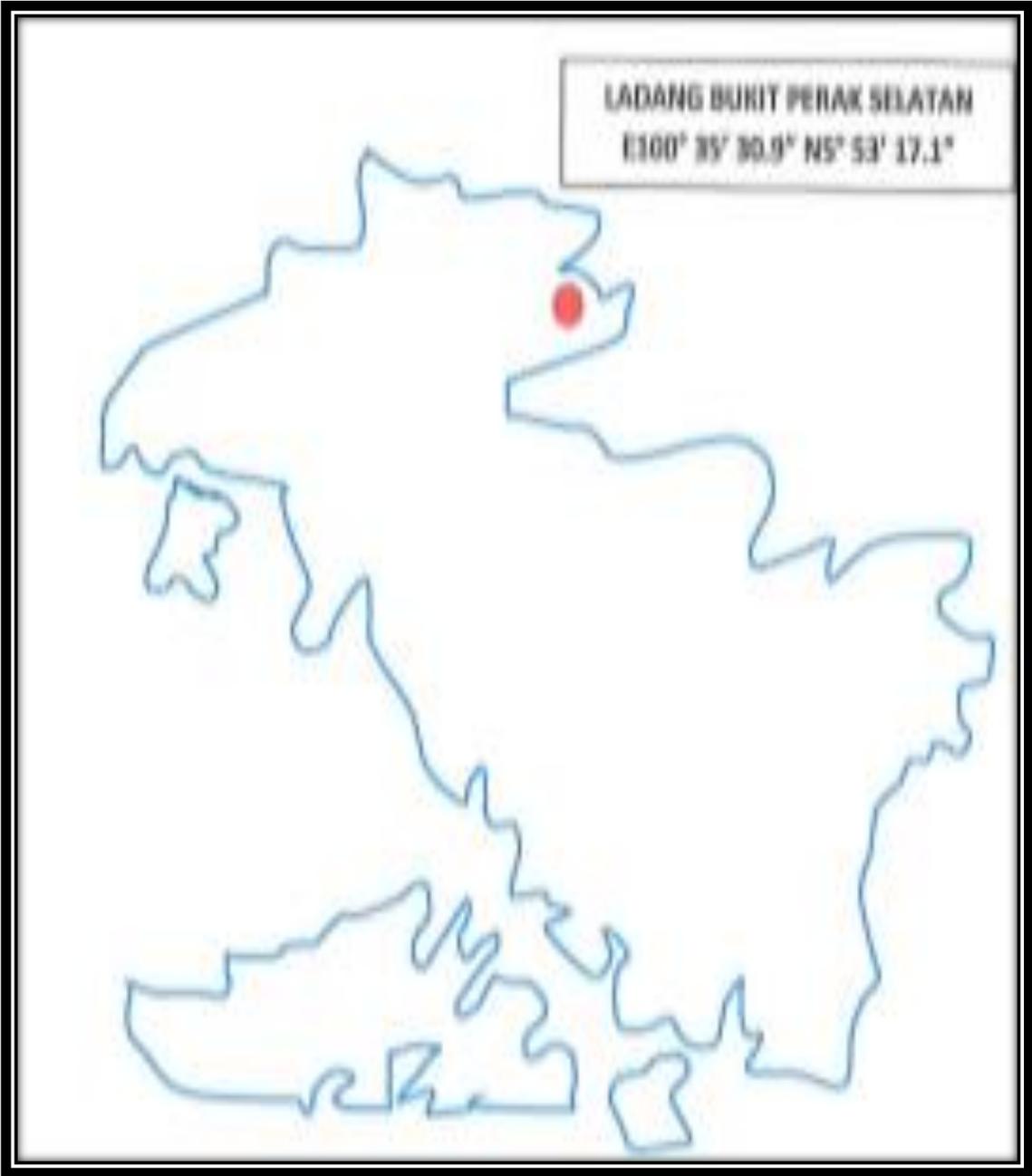
c) Aman Jaya Estate



d) Sungai Ular Estate



e) Bukit Perak Selatan Estate



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

| Name Of The Supply Base | Area Summary (HA) | | |
|----------------------------|-------------------|-------------------|-------------------|
| | Land Title | Planted | Mature |
| Bukit Perak Utara Estate | 2,236.3504 | 1,413.9470 | 398.2220 |
| Aman Jaya Estate | 902.7493 | 817.3423 | 687.0123 |
| Sungai Ular Estate | 1,909.0136 | 1,645.5848 | 1,059.0491 |
| Bukit Perak Selatan Estate | 2,231.6087 | 1,146.0520 | 204.5291 |
| Total | 7,279.722 | 5,022.9261 | 2,348.8125 |

| Name Of The Supply Base | Area Summary (HA) | | |
|----------------------------|-------------------|-----|------------|
| | Conservation Area | HCV | Others |
| Bukit Perak Utara Estate | Nil | Nil | 822.4034 |
| Aman Jaya Estate | Nil | Nil | 85.407 |
| Sungai Ular Estate | Nil | Nil | 263.4288 |
| Bukit Perak Selatan Estate | Nil | Nil | 1,085.5567 |

| Name of the Certification Unit | FFB Summary (MT) | | |
|--------------------------------|---------------------------|---|---|
| | Projected from last audit | Actual Production for 12 Months [Nov 2018-Oct 2019] | Projected Production for next 12 Months [Nov 2019-Oct 2020] |
| Bukit Perak Utara Estate | Nil | 4,414.84 | 7,110.00 |
| Aman Jaya Estate | Nil | 10,988.60 | 11,747.00 |
| Sungai Ular Estate | Nil | 10,757.80 | 11,800.00 |
| Bukit Perak Selatan Estate | Nil | 3,058.61 | 3,510.00 |

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-KLPK001-MSPO-00-2019 |
| Initial certificate issued date | 27 th December 2019 |
| Certificate expiry date | 26 th December 2024 |
| Stage 1 assessment date | 18 th September 2019 – 19 th September 2019 |
| Stage 2 / Main Assessment | 05 th November 2019 – 07 th November 2019 |
| Annual Surveillance 1 [ASA 1] | September 2020 |
| Annual Surveillance 2 [ASA 2] | September 2021 |
| Annual Surveillance 3 [ASA 3] | September 2022 |
| Annual Surveillance 4 [ASA 4] | September 2023 |

1.7 Qualification of the Lead Assessor and Assessment Team

Lead Auditor

Name: Nurulashida binti Mohd Saad

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

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

Auditor

Name: Hj. Ahmad bin Sukiman

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

During this assessment, he assessed on the aspect of Transparency, Social Responsibility, Health, Safety and Employment Condition, Stakeholder's Consultation and Workers Welfare. Able to speak and understand Bahasa Malaysia and English.

Auditor

Name: Mohd Azmi Samynathan bin Abdullah

Holds a Master's in Business Administration. More than 20 years working experience several industries mostly on HR Management. Have experience in second- and third-party auditing system. Fully trained in ISO9001:2008 (Quality Management System) Lead Auditor Course and successfully completed Malaysian Sustainable Palm Oil (MSPO) Auditor Training course (MPOCC endorsed). Able to write and speak in Bahasa Malaysia and English. Member of GGC MSPO audit team.

During this assessment, he assessed on the aspect of Management Commitment and Responsibility, Stakeholder's Consultation, Workers Welfare and Environment, Natural Resources, Biodiversity and Ecosystem Services. Able to speak and understand Bahasa Malaysia and English.

1.8 Audit Methodology

The audit was conducted based on sampling following the method as specified in the MSPO requirements (MSPO-Questionnaire Self-Assessment – RA). In the case of this certification unit, sampling calculation was based on total number of estates (4) with medium risk factor (1.5). Total estates selected for this audit were three (3).

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 | 05 th November 2019 to 07 th November 2019 |
| Name of site(s) visited | 1. Bukit Perak Utara Estate 2. Aman Jaya Estate 3. Sungai Ular Estate |
| Total number of man-days spent | 9 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 | 1 | Open |
| Area of Concern | 1 | 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, the stakeholder consultation shall be carried out in stage 2 and recertification audit cycle 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.

GGC has published the public notification on 1st October 2019 and as to accommodate a stakeholders' consultation meeting for mill and estate. Therefore, it was conducted on 6th November 2019 at Aman Jaya Estate to gather information from the local communities in accordance to Certification Scheme and Stakeholder Consultation requirements.

During this Main Assessment (Stage 2) audit, 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.

The aim of stakeholder consultation is to ensure that the MSPO requirements are continuously implemented and adhere to, as well as other aspects that they considered could be improved. However, in surveillance audit, the consultation may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit. The auditor begin consultation with brief explained on the purpose of the audit, interviewed and record comments made by the stakeholders. The comments were verified with the mill management before incorporating into the assessment findings. The participants were represented of internal and external stakeholder namely from local communities, government agencies, workers etc. The details are as per table below:

| No | Stakeholders Name | Subject raised / Identified Risk | Company response and proposed action to be taken. [What we did] | Assessment team findings [Outcome] |
|----|--|--|---|------------------------------------|
| 1. | Stakeholders A (Temple Representative) | <ul style="list-style-type: none"> No issues with the estate Thanked the Estate for all the assistance extended to the temple. have some understanding of MSPO and has attended MSPO briefings. Has knowledge on the existence of a complaints/grievance mechanism and on how to make complaint with regards to any problem. | No action requires | Positive findings |

| | | | | |
|----|--|---|--------------------|-------------------|
| 2. | Stakeholders B (FFB Transporters) | <ul style="list-style-type: none"> • They are happy with estate's management and informed that the payments were made on time without any delay. • No outstanding payment from the estate • Has attended MSPO briefing | No action requires | Positive findings |
| 3. | Stakeholders C (Contractors) | <ul style="list-style-type: none"> • They are happy on the relationship with Estate Management • Payments were made on time without any delay. • No outstanding payment from Esatate • No issues with the Estate • Has attended MSPO briefing by the estate. | No action requires | Positive findings |
| 4. | Stakeholders D (Representative of the squatters' community) | <ul style="list-style-type: none"> • Thanked the estate for allowing them to stay in the estate. • No issues with the estate. • Terms that the people have good relationship with the estate management. • Has knowledge on the existence of a complaints/grievance mechanism and on how to make complaint with regards to any problem. | No action requires | Positive findings |
| 5. | Stakeholders E (Workers Representative) | <ul style="list-style-type: none"> • No issues with the estate • Terms the estate as a good employer • have some understanding of MSPO and has attended MSPO briefings. • Has knowledge on the existence of a complaints/grievance mechanism and on how to make complaint with regards to any problem. | No action requires | Positive findings |
| 6. | Stakeholders F (Supplier) | <ul style="list-style-type: none"> • No issues with the estates • Terms the estates as good pay master. • Have some understanding of MSPO and has attended MSPO briefings. | No action requires | Positive findings |

1.12 Recommendation

The company has established sustainability policy, objectives and procedures that define an effective system for the administration and control of sustainability management system throughout all operation activities of Kumpulan Ladang-ladang Perbadanan Kedah Sdn Bhd. The Estate Manager is in charge and ensures that facility and his subordinates comply with the requirements and procedures stated in this manual.

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 Main Assessment (Stage 2) Audit.

This report will be internally reviewed prior to certification decision by GGC and externally peer reviewed by independents panel reviewers (qualified and trained by MPOCC). During this Main Assessment (Stage 2) Audit, based on MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders, there are 1 Minor NC and 1 AOC raised to the facility that being audited.

Since the audit objectives as mentioned in the audit plan have been achieved and assessment resulted was "No Major Non-Conformity". Hence, the audit objectives as mentioned in the audit plan had been achieved. Therefore, the Lead Auditor recommends a certificate of compliance "MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General Principles for Oil Palm Plantations and Organized Smallholders" is awarded to Kumpulan Ladang-ladang Perbadanan Kedah.

1.13 Date of Next Surveillance Audit

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

1.14 Confidentiality

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

1.15 Abbreviations Used

| | |
|--------|---|
| BOD | Biological Oxygen Demand |
| CHRA | Chemical Health & Risk Assessment |
| CIP | Continuous Improvement Plan |
| COD | Chemical Oxygen Demand |
| CoP | Code of Practise |
| CSPO | Certified Sustainable Palm Oil |
| CPO | Crude Palm Oil |
| CSPK | Certified Sustainable Palm Kernel |
| DOE | Department of Environmental |
| DOSH | Department of Occupational Safety and Health Malaysia |
| EIA | Environmental Impact Assessment |
| EMP | Environmental Management Plan |
| FFB | Fresh Fruit Bunch |
| GAP | Good Agriculture Practise |
| GHG | Greenhouse Gas |
| GGC | Global Gateway Certifications Sdn Bhd |
| HRESH | Human Resource, Environmental, Safety and Health |
| HIRARC | Hazard Identification, Risk Assessment and Risk Control |
| ISCC | International Sustainability & Carbon Certification |
| IPM | Integrated Pest Management |
| MPOB | Malaysian Palm Oil Board |
| MSPO | Malaysian Sustainable Palm Oil |
| NCR | Non-Conformance Report |
| NGO | Non-Government Organization |
| OHS | Occupational Health & Safety |
| OHSAS | Occupational Health and Safety Assessment Series |
| UPB | United Plantations Berhad |
| 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 "Polisi Malaysian Sustainable Palm Oil (MSPO)" has been established in Kumpulan Ladang-ladang Perbadanan Kedah Sdn. Bhd. as signed by Hj Rosli bin Hj Saad, Pengurus Besar KLPK Sdn Bhd dated 1st November 2018. All operating units under KLPK shall adhere to the following key principles of MSPO includes;

1. Principle 1: Management commitment and responsibility
2. Principle 2: Transparency
3. Principle 3: Compliance to legal requirements
4. Principle 4: Social responsibility, health, safety and employment condition
5. Principle 5: Environment, natural resources, biodiversity and ecosystem services
6. Principle 6: Best practices
7. Principle 7: Development of new plantings

As sighted, the "Polisi Malaysian Sustainable Palm Oil (MSPO)" is displayed and sighted on the notice board and briefing on this policy to workers and stakeholders during the stakeholder meeting. Attendance list is available and verified during the audit.

In Compliance **Yes** No Not Applicable

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

Summary Statement of commitment towards continual improvement sighted in the MSPO Policy. The policy highlighted on "komited terhadap penghasilan yang mampan serta melaksanakan penambahbaikan secara berterusan terhadap operasi perladagan dengan mematuhi prinsip-prinsip mengikut MSPO".

In Compliance **Yes** No Not Applicable

Criterion 2 Internal audit**Indicator 1** Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.

Summary The internal audit being conducted annually to implement and maintain the respective standard requirements effectively within the Group.

Internal Audit was conducted by Mr. Md. Sahid bin Awang (Manager, Kilang Hevea Bukit Perak) and Mr. Mohd Sani Putra bin Mohd Khir (Assistant Manager, Ladang Bukit Nguan).

Summary of the Internal Audit Findings as follows: -

| Estate | No of Non – Conformities | | | Date Audit |
|--------------------------|--------------------------|-------|-----|---|
| | Major | Minor | AOC | |
| Bukit Perak Utara Estate | 17 | - | 1 | 24 th – 25 th June 2019 |

| | | | | |
|--------------------|----|---|---|---|
| Aman Jaya Estate | 22 | 1 | 1 | 16 th - 17 th June 2019 |
| Sungai Ular Estate | 6 | 1 | - | 26 th – 27 th June 2019 |

The Internal audit being responded within the stipulated timeframe.

In Compliance **Yes** No Not Applicable

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

Summary The Company has established the "SOP / Prosedur Operasi Selamat" on Internal Audit as referred to:

- No. SOP: 23
- Tajuk: Audit Dalaman
- Tarikh: 1 Julai 2019
- Approved by: En Hj Rosli Bin Hj Saad (General Manager of KLPK Sdn Bhd)

The internal audit report, NC form with the root cause and corrective action taken is made available. The estate management manage to close the NC within the stipulated time.

The internal audit procedure shall be conducted annually to implement and maintain the respective standard requirements effectively within the Group.

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, NC form with the root cause and corrective action taken is made available. The estate management manage to close the NC within the stipulated time.

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 Management Review meeting has been conducted on the 15th September 2019 and the Attendance list of during the "Meeting: Management Review on MSPO Progress" is made available.

Management review has been conducted at the Meeting Room of KLPK HQ attended by 8 management personnel. Meeting minutes on the management review input/output and Attendance list are made available.

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 The Management has established a continuous improvement plan as referred to: "Pelan Penambahbaikan Berterusan Tahun 2018-2019". The plan covering Social, Environmental and Occupational Safety Health as stated herein;

1. Mengurangkan penggunaan racun perosak dengan penanaman tumbuhan bermanfaat
2. Penggantian tong sampah baru
3. Menaiktaraf system perparitan perumahan ladang
4. Membina tempat bancuhan racun
5. Penandaan batu sempadan ladang secara berperingkat.
6. Penetapan Kawasan Penampan Sungai & Kualiti Air Sungai
7. Rawatan Kesuburan Tanah
8. Kawalan Pencemaran Minyak / Diesel
9. Perumahan Pekerja

In Compliance **Yes** No Not Applicable

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

Summary Management maintained with the current implementation and no new information or techniques is being implemented as at current.

In Compliance **Yes** No Not Applicable

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

Summary Management maintained with the current implementation and no new information / techniques is being implemented as at current.

In Compliance **Yes** No Not Applicable

2.2 Principle 2 : Transparency

Criterion 1 Transparency of information and documents relevant to MSPO requirements

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

Summary Sighted the Communication procedure named "Prosedur Mekanisma Permohonan Maklumat Olih Pihak Berkepentingan (SOP 26)" and "Prosedur Aduan, Rundingan Dan Cadangan Pihak Berkepentingan (SOP 27)" dated 1/7/2019 for request of confidential & Non-Confidential and to fail Complaint & Grievance to the management respectively. The procedure is approved by Tn Hj Rosli Bin Hj Saad, General Manager.

The above information was communicated to internal and external stakeholders via meetings as sampled:

a) Bukit Perak Estate

| NO | MEETING NAME | DATE | ATTENDEES |
|----|-------------------------------|---------|-----------|
| 1 | Internal Stakeholders Meeting | 9/5/19 | 173 |
| 2 | External Stakeholders Meeting | 23/5/19 | 23 |
| 3 | External Stakeholders Meeting | 30/5/19 | 12 |

b) Aman Jaya Estate

| NO | MEETING | DATE | ATTENDEES |
|----|-------------------------------|---------|-----------|
| 1 | Internal Stakeholders Meeting | 27/6/19 | 16 |
| 2 | External Stakeholders Meeting | 24/4/19 | 24 |
| 3 | External Stakeholders Meeting | 27/6/19 | 8 |
| 4 | External Stakeholders Meeting | 24/4/19 | 25 |

c) Sungai Ular Estate

| NO | MEETING | DATE | ATTENDEES |
|----|-------------------------------|---------|-----------|
| 1 | Internal Stakeholders Meeting | 27/6/19 | 16 |
| 2 | External Stakeholders Meeting | 24/4/19 | 24 |
| 3 | External Stakeholders Meeting | 27/6/19 | 8 |
| 4 | External Stakeholders Meeting | 24/4/19 | 25 |

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 Sighted list of confidential and non-confidential document dated 1/10/2019 approved by En Azhar bin Ahmad, Estate Manager. There are Publicly Available (non-confidential) and Publicly Not Available (confidential) documents classified into 7 areas namely :

1. Management Documents
2. Government related documents
3. Accounts department's related documents
4. General Information documents
5. Operations related documents
6. Store documents
7. MSPO documents

Sampled confidential and non-documents documents are:

| CONFIDENTIAL | NON-CONFIDENTIAL |
|----------------------------|--|
| Profit and Loss A/C | MSPO files |
| Bank statement | Surat menyurat Senjata Api dengan PDRM |
| Monthly Accounts | Jabatan Tenaga Kerja file |
| Debit Notes | MSPO files |
| Bank statement | Foreign Workers Infomation |
| Company's Monthly Accounts | CHRA documents |
| Management Review report | <u>Insurance documents</u> i. Discharge, Indemnity & Subrogation ii Fire & Allied Perils |

All these documents were sighted in the estate's office. Requests for official documents through the Estate office will have to go through the Estate Manager, who will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.

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 The company has established a Communication procedure named "Prosedur Mekanisma Permohonan Maklumat Oliah Pihak Berkepentingan (SOP 26)" dated 1/7/2019 for request of confidential & Non-Confidential by internal and external stakeholders and "Prosedur Aduan, Rundingan Dan Cadangan Pihak Berkepentingan (SOP 27)" dated 1/7/2019 for filing of Complaints & Grievances by internal and external stakeholders. The procedures is approved by Tn Hj Rosli Bin Hj Saad, General Manager. These SOP is adopted in an effective, timely and appropriate manner that is open and transparent to any affected parties.

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.

Summary The management have appointed a person responsible for issues related to Transparency of information and documents relevant to MSPO requirements at each estate namely:

- a) Bukit Perak Utara - En Muhammad Zulhaidi bin Abd Latiff
- b) Aman Jaya Estate - Pn Nor Azlina bt Abdul Rahman
- c) Sg Ular Estate - En Mohd Hafizul bin Asmuni

Appointment is made by the respective estate Manager and the letter is made available.

In Compliance **Yes** No Not Applicable

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

Summary The list of the stakeholders are made available at each respective estate and the management have communicated to the relevant stakeholders on how to request for information as well as filling Complaints & Grievances in the stakeholders meeting which was held for Internal and External Stakeholders.

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 Sighted the Standard Operating Procedure on Traceability named "Carta Aliran Operasi Kelapa Sawit" prepared by the Assistant Manager and approved by the Estate Manager. This "Carta Aliran Operasi Kelapa Sawit" is used as a Standard Operating Procedure to comply with the requirements for traceability of the relevant products.

Interview with the Assistant Manager and field supervisor on the SOP confirms on the procedures on the traceability of the FFB from the field to the Palm Oil mill.

In Compliance **Yes** No Not Applicable

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

Summary The Assistant Manager / Field Supervisor will conduct daily inspection in the field to ensure compliance with the established traceability system.

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 management have appointed a person responsible for the implementation and maintenance of the traceability namely:

- a) Bukit Perak Utara - En Mohamad Ariffin bin Ismail
- b) Aman Jaya Estate - En Mohd Faizal bin Halim
- c) Sg Ular Estate - En Yusof bin Man

Appointment is made by the respective estate Manager and the letter is made available.

In Compliance **Yes** No Not Applicable

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

Summary Sighted records to monitor Sales, Delivery and Transportation of FFB by maintaining the following documents/records. Given below are the documents sighted:

- i. Bunch Record Book
 - Records number of FFB harvested which field and the harvesters on a daily basis
- ii. Crop Book Record
 - Records weight of FFB harvested in the field (weight in house)
- iii. FFB Delivery Chit
 - Records the vehicle No, Field No, Year Planted, Seal No, weight, Delivery time and Total bunches delivered to the Palm Oil Mill
- iv. Miscellaneous Outward Weighing Ticket
 - Records the Transporter Company Name, Vehicle registration No, Drivers Name & IC No, Weight of FFB (1st weight & 2nd Weight), No of Bunches and Delivery Date to Palm Oil Mill.
- v. Receiving Slip from Palm Oil Mill
 - Records the Net weight of FFB delivered, Customers name, Vehicle No, Time Delivered and Time out of Palm Oil Mill.
- vi. Statement of Sales
 - Records the total sales

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 Kumpulan Ladang-Ladang Perbadanan Kedah Sdn Bhd has established and updated list of applicable laws and regulations that are applicable for the estate as per Legal and Other Requirements Register (LORR), prepared by Pn Arifah Binti Mohd Yusoff, Legal Executive and signed by Tuan Hj Rosli Bin Hj Saad, the General Manager on 01.08.2019.

These documents cover areas of Occupational Safety and Health, Environmental, General and Other Requirements. As at to date, 22 laws and regulations are listed by the estate

management which are in compliance with the applicable local, state, national and ratified international laws and regulations includes;

1. Occupational Safety and Health Act 1994 (Act 514)
2. Factories and Machineries Act 1967
3. Pesticides Act 1974 (Act 149)
4. Electricity Supply Act 1990 (Act 447)
5. Petroleum (Safety Measurement) Act 1984 (Act 302)
6. Fire Services Act 1988
7. Environmental Quality Act 1974 (Act 127)
8. Local Government Act 1976
9. Workers' Minimum Standards of Housing and Amenities Act 1990 (Act 446)
10. Employment Act 1955 (Act 265)
11. Employees Provident Fund 1991 (Act 452)
12. Employees Social Security Act 1969 (Act 4)
13. Akta Kesatuan Sekerja 1959
14. Minimum Retirement Age Act 2012 (Act 753)
15. National Wages Consultative Council Act 2011 (Act 732), Minimum Wages Order (Amendment) 2018
16. Weights and Measures Act 1972 (Act 71)
17. Children and Young Persons (Employment) Act 1966 (Act 350)
18. Industrial Relations Act 1967 (Act 177)
19. Arm Act 1960 (Act 206)
20. Windfall Profit Levy Act 1998
21. Jadual Pematuhan DOE
22. MPOB Act 1998 (Act 582)

However, there is no evidence visits by the Visiting Medical Officer at Bukit Perak Utara Estate as required by the Section 19 (3) of Workers' Minimum Standards of Housing and Amenities, 1990 (Amended 2006) (Act446) where the estate has provided a clinic for the employees to seek treatment.

In Compliance **Yes** **No** **Not Applicable**

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

Summary Sample sighted at Bukit Perak Utara Estate on the list of permit and licenses includes;

1. Permit Barang kawalan berjadual No Siri P: K000015 (9,000 liters of diesel) for a period of 15.05.2019 to 14.05.2020.
2. Lesen MPOB (menjual dan mengalih FFB) for Ladang Bukit Perak Utara (1,413.95ha). No lesen 617787002000 expires 30.11.2020.
3. Levi Keuntungan Luar Biasa Bagi Syarikat yang dilesenkan di bawah Levi Keuntungan Luar Biasa 1998 (Akta 592), No Lesen K10-201900000022 effective 15.04.2019.
4. Perakuan Penentuan Timbang dan Sukat No. Siri Alat : 00812926HJ/000739 tested on 12.09.2019.

5. Permit membawa murid-murid sekolah sahaja, Suruhanjaya Pengangkutan Awam Darat, No Rujukan Permit: 1011777-8/95 untuk muatan 45 murid expires 18.09.2020.

As for Aman Jaya Estate list of permit and licenses includes;

1. Surat Sokongan Pelesenan from Jabatan Bomba dan Penyelamat Malaysia addressed to Ketua Pegawai Penguatkuasa daerah, KPDKK Negeri Kedah dated 04.04.2019.
2. Permit Barang kawalan berjadual No Siri P: K002046 (5,460 liters of diesel) for a period of 14.07.2019 to 13.07.2020.
3. Lesen MPOB (menjual dan mengalih FFB) for Ladang Aman Jaya (773.54ha). No lesen 502792902000 expires 31.01.2020 which was under declared. Sighted letter of application from Ladang Aman Jaya addressed to Tuan Pengurus Besar, Kumpulan ladang-Ladang Perbadanan Kedah Sdn Bhd requested the HQ management to change the hectare statement from 773.54ha to 817.3423ha on its MPOB license.
4. Levi Keuntungan Luar Biasa Bagi Syarikat yang dilesenkan di bawah levi keuntungan Luar Biasa 1998 (Akta 592), No Sijil Pendaftaran KH-200800000018 dated 14.10.2019.
5. Perakuan Penentuan Timbang dan Sukat No. Siri Alat : B214647 tested on 20.03.2019.

As for Aman Jaya Estate list of permit and licenses includes;

1. Permit Khas Barang Kawalan Berjadual No Siri P: K004159 (200 liters petrol/day) for a period of 18.09.2019 to 18.03.2020.
2. Lesen MPOB (menjual dan mengalih FFB) for Ladang Sungai Ular (1,343.42ha). No lesen 503813102000 expires 31.12.2020.
3. Perakuan Penentuan Timbang dan Sukat No. Siri Alat : B214629 expires 25.09.2019 was tested by Metrology Corporation Malaysia Sdn Bhd Butterworth, pending platform structure repairs. Sighted quotation by Pinang Scale Enterprise dated 30.10.2019.
4. Pump Gun License Book No. 266052 (Mr Zainal Bin Darus, Estate Manager).
5. Sighted List of Fire Extinguisher (8 unit) expiry 08.08.2010 (3 unit) and 04.09.2020 (5 unit).

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 register for Bukit Perak Utara is updated by Pn Arifah Binti Mohd Yusoff, Legal Executive of Kumpulan Ladang-Ladang Perbadanan Kedah Sdn Bhd from HQ. She is responsible to update all site(s) whenever it is necessary. Any new amendments or addition of new regulations will be acquired through the following manner:

- HQ Department
- Communication with law/enforcement officers
- Website

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 All respective estate have appointed a person responsible on legal compliance issue. For Bukit Perak Utara Estate, appointment letter of Mr Yusoff Bin Ali Hussain (Chief Clerk) as a person responsible on legal compliance issue in relation to MSPO has been signed/approved by Mr Mohamad Ariffin Bin Ismail, Ketua MSPO dated 15th February 2019.

For Aman Jaya Estate, appointment letter of Mr Ghazali Bin Morad (Field Supervisor) as a person responsible on legal compliance issue in relation to MSPO has been signed/approved by Mr Mohd Faizal Bin Halim, Pemangku Penolong Pengurus Kanan dated 01st January 2019.

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 Estate's land titles are available and well maintained as follow;

| Estate | Total Number of Title | Titled Ha | Ha as per MPOB License |
|-------------------|-----------------------|------------|------------------------|
| Bukit Perak Utara | 6 titles | 2,236.3504 | 1,532.60 |
| Aman Jaya | 13 titles | 902.7493 | 773.54 |
| Sungai Ular | 18 titles | 1,909.0136 | 1,343.42 |

For Bukit Perak Utara, evidence of annual payment of quit rent for 2019 paid to Kerajaan Negeri Kedah Darul Aman – Bil Cukai Tanah, Parit dan Tali Air amounted to RM337,515.36. "Cukai Pintu" amounted to RM45,570.00 paid to Majlis Daerah Pendang, Kedah Darul Aman.

For Aman Jaya Estate, evidence of annual payment of quit rent for 2019 paid to Kerajaan Negeri Kedah Darul Aman – Bil Cukai Tanah, Parit dan Tali Air amounted to RM1,176,598.00.

For Sungai Ular Estate, evidence of annual payment of quit rent for 2019 paid to Kerajaan Negeri Kedah Darul Aman – Bil Cukai Tanah, Parit dan Tali Air amounted to RM272,718.00

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 Estate has demonstrated legal ownership of their land by having legal land titles to the land. The copy of land titles is kept in the estate office. Sighted Management Agreement sealed between Perbadanan Kemajuan Negeri Kedah and Kumpulan Ladang-Ladang Perbadanan Kedah Sdn Bhd to manage 12 estates belong to PKNK inclusive Ladang Bukit Perak Utara, Aman Jaya and Sungai Ular dated 29 May 2019.

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 legal perimeter boundary markers for the respective estate are available and maintained as shown on a Map of Boundary Markers for Bukit Perak Utara Estate, map of "Lokasi Batu Sempadan di Ladang Aman Jaya" for Aman Jaya Estate and "Peta Lokasi Batu Sempadan Ladang Sungai Ular" for Sungai Ular Estate.

During field visit, auditors also check a few physical boundary stone and verify it with company's GPS coordinate and GGC own GPS coordinate. The coordinate checked by GGC unit are matched to the data that prepared by the Estates.

In Compliance **Yes** No Not Applicable

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

Summary No disputes have been recorded in the estate area. The land title has been legally acquired by the estate and there is no evidence of conflict present in this estate.

In Compliance **Yes** No Not Applicable

Criterion 3 Customary land 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 all the estates' land titles. There are also no land disputes or claims involving these estates. The estate has proper legal land titles 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 the estates. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership. Thus, no maps for recognized customary rights.

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 the estates. There are also no land disputes or claims involving the estates. The company has proper legal land titles 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 Sighted the Social Impact Assessment (SIA) named "Penilaian Impak Sosial – Pihak Berkepentingan Dalam dan Luaran (Internal and External Stakeholders) conducted at the respective estates for Kumpulan Ladang-ladang Perbadanan Kedah Sdn Bhd.

Sighted sample Questionnaire distributed for the SIA with the numbers of respondent of:

| Estate | Internal respondent | External respondent |
|--------------------------|---------------------|---------------------|
| Bukit Perak Utara Estate | 19 | 8 |
| Aman Jaya Estate | 28 | 10 |
| Sg Ular Estate | 35 | 19 |

No negative impacts were recorded during the Social Impact assessment.

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 The Management has established "Prosedur Aduan, Rundingan dan Cadangan Pihak Berkepentingan" as well as a Flow Chart dated 1st July 2019 in dealing with complaints and grievances from Internal and External Stakeholders.

The SOP and the Flowchart to deal with complaints and grievance was made available during the audit. The procedure is approved by Tn Hj Rosli bin Tn Hj Saad, General manager, Kumpulan Ladang Ladang Perbadanan Kedah Sdn Bhd.

The Management of each estate has established a Complaints and Grievance Form named "Borang Aduan/Cadangan & Rundingan" for the recording of complaints and grievances to submitted to the Management for further action and rectification.

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 complaint and grievance forms from workers, which highlights issues pertaining to repairs made in the labour quarters.

Given below are some sampled complaints from the employees and action taken by the management to rectify the issues. This shows that the complaints and grievance system is able to resolve issues raised by the employees.

a) Bukit Perak Estate

| PERSON | PARTIES / POSITION | COMPLAINTS | DATE COMPLETED |
|---------------------|--------------------|--|--|
| En Khamis bin Mat | Tapper | i. Pintu Rumah pecah ii. Parit Pecah iii Bumbung Bocor | 24/10/19 By En Rizal bin Nordin (Contractor) |
| Pn Razimah bt Ramli | Field Worker | Longkang Pecah | 24/10/19 By En Rizal bin Nordin (Contractor) |

b) Aman Jaya Estate

| PERSON | PARTIES / POSITION | COMPLAINTS/ REQUEST | DATE COMPLETED/ IMPLEMENTED |
|---------------------------|--------------------|--|--|
| En Mohd Syafiq | Penyelia Ladang | Mohon pihak lading kaji semula waktu masuk kerja dari 7.00 pagi ke 7.30 pagi | 1/5/19 By En Mohd Faizal bin Halim (Acting Sr Assistant Manager) |
| En Shahrul Amini b Baslan | Mandor | Mohon perhimpunan pagi dianjak ke 7.30pagi | 1/5/19 By En Mohd Faizal bin Halim (Acting Sr Assistant Manager) |

c) Sungai Ular Estate

| PERSON | PARTIES / POSITION | COMPLAINTS/ REQUEST | DATE COMPLETED |
|-------------------------|--------------------|---------------------------|------------------------------|
| Pn Chilumah a/p Palandy | General Worker | Bumbung bilik tidur bocor | 10/10/19 By En Sashikumar |
| Mr Doni Chandra | General Worker | Pintu rumah rosak | 19/9/19 By En Sashikumar |

In Compliance Yes No Not Applicable

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

Summary Sighted "Borang Aduan/Cadangan & Rundingan" placed at the office entrance where employees and affected stakeholders can easily access and complete the form to make any complaints on any issues or suggestions to the management.

The "Borang Aduan/Cadangan & Rundingan" form is made available for the workers to lodge any complaint(s)/request(s) easily to the management.

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 Employees and the surrounding communities were made aware that complaints or suggestions can be made any time. This was communicated to the internal and external stakeholders via stakeholders' meetings.

Sighted the training/briefing materials, photographs and meeting minutes record which was made available during the audit.

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 the Internal and External complaint & grievances form at the respective estates. There are no negative complaints made by the external stakeholders was recorded in the last 24 months

In Compliance **Yes** No Not Applicable

Criterion 3 Commitment to contribute to local sustainable development

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

Summary All the Estates are committed and have contributed to local development. As per interview with the management, the company/management is committed to contribute to local sustainable development and has made some contribution to the local communities as well as the employees.

In general, the CSR performed by the estates are consist of the following:

a) Bukit Perak Utara Estate

1. Jamuan Makan Malam Tahunan for employees dated 28th August 2019 at Restoran Arabian Delight, Alor Setar
2. Sale of Beef on discounted rate to employees and surrounding communities dated 3rd July 2019 at "Tempat Letak Kenderaan Staff LBPU"
3. Pemasangan Lampu Solar di Jalan Utama Perumahan LBPU dated 12th June 2019. Contribution for the local communities programme

b) Aman Jaya Estate

4. Memberi kebenaran kepada Majlis Perbandaran Sungai Petani menggunakan Kawasan Ladang Aman Jaya bagi menganjurkan acara berbasikal "Test Your Limit 2018" bertarikh 2nd December 2018.
5. Sumbangan Duit Raya kepada Pekerja Asing sebanyak RM200/employee dated 30th May 2019.

c) Sungai Ular Estate

6. Membersihkan Kawasan padang Sekolah Jenis Kebangsaan Tamil Sungai Ular, Kulim bagi menganjurkan acara sukan tahunan pada 21hb Februari 2019.
7. Program Jalinan Sentuhan Rakyat (Jualan murah Daging, Itek dan Nenas) pada 15hb Mac 2018
8. Program Bubur Asyura diagikan kepada kakitangan ladang pada 23hb Sept 2019.

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 Occupational Safety and health Policy named "Policy Keselamatan Dan Kesehatan Pekerja" dated 1/11/2018 approved by Tn Hj Rosli bin Hj Saad, General Manager, Kumpulan Ladang – Ladang Perbadanan Kedah Sdn Bhd.

Internal and external stakeholders were made aware of the Occupational Safety and Health Policy during the stakeholders meeting. This policy is displayed in all the offices and on notice boards. This policy being adhered to with regards to the implementation of (OSH) requirements within the company.

In Compliance **Yes** **No** **Not Applicable**

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

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

Summary Sighted Occupational Safety and health Policy named "Policy Keselamatan Dan Kesehatan Pekerja" dated 1/11/2018 approved by Tn Hj Rosli bin Hj Saad, General Manager, Kumpulan

Ladang – Ladang Perbadanan Kedah Sdn Bhd. Internal and external stakeholders were made aware of the Occupational Safety and Health Policy during the stakeholders meeting.

Adequate HIRARC being assessed and documented at each estates. Risk assessment was conducted through HIRARC based on the severity and the likelihood. HIRARC sighted for the 39 work operations as sample herein: -

1. Spraying
2. Slashing
3. Manuring
4. Harvesting of oil palm
5. Pruning
6. Tractor driving
7. Replanting
8. Weighbridge
9. Etc

Each Estates has established a comprehensive annual training plan for the Staffs and Workers and this was sighted in the training program identified for all employees group. Sighted, sample Training Programme at Bukit Perak Utara Estate as follows: -

| NO | Latihan | Kumpulan Sasaran | Bulan |
|----|-------------------------------------|---|------------|
| 1 | Pengendalian Peti Pertolongan Cemas | Staf, Mandor, Jawatankuasa Tindakan Kecemasan | March 2019 |
| 2 | Memuatnaik Buah Tandan Segar | Staf, Mandor, Penuai, kontraktor, pemandu | July 2019 |
| 3 | Pengendalian Jentera | Staf, Pemandu | Dec 2019 |
| 4 | Pembajaan | Staf, Mandor, pekerja kontraktor | March 2019 |
| 5 | Pengendalian Pemadam api | Staf, Mandor, Jawatankuasa Tindakan Kecemasan | March 2019 |

Estate has provided appropriate PPE for all workers in their operations. Person in-charge of in issuing PPE is the Storekeeper of respective Estates. PPE Issuance and replacement record sighted for: -

1. Sprayers
2. General Workers
3. Harvesters

The type of PPE is included in the HIRARC assessment chart for all type of job activities. During Estate visit, sighted the workers have been trained with safety and the workers wear the PPE required by their works.

Sighted SOP 3 and 4, Prosedur Bancuhan Racun and Penyimpanan Lebihan Racun respectively dated 1st July 2019 for Handling of Chemicals approved by En Hj. Rosli Bin Hj Saad, General Manager, Kumpulan Ladang Ladang Perbadanan Kedah Sdn Bhd.

CHRA assessment was conducted by registered Assessor and Medical Surveillance being executed as per recommendation by the Appointed Assessor.

Person in- charge of Occupational Safety and Health is the respective Asistant Managers of the Estates. The appointment letter signed by the respective estate Manager.

Sighted, OSH Meeting being conducted at each Estates and to discuss all issues regarding worker’s safety and health, Occupational Safety and Health Matters, Accident Report and etc.

Accident and emergency Flow Chart named “Pelan Tindakan Kecemasan Kebakaran di ladang, Pejabat, Stor atau Rumah Pekerja” dan Pelan Tindakan Kecemasan Tumpahan Minyak” are sighted with clear written instructions. The ERP has been explained to all workers and staffs during training which has been conducted at each estates. 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.

First aid training was conducted by St John Ambulance Malaysia dated 28th Marcch 2019 at Ladang Bukit Perak Utara attended by 34 personnel. First Aid Kit was available at the Field held by Mandor and field staff. Sighted training materials, photographs and attendance list for the training.

Sighted, JKPP 8 being submitted within mandatory period (I & II)/(IV) on annual basis to the DOSH.

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 Sighted “Polisi Hak Hak Asasi Manusia”, dated 1st November 2018 approved by Tn Hj. Rosli Bin Hj Saad, General Manager, Kumpulan Ladang Ladang Perbadanan Kedah sdn Bhd. The policy clearly states the management’s commitment to good social practices regarding human rights in respect of industrial harmony in Para 1 and 2 of the said policy.

The Policy being displayed at notice boards outside the office as well as being communicated to all External and Internal Stakeholders during the meeting at respective Estates.

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 Sighted “Polisi Jantina” dated 1st November 2018 signed by En Hj. Rosli Bin Hj Saad, General Manager, Kumpulan Ladang Ladang Perbadanan Kedah Sdn Bhd. which states the management’s commitment on equal employment. This is clearly stated in Clause “a” of the said policy.

No evidence to show that the management is engaged in or support of discriminatory practices in respect of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. During interviews, it is clearly stated no forced labour at 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 and The management meets legal or industry minimum standards as per the employment act and as per the Minimum Wages Order (Amendment) 2018.

The salary is according to ‘Guidelines on the Implementation on the Minimum Wages’. National Wages Consultative Council Act 2018 (Act 732) Malaysian minimum salary is RM1100.00 as stated in the guidelines.

All the workers are based on MAPA / NUPW Agreement Salary Scale. Interview with both Estate staff and workers and with both male and female confirmed that they understand the terms and conditions of their employment. Sample taken on the following worker at Aman Jaya Estate: -

NAME: SHAHRUL AMINI BIN BASLAN (670725-08-6431)
 POSITION: General worker (Daily Rated worker)
 Salary thru Maybank

| October 2019 | | |
|-------------------------|---------------------|------------------|
| Basis Salary | RM42.31 X 21days | RM1157.00 |
| Overtime | | RM 706.22 |
| Transport Allowance | | RM 109.20 |
| Mandore Allow | | RM 130.00 |
| Vacation Pay | | RM 126.93 |
| Gross Salary | | RM2229.35 |
| Deduction: | | |
| EPF | | RM139.00 |
| SOCSO | | RM 11.75 |
| Advance | | RM500.00 |
| SOCSO SIP | | RM 4.70 |
| Total Deductions | | RM655.45 |
| Net Salary | | RM1573.90 |

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 Sighted, sample one valid contract agreement between the Bukit Perak Utara Estate and the contractor named MR PERSADA INTERPRISE. The contractor is to supply Harvesters for the Estate. Sighted evidence (pay slips) of contractor’s workers paid as per industry minimum standards i.e. as per minimum wage order (amendment) 2018.

NAME: MUSA
 POSITION: HARVESTER
 Salary thru Maybank

| OCTOBER 2019 | | |
|---------------------|-------------|------------------|
| WORK | TON/RATE | SALARY |
| Harvesting FFB | 5.34 x RM70 | 373.80 |
| Decreeping | 17 x RM45 | 765.00 |
| Manuring | - | - |
| GROSS SALARY | | RM1138.80 |
| Deductions | | |
| Advance | | RM200.00 |
| Net Salary | | RM938.80 |

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 Sighted employee register with records of each worker made available with clear information of full name, gender, date of birth, job description, date of commencement, working hours wages, position etc.

In Compliance **Yes** No Not Applicable

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

Summary There is Workers contract agreement showed between the employee and employer. The salary was clearly stated followed MAPA / NUPW Agreement

Sighted “Kontrak Perkhidmatan Pekerja Tempatan” of each worker which was made available during the audit with the following information.

1. Tarikh Kontrak ditandatangani
2. Nama Pekerja
3. No KP/Pasport Pekerja

4. Nama Majikan
5. Pemeriksaan Kesihatan
6. Butir Butir Gaji
7. Caruman KWSP
8. Waktu Berkerja
9. Kerja Lebih Masa
10. Hari Rehat
11. Cuti Umum
12. Cuti Tahunan
13. Cuti Sakit
14. Faedah Perubatan dan Hospital
15. Notis Pemberhentian Kerja

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. The overtime maximum is 104 hours according to Malaysian Law. Attendance recording for field staff is during roll call in the morning which will be recorded by field supervisor into the Check Roll Book. Check Roll Book is sighted. Attendance for Management and office staff members are recorded into the Daily Attendance Record Book. Daily Attendance Record Book for Management Staff are sighted.

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 The working hours and breaks of each individual employee as indicated in the Daily Attendance Record Book and Punch Card System complies with the legal regulations. The overtime is based on mutual agreement between the workers and the management. The working hours for each worker are 8 hours and overtime is calculated on hours worked beyond 8 hours.

Sampled Working hours for Bukit Perak Utara Estate are as follows:

Management/Staff
7.00am – 5.00pm
1.00pm – 3.00pm (Lunch Break)

Workers
7.00am – 3.00pm
12.00pm – 12.30pm (Lunch Break)

The above Working hours is available at the notice board and in their respective employment contracts. Any change in working hours will be informed via Internal Memo e.g. Working Hours during Ramadhan.

There is no complaint received regarding payment or are forced to work overtime during site interview

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.

Sighted Wages and overtime payment documented on the pay slips are in line with legal regulations.

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. Other forms of social benefits offered are:

1. Housing
2. Transport Allowance
3. Transportation to hospital provided by management).
4. Wang "Saguhati" of RM500 given to Children of workers who enrollment into university
5. RM50 per subject to students who score 5 A's and above.
6. School Bus for employees' children
7. ATM machine to employees (Bukit Perak Utara Estate)

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 Housing provided by company to workers are in habitable condition in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446). Weekly inspection carried out by En Fadzil bin Morad, Hospital Assistant on 6/11/2019 at Bukit Perak Utara Estate.

Sighted, the weekly inspection report at Linesite, composting pit and clinic being conducted by Hospital Assistant.

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 "Polisi Gangguan Sexual dan Keganasan tempat Kerja", dated 1st November 2018 signed by Tn Hj. Rosli Bin Tn Hj Saad, General Manager which states the management's commitment in preventing sexual harassment in the workplace.

This is clearly stated in para 5 of the "Polisi Gangguan Sexual dan Keganasan Tempat Kerja"

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 Sighted "Polisi Kebebasan Berpersatuan", dated 1st November 2018 which emphasise on freedom to join Union signed by En Hj. Rosli Bin Hj Saad, General Manger.

No evidence to show that the company is restricting the employees from joining any Trade Union.

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 Sighted "Polisi Perlindungan Kanak Kanak dan Orang Muda", dated 1st November 2019 signed by Tn Hj. Rosli Bin Tn Hj Saad, General manager. Children and Young Person Policy emphasise on prohibition of employment of individual under the age of 18. No evidence to show child labour in the estate.

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 The Estate do have a comprehensive annual training plan for its staff and workers and this was sighted in the training records file for each staffs and workers. The training plan for Lima Blas Estate in 2019 as follow:

| NO | TOPIC | MONTH PROGRAM | STATUS DONE |
|----|--|---------------|-------------|
| 1 | Safe Operating & Driving Procedure - Tractor | 18/1/19 | 18/1/19 |

| | | | |
|----|-------------------------------------|---------|-------------|
| 2 | SOP General Workers | 22/1/19 | 20/1/19 |
| 3 | SOP Weedicide / Pesticide Usage | 26/1/19 | 26/1/19 |
| 4 | Safe Use PPE – Field Sprayer | 8/2/19 | 8/2/19 |
| 5 | SOP Harvesting & Collection | 14/2/19 | 14/2/19 |
| 6 | First Aid | 26/2/19 | 28/2/19 |
| 7 | Safe Use of Highly Toxic Pesticides | 4/3/19 | 4/3/19 |
| 8 | SOP General Workers | 19/3/19 | 19/3/19 |
| 9 | SOP Weedicide / Pesticide Usage | 26/3/19 | 26/3/19 |
| 10 | SOP Machinery | 9/4/19 | 10/4/19 |
| 11 | SOP Harvesting & Collection | 8/5/19 | 8-9/5/19 |
| 12 | Fire Drill | 13/5/19 | 16/5/19 |
| 13 | SOP Trunk Injections | 18/5/19 | 18/5/19 |
| 14 | Safe Use of Highly Toxic Pesticides | 3/6/19 | 3/6/19 |
| 15 | SOP General Workers | 20/6/19 | 26/6/9 |
| 16 | SOP Harvesting & Collection | 4/7/19 | 10/7/19 |
| 17 | Fire Drill | 11/7/19 | 13/7/19 |
| 18 | Safe Use PPE – Field Sprayer | 8/8/19 | In-Progress |
| 19 | SOP Harvesting & Collection | 15/8/19 | In-Progress |

Sighted, SOP Training on Safe Spraying and Integrated Pest Management at Sg Chawang Estate dated 9th March 2019. The training conducted by Mr. Faizul, Staff In – charge.

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 Yearly training plan is created based on Training Needs Analysis for workers involved in the operations. Sighted the Training Need Analysis of all workers, staffs and Management which 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. Training are planned based on target groups and trainings conducted are recorded in the various trainings records and completed with attendance records, training materials and photographs of the training.

Sighted sample of "Program Latihan 2019" dated 3rd October 2019 at Bukit Perak Utara Estate. The training matrix was prepared by En Mohd Rizuan bin Zainol and approved by En Azhar bin Ahmad, Manager.

Sample of training recorded are:

1. Latihan Pemakaian Keselamatan Semasa Meraacun dated 4/3/2019
2. Latihan "PPE" dan "SOP" Penuaian Kelapa Sawit dated 18/7/2019
3. Latihan Meraacun dated 11/7/2019

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 Kumpulan Ladang-Ladang Perbadanan Kedah Sdn Bhd (KLPK) has established Environmental Policy referred to: "Polisi Alam Sekitar" and "Polisi Larangan Pembakaran Terbuka" signed by Tuan Hj. Rosli Bin Hj Saad, Pengurus Besar on 1 November 2018 with the objectives of "untuk memastikan alam sekitar adalah bersih, selamat, sihat dan produktif untuk persekitaran selain memastikan ianya adalah satu pengolahan untuk penghasilan produk lestari".

Based on the Environmental Policy, the Company are committed towards implementing the following practices:

1. Menghormati dan prihatin terhadap alam sekitar mengikut etika dan garis panduan yang dikeluarkan oleh pihak berkuasa.
2. Memulihara ekosistem dan memastikan kepelbagaian biologi.
3. Menguruskan penggunaan sumber asli untuk mengekalkan asas sumber dan keutuhan alam sekitar.
4. Memastikan kakitangan, pekerja dan individu-individu yang berurusan dengan KLPK mempunyai komitmen yang tinggi terhadap perlindungan dan kebertanggungjawaban ke atas alam sekitar ketika membentuk, merancang dan melaksanakan aktiviti masing-masing.
5. Memberikan penekanan terhadap penambahan informasi berhubung penjagaan alam sekitar dalam memepuk kea rah komitmen yang tinggi penjagaan alam sekitar di kalangan kakitangan, pekerja dan individu-individu yang berurusan dengan KLPK.

Policies are communicated to all workers by the Estate management during Morning Briefing. On top of that, policies have also been communicated to the internal stakeholders during the stakeholders meeting.

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 Kumpulan Ladang-Ladang Perbadanan Kedah Sdn Bhd (KLPK) has developed the guidelines of "Rancangan Pengurusan Alam Sekitar" as elaborated in the Environmental Management Plan approved by Tuan Hj Rosli Bin Hj Saad, Pengurus Besar on 28.10.2019.

The Environmental Management Plan for KLPK estates are part of the management plan as described in the Principle 5 of MSPO includes;

1. Merangkumi dasar alam sekitar, aspek-aspek persekitaran penilaian risiko, mengenalpasti risiko dalam setiap operasi ladang, pencegahan pencemaran, latihan dan kesedaran serta komitmen ladang dalam menguruskan kualiti alam sekitar.
2. Fokus pada sumber tenaga dan tenaga boleh diperbaharui.
3. Penekanan pada pengurusan sisa dan pelan tindakan untuk mengurangkan pencemaran dan pelepasan yang dikenal pasti.
4. Pengurusan sumber air semulajadi.
5. Melibatkan status spesis jarang, terancam atau bahaya dan kawasan nilai biodiversity yang tinggi.
6. Fokus kepada amalan pembakaran sifar oleh estate.

The estate has conducted "Penilaian Aspek & Impak Alam Sekitar (EAIA) for all its' activities in year 2019. The environmental risk assessment covers the work activities of the plantation.

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 Sighted the respective Estate Environmental Management Plan to mitigate the negative impact was incorporated in the Penilaian Aspek & Impak Alam Sekitar (EAIA) for all its' activities.

The plan consists column of the following;

1. Aktiviti
2. Bahan Buangn DiHasilkan
3. Aspek
4. Kesan
5. Kawalan Sedia ada
6. Analisa risiko
7. Pengurusan Pelan Tindakan
8. Pegawai Bertanggungjawab
9. Jangkaan Tarikh Siap Dilaksanakan
10. Status

In Compliance **Yes** No Not Applicable

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

Summary Sighted the Continuous Improvement Plan for each respective Estate is made available as stated in "Penambahbaikan Berterusan Tahun 2019". The programme to promote the positive impacts on environmental (continuous improvement plan) includes;

1. Mengenalpasti dan menanda Kawasan Penampian Sungai yang berada di dalam ladang serta memasang papan tanda "Zon Penampian Sungai". Completed March 2019.
2. Melakukan ujian sampel air sungai 1 kali setahun. Completed January 2019.
3. Menanam rumput penghalang hakisan seperti Guatemala Grasses & Vertivar di kawasan sungai yang terdedah kepada hakisan. On-going process.
4. Membuat longkang dan perangkap minyak bagi menghalang minyak terus ke parit
5. Menaik taraf tangki diesel
6. Mengurangkan penggunaan racun perosak
7. Penggantian tong sampah

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 Training programmes on the environmental management and improvement are available at each estate as referred to "Program Latihan 2019". Sampled training programme on environment are:

1. Seminar penggunaan e-swis scheduled in May 2019
2. Pengendalian bahan buangan terjadual – triple rinse scheduled in March 2019
3. Pengurusan bahan buangan terjadual scheduled in March 2019
4. Latihan penggunaan e-swis (hand-on) scheduled in March 2019
5. Zon penampian scheduled in October 2019
6. Mesyuarat pengurusan alam sekitar scheduled in June 2019
7. Scheduled waste management for staff, lorry drivers and manurer, scheduled on June 2019
8. Landfill Management for linesite community and staff, scheduled on October 2019

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 Sighted evidence of Meetings where the environmental quality is discussed during the "Mesyuarat Pengurusan Alam Sekitar" held at the respective estate. Amongst the agenda discussed during the meeting are;

1. Pengurusan sisa domestik
2. Kempen kebersihan
3. Penjagaan kawasan zon penampian sungai
4. Kebersihan di dalam kebun dan kawasan perumahan
5. Zon Penampian
6. Pengurusan Sampah
7. Pembakaran Terbuka

8. Bahan Buangan Terjadual

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 Sighted record of Non-Renewable Energy being monitored and establishing the baseline value in term of liter per MT FFB. For the year 2019, the diesel and electricity consumption are as follow;

| Estate | Actual record (Jan-September 2019) | | |
|--|------------------------------------|-----------|------------------------|
| | Bukit Perak Utara | Aman Jaya | Sg Ular (Jan-Oct 2019) |
| FFB (mt) | 3,281.59 | 7,399.34 | 8,775 |
| Diesel used (liters) | 90,731 | 23,814 | 51,599 |
| Liter diesel/mt FFB | 27.65 | 3.22 | 5.88 |
| Baseline value diesel (2017-2018) | 61.24 | 3.35 | 2,71 |
| Electricity utilized (kWh) | 224,620.9 | 19,028.57 | 27,241 |
| kWh/mt FFB | 68.45 | 2.57 | 3.10 |
| Baseline value electricity (2017-2018) | 278.77 | 2.64 | 2.00 |
| Water Usage (m ³) | 43,692 | 3,395 | 44,729 |
| Water Usage, m ³ /mt FFB | 13.31 | 0.46 | 5.10 |

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 Sighted annual estimate of non-renewable energy being established for the year 2019 as follow;

| Estate | Estimated diesel usage | Estimated FFB | Fuel Efficiency |
|-------------------|------------------------|---------------|-----------------|
| | Liter | Ton | Liter/ton FFB |
| Bukit Perak Utara | 382,500 | 5,100 | 75.00 |
| Aman Jaya | 35,400 | 13,594 | 2.60 |
| Sungai Ular | 61,920 | 11,055 | 5.60 |

Sighted annual estimate of electricity usage being established for the year 2019 as follow;

| Estate | Estimated Electricity usage | Estimated FFB | Electricity Efficiency |
|-------------------|-----------------------------|---------------|------------------------|
| | kWH | Ton | kWH/ton FFB |
| Bukit Perak Utara | 1,417,800 | 5,100 | 278.00 |
| Aman Jaya | 22,416 | 13,594 | 1.65 |
| Sungai Ular | 32,700 | 11,055 | 2.96 |

Sighted annual estimate of Water Usage being established for the year 2019 as follow;

| Estate | Estimated Water Usage | Estimated FFB | Electricity Efficiency |
|-------------------|-----------------------|---------------|------------------------|
| | m ³ | Ton | kWH/ton FFB |
| Bukit Perak Utara | 297,942 | 5,100 | 58.42 |
| Aman Jaya | 6,305 | 13,594 | 0.46 |
| Sungai Ular | 53,700 | 11,055 | 4.86 |

In Compliance **Yes** No Not Applicable

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

Summary Bukit Perak Utara Estate has purchased 1 set of Led Solar Flood Light to brighten the street. However, Aman Jaya and Sungai Ular Estate has no plan to install any set of solar panel or other renewable energy system in 2019.

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 Kumpulan Ladang-Ladang Perbadanan Kedah Sdn Bhd has established Safety Operating Procedure No. 24, Tajuk; Pegurusan Bahan Buangan Terjadual dated 01.07.2019, approved by Tuan Hj Rosli Bin Hj Saad, Pengurus Besar on 01.07.2019 with the objectives "untuk memastikan kesemua sisa-sisa buangan yang dikenalpasti dihasilkan estet adalah diuruskan, dilabel, disimpan, disenaraikan dan dilupuskan mengikut keperluan".

Sighted the "Pengenalpastian & Pelan Pengurusan Bahan Buangan Terjadual Tahun 2019" at each estate with the following sources of waste identified;

| Source | Code | Type of waste |
|-------------------|-------|--------------------------------------|
| Ladang | SW410 | PPE terpakai |
| Ladang | SW409 | Tong racun/drum |
| Kenderaan | SW410 | Filter, Rags |
| Kenderaan | SW305 | Minyak hitam |
| Kenderaan | SW102 | Bateri terpakai |
| Perumahan/Pejabat | SW110 | Alatan elektronik & buangan elektrik |

| | | |
|-------------------|-------|------------------------|
| Klinik | SW404 | Bahan buangan klinikal |
| Ladang | Nil | Tayar |
| Perumahan/Pejabat | Nil | Sisa domestik |

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

Sighted each estate has established "Pengenalpastian & Pelan Pengurusan Bahan Buangan Terjadual dan Tidak Terjadual Tahun 2019" with the following sample of waste management;

| Type of waste | Action Plan – Guna Semula | Action Plan - Dilupuskan |
|--|---|--|
| Tong racun/drum | Dilarang membakar, digunakan semula untuk mengisi air racun dan dilabel, diserahkan kepada G-Planter untuk kitar semula | Dikumpulkan dan disimpan dalam setor bahan buangan terjadual, dilupuskan bila mencapai 180 hari atau 20mt mana yang dulu, bahan buangan perlu didaftar dan direkod dalam system e-swis, pelupusan hanya oleh kontraktor yang berdaftar dan dilantik oleh JAS sahaja. |
| Filter, Rags, Minyak hitam, Bateri terpakai, Alatan elektronik & buangan elektrik, | Nil | Nil |
| Bahan buangan klinikal | Nil | Dilarang membakar, Dikumpulkan dalam bekas kuning "bahan buangan klinikal" yang disediakan oleh Klinik Kesihatan Pendang, bahan buangan klinikal akan diserahkan kepada Klinik Kesihatan Pendang. |
| Sisa Domestik | Nil | Rancang jadual kutipan, lantik kontraktor membuat kutipan dan pembuangan di tapak pelupusan sampah yang disediakan. |

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 Kumpulan Ladang-Ladang Perbadanan Kedah Sdn Bhd has established Safety Operating Procedure No. 24, Tajuk; Pegurusan Bahan Buangan Terjadual dated 01.07.2019, approved by Tuan Hj Rosli Bin Hj Saad, Pengurus Besar on 01.07.2019 with the objectives "untuk memastikan kesemua sisa-sisa buangan yang dikenalpasti dihasilkan estet adalah diuruskan, dilabel, disimpan, disenaraikan dan dilupuskan mengikut keperluan".

Sampled estate of Bukit Perak Utara Estate has tabulated Register of Chemicals Hazardous to Health, listed 27 hazardous chemicals prepared by Mr Mohd Rizuan Bin Zainol (Assistant Manager), approved by Mr Mohamad Ariffin Bin Ismail (Estate Manager) on 01.05.2019. Estate has also maintained record of Monitoring Pesticide Usage for a period of 2019 i.e. Chemical Store Record includes;

1. Calcium Chloride
2. Diuron-Monex HC
3. Ecomax
4. Garlon
5. Garlon Mix

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 The estates had been using "Panduan Pelupusan Bekas Racun Perosak" as outlined by Bahagian Kawalan Racun Perosak, Jabatan Pertanian to ensure "bekas racun perosak adalah salah satu punca pencemaran dan boleh memudaratkan manusia, haiwan dan organisma bukan sasaran".

Steps of triple-rinse;

1. Tuang sehingga habis sisa racun perosak ke dalam tong penyembur dan tunggu kira-kira 30 saat.
2. Isikan suku air bersih ke dalam bekas kosong.
3. Tutupkan bekas dengan penutup dan goncang selama 30 saat.
4. Tuang air bilasan ke dalam tong penyembur.
5. Repeat step 1 to 4, two more times to complete the cycle.
6. Cuci bahagian luar bekas dengan bersih dan tebuk.
7. Keringkan bekas secara terbalik dan hantar ke pusat pengumpulan.

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 Sighted Kumpulan Ladang-Ladang Perbadanan Kedah Sdn Bhd has established Safety Operating Procedure No. 16, Tajuk; Perumahan dan Pengurusan Sisa Domestik dated

01.07.2019, approved by Tuan Hj Rosli Bin Hj Saad, Pengurus Besar on 01.07.2019 with the objectives "untuk mematuhi Akta piawaian minimum perumahan dan kemudahan pekerja, 1990 (Act 446).

Sampled for Aman Jaya Estate, domestic waste from linesite are disposed at landfill located at Block RP2015 some 200m from the housing complex. The estate has a "Jadual Kutipan Sampah" scheduled on every Sunday, Tuesday and Thursday of the week.

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 estate has implemented its GHG Calculator to calculate the total emission from FFB production in 2018.

| Estate | Planted Ha | FFB (MT) | tCO ₂ | tCO ₂ /mt FFB |
|-------------|------------|-----------|------------------|--------------------------|
| Bukit Perak | 1,413.95 | 1,340.71 | 654.574 | 0.4882 |
| Aman Jaya | 441.18 | 7,189.14 | 1,052.214 | 0.1464 |
| Sungai Ular | 1,222.68 | 13,449.48 | 1,508.79 | 0.1122 |

As sampled, Aman Jaya Estate has established "Pelan Pengurusan Penggunaan Tenaga, Kawalan Pencemaran dan Pemantauan Kesan Pelepasan Gas Rumah Hijau (GHG) Bagi Tahun 2019 prepared/approved by Mr. Mohd Faizal Bin Halim (Act. Asst. Senior Manager) covers 7 methods of reduction plan, includes;

1. Memantau dan merekodkan penggunaan diesel dalam penghantaran BTS dari ladang ke kilang
2. Memantau penggunaan racun dalam aktiviti tentang herbicide, pesticide
3. Meningkatkan penggunaan bahan EFB, organik atau kompos sebagai baja.
4. Pemantauan penggunaan baja kimia (kg/pokok/tahun)
5. Memantau penggunaan sampah domestic dari kawasan perumahan ke tapak pelupusan sampah. Sampah diasingkan daripada botol, kertas, kaca, besi, aluminium untuk dikitar semula. Bilangan rumah yang mengikut program pengasingan sampah.
6. Mengurangkan penggunaan kertas di pejabat (RM/bulan)
7. Rekod penghantaran bahan buangan ke pusat ktar semula (tin, plastic, besi, kertas, aluminium (kg/bulan)

In Compliance **Yes** No Not Applicable

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

Summary Sighted the "Pengurusan Pelan Kawalan" incorporated in the "Penilaian Aspek Impak Alam Sekitar" for 2019 with the objective to reduce significant pollutant and emission include;

1. Mewujudkan Zon Penampakan sepanjang sumber air scheduled to be completed in December 2019.

2. Pemantauan yang jitu dan latihan bagi melakukan kalibrasi pam racun scheduled to be completed in December 2019.
3. Melakukan latihan kepada pekerja pembajaan scheduled to be completed in December 2019.

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 Sighted Water Management Plan has been established at each Estates. As sampled, Sungai Ular Estate has established its “Pelan Pengurusan Air” dated 07.11.2019, with identification of water source;

1. Sungai
2. Hujan
3. SADA

The analysis of river water samples at Sg Anak Kulim (incoming & outgoing) was carried out by MyCO₂ (PG) Sdn Bhd, Perai , Pulau Pinang.on 07.01.2019. Sighted certificate of analysis that was reported on 14.01.2019 indicates the following;

| Parameter | Sg AK (incoming) | Sg AK (outgoing) | Compliance Limits (Class IIB Standards) |
|----------------------------|------------------|------------------|---|
| Fecal Coliform (MPN/100ml) | 460 | 630 | 400 |
| COD (mg/L) | 10.6 | 16.2 | 25 |
| BOD (5days @ 20°C) (mg/L) | 3 | 4 | 3 |

The analysis of river water samples at Sg Dingin (incoming & outgoing) was carried out by MyCO₂ (PG) Sdn Bhd, Perai , Pulau Pinang.on 07.01.2019. Sighted certificate of analysis that was reported on 14.01.2019 indicates the following;

| Parameter | Sg AK (incoming) | Sg AK (outgoing) | Compliance Limits (Class IIB Standards) |
|----------------------------|------------------|------------------|---|
| Fecal Coliform (MPN/100ml) | 490 | 630 | 400 |
| COD (mg/L) | 4.7 | 4.2 | 25 |
| BOD (5days @ 20°C) (mg/L) | ND <2 | ND <2 | 3 |

Water quality for both rivers at Sungai Ular Estate was adulterated with high amount of Fecal Coliform. To address the issue, the estate management has included in the "Pelan Pengurusan Air" dated 07.11.2019 the action plan to mitigate the situation includes;

1. Analisa air berkala – action been taken in January 2019.
2. Kawalan biologi air (EM Ball)

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 Based on the field observation at all the Estates, sighted no construction of bunds, weirs, and dams across main river or waterways passing through the estates.

In Compliance **Yes** No Not Applicable

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

Summary Water harvesting practices implemented in the Estate is to store water in all the drains namely field, collection and main drains as well as construction of water conservation pit (WCP).

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 Sighted, Laporan Biodiversiti dan Pemuliharaan Bernilai Tinggi" (HCV Report) at each estate resulted from the assessment conducted by the estate staff and Assistant Manager. Few species of Mamalia were recorded during the surveyed period such as;

| | | |
|---------------|---------------|---------------|
| Nama Tempatan | APHL 716/2010 | IUCN |
| Kera/Monyet | Protected | Least Concern |

| | | |
|--------------------|-------------------|-----------------------|
| Tupai Cerleh | Not Protected | Least Concern |
| Tupai Pinang | Not Protected | Least Concern |
| Babi Hutan | Protected | Least Concern |
| Musang Pulut | Protected | Least Concern |
| Tenggiling | Totally Protected | Critically Endangered |
| Ungka Tangan Putih | Totally Protected | Endangered |

APHL = Akta Perlindungan Hidupan Liar 716/2010

IUCN = IUCN Red List Categories 2012

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 The monitoring parameters observed during the monthly inspection includes;

1. Kawasan
2. Spesis Terancam Hidupan Liar
3. Tanda Amaran HCV
4. Zon Penampian
5. Aktiviti Perburuan Haram
6. Pencemaran Air/Tanah – Racun Semburan
7. Aktiviti Lain Yang Memberi Kesan Kepada HCV
8. Pemantauan Oleh
9. Disahkan Oleh

Sighted Monthly monitoring checklist of HCV area at each estate is made available.

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 Sighted the "Pelan Pengurusan HCV" as outlined in the "Laporan Biodiversiti dan Pemuliharaan Bernilai Tinggi" (HCV Report) at each estate has identified the following;

1. Hidupan Liar yang terdapat di kawasan ladang
Ancaman: Pemburuan haram
Pelan pengurusan:
 - a. Meletakkan papan tanda larangan memburu
 - b. Bekerjasama dengan Jabatan Hidupan Liar dan mendapatkan nasihat jika perlu.
 - c. Beritahu semua pihak berkepentingan mengenai penilaian biodiversity yang tinggi dan larangan memburu & larangan pencerobohan ke hutan semasa mesyuarat pihak berkepentingan.

2. Aliran sungai mengalir melalui ladang
 Ancaman: Hakisan dan pemendapan tebing sungai, Eutrophikasi persekitaran akuatik dan pertumbuhan tumbuh-tumbuhan disebabkan oleh aplikasi baja, gangguan kepada kesihatan biologi akuatik, degradasi kawasan tadahan.
 Pelan Pengurusan:
- Menetapkan zon penampungan mengikut keperluan undang-undang
 - Menanda zon penampungan dengan tiang yang dicat dengan warna biru dan putih
 - Untuk meletakkan papan tanda zon penampungan
 - Melarang penggunaan bahan kimia dan baja di dalam zon penampungan.
 - Mendidik pekerja tentang kepentingan zon penampungan
 - Analisa kualiti air sungai.

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 In respect to "Polisi Larangan Pembakaran Terbuka", "selaras dengan sistem perladangan mesra alam ini dan bagi memenuhi Seksyen 29A, Akta Kualiti Alam Sekitar 1974, Larangan Pembakaran Terbuka pihak Syarikat tidak membenarkan petugas, pekerja Syarikat atau kontraktor yang bekerja di premis Syarikat melakukan pembakaran terbuka sama ada semasa aktiviti kerja-kerja tanam semula, pembakaran sampah domestik di tapak pelupusan sampah, kawasan pejabat, kawasan penempatan petugas atau pekerja serta segala jenis pembakaran di premis Syarikat".

Sighted signage on 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.

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. The Company is complying on Section 29A (1) Akta Kualiti Alam Sekeliling, 1974 prohibits all types of burning.

No replanting programme as the palm has not reach the end of its economic life.

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 During replanting process, the old palm to be felled, chipped and stacked at every alteri avenue. The residue is then be naturally decomposed on site.

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 SOP on good practices is made available as referred to: "KLPK Reference Manual" dated 1st August 2019 as reviewed by Mr. Azizi bin Hj Ahmad, Plantation Advisor and approved by Hj Rosli bin Hj Saad, General Manager.

The manual serves as a guideline on the Good Agricultural Practices (GAP) available within the KLPK landholdings i.e: Replanting, Field Upkeep, harvesting interval, Weed Control etc. The implementation of the manual has been verified during the interview and site verification.

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 The management has established the SOP on terracing mechanism in the :
- No SOP: 13
- Tajuk: Pembangunan Ladang Tanaman Semula
- Tarikh Semakan: 1 Julai 2019

The implementation of the SOP has been verified during the site visit where sighted no river passing through the estate and no contamination of surface water sighted.

The field soil erosion had been minimized through the method grass cutting and grass cutting on the path of harvesting. Thus, maintaining the soft grasses.

In Compliance **Yes** No Not Applicable

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

Summary The estate has a visual reference system to identify each field or block. During site visit, each field has a field stone with block number/year of planting, hectareage and oil palm clone.

Sampled field numbering:

- Fld: OP2016
- Ha: 311.22
- DxP: GH500

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

a) Bukit Perak Estate:
Sighted Business Management Plan is available in the "Financial Forecast for the Year 2020 – 2024" which includes the expenditure for upkeep & cultivation and 5 Year Profit and Loss Forecast for the year 2019-2023 in the "4.6.2 – Economic & Financial" file. Details of the yearly budget is available in the "Budget 2019 Office" file.

b) Aman Jaya Estate:
Sighted Business Management Plan and 5 Year Profit and Loss Forecast for the year 2020-2024 in the "4.6.2 – Economic & Financial - MSPO" file. Details of the 2019 yearly budget is available in the "Budget 2019" file.

c) Sg Ular Estate:
Sighted Business Management Plan is available in the "Profit and Loss Forecast for the Year 2019-2023" and "Profit and Loss Forecast for the Year 2020-2024" file. Details of the 2019 yearly budget is available in the "Budget 2019" and "Budget 2020" file.

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 Each respective Estate Management has established a Replanting Programme for each estate which is available until 2023 as approved by the respective Manager.

In Compliance **Yes** No Not Applicable

Indicator 3 The business or management plan may contain:

- Attention to quality of planting materials and FFB.
- Crop projection: site yield potential, age profile, FFB yield trends.
- Cost of production: cost per tonne of FFB.
- Price forecast.
- Financial indicators: cost benefit, discounted cash flow, return on investment.

Summary Each estate has established an annual budget for the financial year 2019. The budget includes the projected FFB production, general charges, upkeep & cultivation, Collection and Immature areas.

a) Bukit Perak Estate:
Sighted Business Management Plan is available in the "Financial Forecast for the Year 2020 – 2024" which includes the expenditure for upkeep & cultivation and 5 Year Profit and Loss Forecast for the year 2019-2023 in the "4.6.2 – Economic & Financial" file. Details of the yearly budget is available in the "Budget 2019 Office" file.

- b) Aman Jaya Estate:
Sighted Business Management Plan and 5 Year Profit and Loss Forecast for the year 2020-2024 in the "4.6.2 – Economic & Financial - MSPO" file. Details of the 2019 yearly budget is available in the "Budget 2019" file.
- c) Sg Ular Estate:
Sighted Business Management Plan is available in the "Profit and Loss Forecast for the Year 2019-2023" and "Profit and Loss Forecast for the Year 2020-2024" file. Details of the 2019 yearly budget is available in the "Budget 2019" and "Budget 2020" file.

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 KLPK Management has conducted a quarterly meeting to monitor the progress of the business management plan. Sighted the minutes meeting for:

1. Mesyuarat Ketua-ketua Jabatan dan Pengurus-pengurus Ladang (KPI Suku Pertama) Bil. 01/2019. Minutes meeting is made available dated 22nd April 2019.
2. Mesyuarat Ketua-ketua Jabatan dan Pengurus-pengurus Ladang (KPI Suku Kedua) Bil. 02/2019. Minutes meeting is made available dated 31st July 2019.
3. Meetings agenda includes:
 - i. KPI target discussion
 - ii. Feedback from the previous meetings
 - iii. MSPO certification
 - iv. Issues to be discussed
 - v. Marketing matters
 - vi. HR matters
 - vii. Other matters

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 Pricing mechanisms for the products and other services are documented in the agreement available. Price and payment have been verified during the interview session. No issues are being highlighted. Contracts agreement between contractors and estate management are sighted during the audit.

The pricing mechanism adopted for worker salary is strictly adhered to the MAPA/NUPW

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 Contract agreements with all workers and contractors are made available. Agreed payment were translated in the contracts and payment were given in the stipulated time.

Payment matters has been verified during the site visit and interview session with the stakeholders.

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 Briefing on the MSPO has been conducted to the contractors during the external stakeholders meeting. In addition to that, the agreements with the contractors includes an understanding of the MSPO requirement as referred in the “Penambahan Klausula Terma dan Syarat Perjanjian Kontrak” or as referred in the “Tanggungjawab Kontraktor” clause.

Good awareness on the MSPO has been demonstrated during the site visit and interview with the stakeholders.

In Compliance **Yes** No Not Applicable

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

Summary Sighted in the above contract where the Contractor accepted and agreed with the requirements stated in the 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 The Estate management accepted the audit by Global Gateway Certifications Sdn Bhd as per the audit plan dated MSPO auditor on 31st October 2019 (2nd Revision).

All the auditors are qualified MSPO auditor. As per agreed, the Estate 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 Sampled of Crop Book LAJ , Backhoe book and costing book is made available to record the progress monitoring on the contractors’ sampled in the respective estate. The records are monitored by the assistant Manager and approved by the Manager. Sighted the evidence of payment through “work and payment order” and cash payment voucher to the contractors.

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 are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

Indicator 2 No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia's National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

Criterion 2 Peat land

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

Criterion 3 Social and Environmental Impact Assessment (SEIA)

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

Criterion 4 Soil and topographic information

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

Criterion 5 Planting on steep terrain, marginal and fragile soils

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

Criterion 6 Customary land

Indicator 1 No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

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

Summary There are no new plantings involving forest land or land with high biodiversity. Thus, it is not applicable for all estates.

In Compliance Yes No **Not Applicable**

2.8 Details of Audit Findings

Details Non-Conformity

- See Appendix B -

Details of Area of Concern

- See Appendix B -

Details of Noteworthy / Positive Findings

- 1) The management is highly committed to comply the MSPO system by adopting continuous improvement programs.
- 2) Proactive and highly committed by Kumpulan Ladang-ladang Perbadanan Kedah Sdn. Bhd. Management in establishing directions for the middle and upper management in complying with the MSPO certification.
- 3) Signages throughout office, chemical area and in the field sites, effectively maintained and appropriate to the needs of the process.
- 4) Good cooperation and commitment from the management and staff
- 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 |
| 04 th November 2019 | TBA | ➤ Auditors travelling to Sungai Petani | NA | AS/MAS |
| 05 th November 2019 | 08:00 – 09:00 | ➤ Centralize Opening Meeting at Bukit Perak Utara Estate <ul style="list-style-type: none"> • Presentation by the manager/coordinator • Presentation by Lead Auditor ➤ Confirmation of assessment scope and finalize Audit Plan | NA | AS/MAS |
| | 09:00 – 13:00 | Bukit Perak Utara Estate <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. | NA | AS/MAS |
| | 10:30 – 12:30 | <ul style="list-style-type: none"> ➤ Estate inspection: <ul style="list-style-type: none"> • 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. | NA | AS/MAS |
| | 13:00 – 14:00 | ➤ Lunch/Rest | NA | AS/MAS |
| | 14:00 – 16:00 | <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. | NA | AS/MAS |
| | 16:00 – 17:00 | ➤ Verify any outstanding issues, auditor discussion and end of audit for day 1. | NA | AS/MAS |

| AGENDA | | | | |
|--------------------------------|---------------|---|---------------------|----------------|
| Date | Time | Subjects | Lead Auditor | Auditor |
| 06 th November 2019 | 08:00 – 13:00 | Aman Jaya Estate <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. | NA | AS/MAS |

| | | | | |
|--|---------------|--|----|--------|
| | 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. | NA | AS/MAS |
| | | <ul style="list-style-type: none"> ➤ Centralize Stakeholder Consultation | NA | AS/MAS |
| | 13:00 – 14:00 | <ul style="list-style-type: none"> ➤ Lunch/Rest | NA | AS/MAS |
| | 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. | NA | AS/MAS |
| | 16:00 – 17:00 | <ul style="list-style-type: none"> ➤ Verify any outstanding issues, auditor discussion and end of audit for day 2. | NA | AS/MAS |

| AGENDA | | | | |
|--------------------------------|---------------|--|---------------------|----------------|
| Date | Time | Subjects | Lead Auditor | Auditor |
| 07 th November 2019 | 09:00 – 13:00 | Sungai Ular 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. | NA | AS/MAS |
| | 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. | NA | AS/MAS |
| | 13:00 – 14:00 | <ul style="list-style-type: none"> ➤ Lunch/Rest | NA | AS/MAS |
| | 14:00 – 15:00 | <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. | NA | AS/MAS |
| | 15:00 – 16:00 | <ul style="list-style-type: none"> ➤ Verify any outstanding issues and auditor discussion. | NA | AS/MAS |

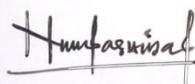
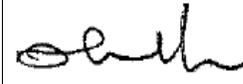
| | | | | |
|--------------------------------|---------------|--|----|--------|
| | 16:00 – 17:00 | <ul style="list-style-type: none"> ➤ Centralize Closing Meeting at Sungai Ular Estate. ➤ Chaired by the audit Lead Auditor • Welcome and introduction by the Lead Auditor • Presentation of findings by the audit team • Questions & answers and Final summary by Lead Auditor ➤ End of assessment | NA | AS/MAS |
| 08 th November 2019 | TBA | <ul style="list-style-type: none"> ➤ Travelling back from Sg Petani, Kedah to Ampang, Selangor. | NA | AS/MAS |

Appendix B: Non-Conformity details

Non-Conformities Identified During This Audit

| | |
|-------------------------------|------------------------------------|
| Major Nonconformities: | Non-were raised during this audit. |
|-------------------------------|------------------------------------|

| | |
|-------------------------------|---|
| Minor Nonconformities: | The following NC's was raised for this audit. |
|-------------------------------|---|

| | | | | |
|--|---|--|--------------------------------|-------------------------------------|
| Company Name | Kumpulan Ladang-Ladang Perbadanan Kedah Sdn Bhd | | | |
| Stage of Audit | Initial Stage 1 | <input type="checkbox"/> | Initial Stage 2 | <input checked="" type="checkbox"/> |
| | Surveillance | <input type="checkbox"/> | Recertification | <input type="checkbox"/> |
| Audited Standard | Part 3: General Principles for Oil Palm Plantations and Organized Smallholders | | | |
| Client Number | GGC-AJ1-MSPO-2019 | | | |
| NC No. / Ref. | AJ1/MSPO/MINOR/01 | Date Detected | 07 th November 2019 | |
| Site(s) concern | Bukit Perak Utara Estate | Target Completion | Next Surveillance Audit | |
| Normative Reference and Requirement | 4.3.1.1 All operations are in compliance with the applicable local, state, national and ratified international laws and regulations. | | | |
| NC Type | <input type="checkbox"/> Major <input checked="" type="checkbox"/> Minor <input type="checkbox"/> Area of Concern | | | |
| Description of Non-Conformity | Non-Compliance to Section 19 (3) of Workers' Minimum Standards of Housing and Amenities, 1990 (Amended 2006) (Act446) | | | |
| NC Objective Evidence: | | | | |
| There is no evidence visits by the Visiting Medical Officer at Bukit Perak Utara Estate as required by the Section 19 (3) of Workers' Minimum Standards of Housing and Amenities, 1990 (Amended 2006) (Act446) where the estate has provided a clinic for the employees to seek treatment. | | | | |
| Lead Auditor Signature: | | Client Signature: | | |
|  | |  | | |
| Root cause Analysis (to be filled by client): | | | | |
| Invitation to panel clinic's doctor to participate in quotation exercise have been sent. | | | | |
| Corrective action planned (to be filled by client): | | | | |
| No response from panel doctors, so the invitation been opened to others surrounding clinic for VMO exercise. | | | | |
| Preventive Action (to be filled by client): | | | | |

Appendix C: List of Stakeholders Contacted

Internal Stakeholders

- 1) Kumpulan Ladang-ladang Perbadanan Kedah Sdn. Bhd. management team and staff
- 2) Male and Female workers
- 3) Workers Representatives
- 4) Foreign Workers Representatives
- 5) En Mohamad Huzairi bin Abu Hassan
- 6) En Hashim bin Awang

External Stakeholders

- 1) En Hamzah Ahmad, FFB Transporter
- 2) En Md Mutalib bin Hussain, Harvesting Contractor
- 3) En Mohd Rizal bin Nordin, Maintenance Contractor
- 4) En Mohd Najid bin Ibrahim, Backhoe Contractor
- 5) En Ahmad Imran bin Abd Razak, Koperasi Ladang Berhad
- 6) Mr Kalaiarasu a/l Letchumanan, Squatters' representative
- 7) Mr Kannan a/l Letchumanan, Chairman Sri Mahamariamman Temple
- 8) Mr Oh Boon Tong, Harvesting & Spraying Contractor
- 9) En Moh Hafiz bin Mohd Mokhtar, Kilang Baja Organik
- 10) En Mohd Aris bin Darus, FFB Transporter