

MSPO CERTIFICATION SUMMARY REPORT

KARAK HEIGHTS DEVELOPMENT SDN BHD

RECERTIFICATION 01

Onsite Audit Date: 24/03/2025

TUV NORD (Malaysia) Sdn Bhd
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Company Name: Karak Heights Development Sdn Bhd

Certifying Unit: Karak Heights Development Sdn Bhd

Client Number: 92-230

Audit Type: Recertification 01

Mode of Audit: Karak Heights Development Sdn Bhd

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Abbreviations

CHRA	Chemical Health Risk Assessment
CPO	Crude Palm Oil
CSR	Corporate Social Responsibility
DOE	Department of Environment
EFB	Empty Fruit Bunch
EIA	Environment Impact Assessment
FFB	Fresh Fruit Bunch
GAP	Good Agricultural Practice
GPS	Global Positioning System
ISCC	International Sustainability & Carbon Certification
ISO	International Standard Organisation
MSPO	Malaysia Sustainable Palm Oil
NC	Non Conformity
OSH	Occupational Safety and Health
P&C	Principle and Criteria
PK	Palm Kernel
POME	Palm Oil Mill Effluent
PPE	Personal Protective Equipment
RSPO	Roundtable Sustainable Palm Oil
RTE	Rare, Threatened and Endangered Species
SA8000	Social Accountability 8000
SIA	Social Impact Assessment
SOP	Standard Operating Procedure
WHO	World Health Organization
MPOB	Malaysian Palm Oil Board
MPOCC	Malaysia Palm Oil Certification Council
SDS	Safety Data Sheet
HCV	High Conservation Value
GHG	Greenhouse Gas

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1. INTRODUCTION

Karak Heights Development Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct a recertification audit for its oil palm estate according to MS 2530-3-1:2022 Part 3-1 General Principles for Oil Palm Plantations (40.46ha to 500ha).

1.1. Objective

The objective of this recertification 01 audit is to assess the estate by an independent certification body with the aim for compliance of the standard.

1.2. Scope

The assessment is based on the documentation established by the Karak Heights Development Sdn Bhd

The supporting documents are provided to the audit team as well as information received by means of interviews and background investigation.

The documents and information are reviewed against the requirements and criteria based on MS 2530-3-1:2022 Part 3-1 General Principles for Oil Palm Plantations (40.46ha to 500ha).

TUV NORD Malaysia has employed a risk-based approach in the audit, focusing on the identification of significant risks and reliability of the assessment and reporting.

The following references are used as part of the assessment; the compliance of the requirements out of the guidelines applied was checked.

1. Malaysian Sustainable Palm Oil Part 3-1 General Principles for Oil Palm Plantations (40.46ha to 500ha) audit guidance;
2. SIA Guidelines and Approach for MSPO Standards;
3. HCV Assessment Guidelines for MSPO Standards.

1.3. Appointment and qualification of team members

The audit team appointed consists of one team leader and one team member. The audit team members contributed to the review of documents, the assessment of the project activity and preparation of the report.

Qualification of the Lead Auditor: Ariff Bin Lokman

Requirement	Qualifications
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology;	Graduate in Plantation Industry and Management

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Requirement	Qualifications
vi) Business Management; or vii) Other relevant related fields	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	7 years working experience in oil palm plantations.
Successfully completed MPOCC endorsed lead auditor trainings	Successfully completed MS2530 series of standards for Lead Auditors
Carried out at least three (3) MSPO or equivalent sustainability certification audits as Lead Auditor-in-training with a minimum of fifteen (15) man-days under the supervision of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes within the last two (2) years.	Qualified and appointed as Lead auditor for MS2530 scheme.
Field working experience in the palm oil sector or demonstrable equivalent	7 years working experience in oil palm plantations.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantations.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001, 14001, 45001 Lead Auditor course
Health and safety auditing on the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Successfully completed IMS ISO 45001:2018 Lead Auditor course.
Worker's welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Successfully completed Basic SA 8000 training.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Successfully completed IMS ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.
Attended High Conversation Value Assessment training	Attended and completed the HCV-HCS for producers online course

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Requirement	Qualifications
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia and English.

Qualification of Team Member

Requirement	Name of Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following i) Agriculture; ii) Science & Technology (e.g. Environmental Sciences, Life Sciences, Geological Sciences, Natural Sciences,); iii) Engineering, Process Technology; iv) Energy Management, Quality Management; v) Social Sciences and/or Anthropology; vi) Business Management; or vii) Other relevant related fields	Muhammad Khairul Anuar Bin Azizul Hasan	Graduate in Plantation Industry and Management	Yes
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	Muhammad Khairul Anuar Bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
Successfully completed MPOCC endorsed lead auditor trainings	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed MS2530 series of standards for Lead Auditors.	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Muhammad Khairul Anuar Bin Azizul Hasan	Qualified as auditor based on audit log.	Yes

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Requirement	Name of Assessor	Qualification	Compliance
Field working experience in the palm oil sector or demonstrable equivalent	Muhammad Khairul Anuar Bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Muhammad Khairul Anuar Bin Azizul Hasan	7 years working experience in oil palm plantations.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed ISO 9001:2015 LA course.	Yes
Health and safety auditing of the estate processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed ISO 45001:2018 Lead Auditor course.	Yes
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed SA 8000 Basic training	Yes
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Muhammad Khairul Anuar Bin Azizul Hasan	Successfully completed IMS ISO 14001:2015 LA course.	Yes
Completed High Conversation Value assessment	Muhammad Khairul Anuar Bin Azizul Hasan	Attended and completed the HCV-HCS for producers course.	Yes
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Muhammad Khairul Anuar Bin Azizul Hasan	Able to communicate in both Bahasa Malaysia and English.	Yes

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2. METHODOLOGY

The audit approach consists of the following steps:

- Contract review;
- Appointment of team members;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;
- Assessment, inspections, interviews operational personnel, workers, stakeholders, contractors; review of documentation;
- Reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Peer review
- Address Peer Review Comments
- Final audit reporting
- Final approval, certification decision and issuance of certificate.

Recertification Audit:

The recertification audit conducted onsite on 24/03/2025 covering the following activities but not limited to below:

Onsite:

- Background investigation
- Review of documentation established but not limited to below
 - Policies
 - Estate map
 - Land title
 - Standard Operating Procedures;
 - Work Flow Charts;
 - Management Plans;
 - Operating licenses and approvals;
 - Operating records;
 - Training records;
 - Applicable Legislation Documents

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- Onsite visit, observations and inspection of estate(s) facilities and field activities;
- Interview operation personnel and field workers for understanding of work assigned;
- Reviewed revised and updated documentation established and implemented;
- Reports established;
- Work plans established;
- Stakeholders consultation meeting;
- Review and closed out of non-conformance raised during in last audit;
- Assessment reporting;

On-site Assessment

The audit of the estates is conducted according to the MS 2530-3-1:2022 Part 3-1 General Principles for Oil Palm Plantations (40.46ha to 500ha).

The methodology for collection of objective evidence by means of physical site inspections, observation of tasks and processes, interview workers and operation personnel, interviews of stakeholders, communities, review of documentation and data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders are taken into account in the assessment.

For the recertification audit, Karak Heights Development Sdn Bhd has 1 estate. Therefore, no selection required.

Non-conformance:

On the basis of the desk review, evidences presented during the audits as well as from the onsite visits non-conformance (NC) Major, Minor and Opportunity for Improvement (OFI) may be raised during the audit.

for Major non-conformance shall be addressed and responded with 90 days from closing date of audit. For minor non-conformances raised and action plan to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify in the next audit.

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3. ORGANISATION INFORMATION

Karak Heights Development Sdn Bhd is an oil palm plantation company located at 3, Seksyen 13, 46200 Petaling Jaya, Selangor Darul Ehsan.

The details of the estate as below:

Management Representative / Contact Person Details	
Name:	Nur Wahidah Binti Mustafa
Tel: 013 – 7372120	Email: plantation@granics.com
Certificate Details	
Scope of Activity:	Production of FFBs and Management System for Plantations
Certificate Issuance Date:	05/05/2025
Certificate Validity Date:	05/04/2030
Other Certification(s):	NA

Name of Estate	MPOB License Number	Location	Coordinates
Karak Heights Development Sdn Bhd	575442002000	Lot 4717 & Lot 4720, Mukim Sabai, 28600 Bentong, Pahang	3.424838, 102.017362

3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) (January 2025 to December 2025)
	Total*	Production**	
Karak Heights Development Sdn Bhd	103.20	86.52	1,000.00
Total	103.20	86.52	1,000.00

*includes productive and non-productive area (infrastructures, conservation, HCV, housing & office compound use, set aside area etc.)

**Immature + Mature Area

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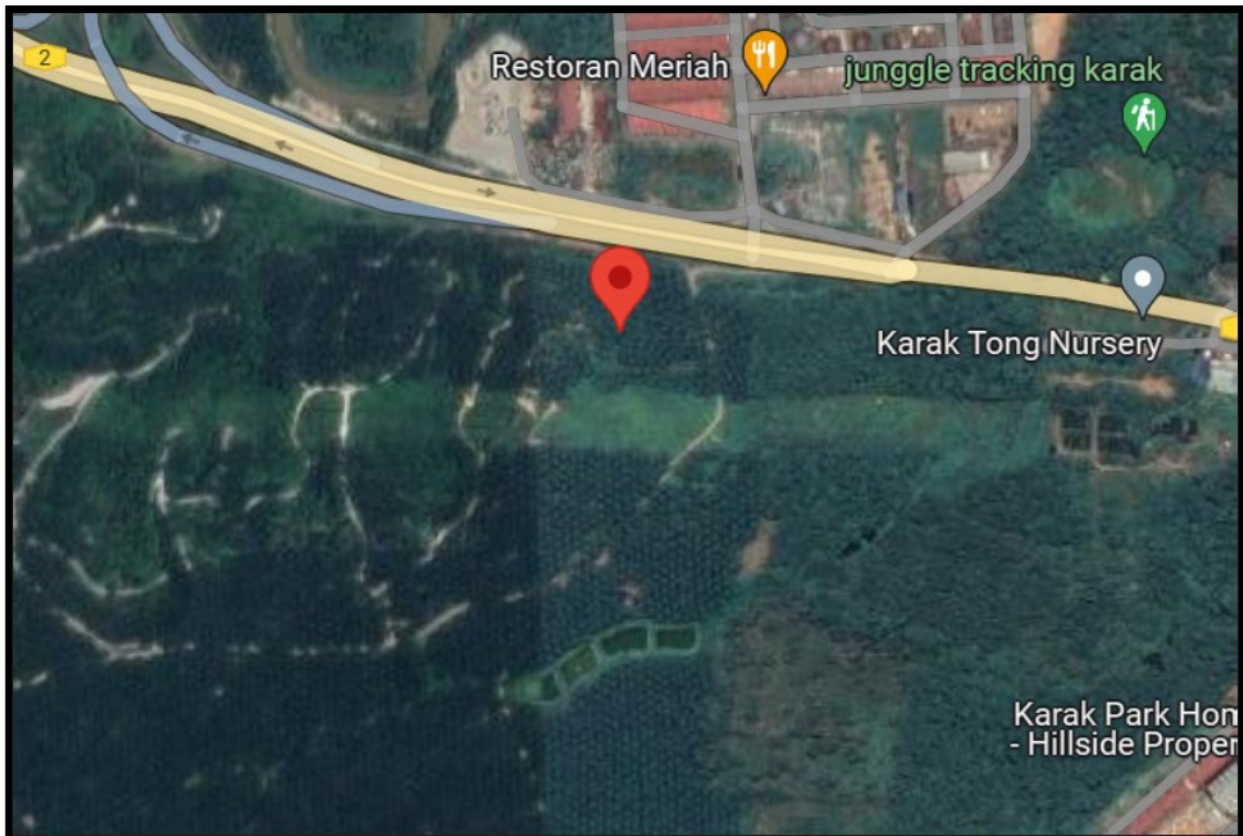
3.2. Planting Program for Each Estate

Year / Estate	Karak Heights Development Sdn Bhd
2007	86.52
Total Mature	86.52
0.00	0.00
Total Immature	0.00
Total	86.52

3.3. Replanting program for each estate

There is no replanting program established due to KHDSB under process sale of land.

3.4. Maps of Estate Location



Karak Heights Development Sdn Bhd Estate location.

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4. CERTIFICATION ASSESSMENT

4.1. RC 01

The objective of the audit is to assess the activities of the estate is in compliance with MS 2530-3-1:2022 Part 3-1 General Principles for Oil Palm Plantations (40.46ha to 500ha).

Audit Programme								
Certification Unit	Name of Estate(s) / Smallholders	CA	Additional Audit	SA 1	SA 2	SA 3	SA 4	RC
Karak Heights Development Sdn Bhd	Karak Heights Development Sdn Bhd	X	-	X	X	X	X	X

Proposed date of next audit: 23/03/2026

4.1.1. Recertification:

The recertification audit is conducted on 24/03/2025 covering Karak Heights Development Sdn Bhd estate.

During the last surveillance 04 audit, there are 0 Major, 0 Minor, 2 Opportunities for Improvement (OFI) are raised.

For details of the assessment, refer summary of assessment for each indicator in section 4.3 of this report.

The audit findings if any, raised in this audit refer to Section 4.6 of this report.

4.2. Stakeholders' Consultation

According to MSPO Certification Scheme Document, dated 3 April 2023, 4.8 Stakeholder Consultation. During the stage 2 and recertification audit of the management unit, the CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. For surveillance, CB shall carry out stakeholder consultation but not limited to those stakeholders within vicinity of the management unit being audited and those stakeholders who have raised concerns, complains or disputes.

The audit team leader has review the stakeholders' consultation feedback during the last surveillance audit and there are no concerns or complaints or disputes raised or any prior to this audit.

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 05/03/2025 as to accommodate stakeholder's consultation meeting for Karak Heights Development Sdn Bhd to provide comments. As at audit date on 24/03/2025 there are no comments received.

Invitation letters by all means possible are sent on 05/03/2025 to invite relevant stakeholders to attend a local stakeholders' consultation on 24/03/2025 to gather information from the local communities in accordance to MSPO Certification Scheme Document, 4.4 of the Certification Procedures requirements.

The topics of discussion are as below:

1. Introduction of MSPO certification.

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2. Development of oil palm plantations
3. Community service and support provided
4. Wildlife management and wildlife corridor
5. Type of wildlife sighted at the plantations and wildlife corridor.
6. Local communities' development.

The following relevant Principles & Criteria of the applied standard are discussed during the stakeholders' consultation:

1. Principle 1 Criteria 7 Indicator 1: Contribute to local development in consultation with the local communities.
 The local communities could confirm the company has provide assistance and support to communities.
2. Principle 1 Criteria 8 Indicator 1: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint
 The stakeholders' advice they are informed a logbook and form is available at the office to lodge any complaints or suggestions.
3. Principle 2 Criteria 1 Indicator 1: Consultation and Communication with stakeholders:
 The stakeholders could confirm they have attended meetings with the company on MSPO certification.

There are no issues raised during the stakeholder's consultation in terms of tenure and/or use rights, social or environmental aspects of management and operations that need to be addressed by the certified unit. It can be concluded the relevant Principles and Criteria clauses of the applied standard are in compliance.

The list of stakeholders who attended the meeting refer to Table 7-1

Item	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from the Company on MSPO audit?	Stakeholders confirmed they received invitation letter from TUV NORD (M) Sdn Bhd informing of MSPO.	No further action required.
2	Social issues	Stakeholder confirmed there are no issue or concern raise during stakeholders' meeting.	Positive comment for Karak Heights Development Sdn Bhd.
3	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Stakeholder acknowledge there are positive impact on livelihood after the introduction of MSPO	Positive comment for Karak Heights Development Sdn Bhd.
4	Does MSPO largely benefits the local community?	Stakeholders acknowledge there is improvement in income since working with the estate.	Positive comment for Karak Heights Development Sdn Bhd.

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Item	Subject discussed	Audit team findings	Company response and proposed action to be taken
5	Environmental understanding	Stakeholders are aware and have a better understanding on environmental issues.	Positive comment for Karak Heights Development Sdn Bhd.
6	Support to smallholders	Stakeholders acknowledge Karak Heights Development Sdn Bhd support smallholders by accepting their FFB and provide information on FFB prices.	Positive comment for Karak Heights Development Sdn Bhd.
7	FFB quality	Stakeholders aware of FFB quality and Karak Heights Development Sdn Bhd is in collaborating with buyer to ensure FFB quality and grading according to MPOB requirements	Positive comment for Karak Heights Development Sdn Bhd.
8	Are there any mill management practices that affect you?	Stakeholders confirmed they have not encounter any negative impacts from the dealer operation.	Positive comment for Karak Heights Development Sdn Bhd.
9	Do you consider the management conflicts with the MSPO principles and criteria?	Stakeholders confirm there is no conflicts with the MSPO principles and criteria.	Positive comment for Karak Heights Development Sdn Bhd.
10	Do you have any suggestions for management?	No further suggestions.	No further input for consideration

4.3. Summary of Assessment

Principle and Criteria Assessment Summary

The assessment team conduct a thorough assessment of each principle and criteria. Over the 5 years' period of the certificate cycle, there will be 4 annual surveillance audits with all criterions will be assessed. Evidences are sought for conformity with the MSPO 2530-3-1:2022. The summary of the assessment as below, where the "Findings/Comments" column reflects the findings in accordance with each indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below in section 4.6.

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Principle 1: Management commitment & responsibility			
Indicator	Summary of Assessment		Compliance
4.1.1.1	<p>KARAK HEIGHTS DEVELOPMENT SDN BHD (KHDSB) established MSPO Implementation and Commitment Policy updated 13/03/2025 sign by Managing Director.</p> <p>The policy statement:</p> <p>The management is committed to comply with all statutory and regulatory requirements of MSPO by strictly adhering to below principles:</p> <ol style="list-style-type: none"> 1. Management commitment and responsibility; 2. Transparency; 3. Compliance to legal requirements; 4. Social responsibility, health, safety and employment condition; 5. Environment, natural resources, biodiversity and ecosystem services; <p>Onsite inspection confirmed the MSPO Policy has been publicly displayed at estate notice board.</p> <p>Policies training for contractor workers conducted on 01/12/2024.</p> <p>Interviewed workers informed they are aware, satisfied and clear with MSPO policy and its requirements.</p>		Yes
4.1.1.2	<p>KHDSB established MSPO Implementation and Commitment Policy updated 13/03/2025 sign by Managing Director.</p> <p>Management is also committed to continuous improvement practices by leveraging on human resources, processes and technology to ensure sustainable production of oil palm products.</p> <p>KHDSB established Continuous Improvement Plan for year 2025 dated 31/12/2024.</p> <p>The CIP had covered the social, and environmental impacts, safety and health. There is no new technology and as well as new information.</p> <p>Example:</p> <p>Environmental</p> <p>Issue: Relocation of the workshop to a new spot far enough from the river to eliminate the risk of oil spillage to the river.</p> <p>Expected outcome: Improved waste management prevention of environmental contamination.</p> <p>PIC: Estate manager</p> <p>Timeframe: 31 December 2025.</p>		Yes
4.1.2.1	a	No new planting establishment	Yes
	b	No new planting establishment	Yes
	c.i	No new planting establishment	Yes

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Principle 1: Management commitment & responsibility			
Indicator	Summary of Assessment		Compliance
	c.ii	No new planting establishment	Yes
	c.iii	No new planting establishment	Yes
	c.iv	No new planting establishment	Yes
	c.v	No new planting establishment	Yes
4.1.2.2	No new planting establishment		Yes
4.1.2.3	No new planting establishment		Yes
4.1.2.4	No new planting establishment		Yes
4.1.2.5	No new planting establishment		Yes
4.1.3.1	Minor non-conformity 01; There is no Standard Operating Procedures (SOP) for estate operation appropriately documented, consistently implemented and monitored.		No
4.1.3.2	a	KHDSB has adopted MPOB code of practices updated 01/12/2024. The guideline includes soil management on steep terrains, planting of cover crops, planting on slope, degree and management plan to prevent soil erosion. Site inspection at the altitude reading verified at field block 1, planting on slope is approximately not more than 250m and below the MPOB requirements.	Yes
	b	Site inspection at the altitude reading verified at field block 1, planting on slope is approximately not more than 250m and below the MPOB requirements. Field inspection and interview with estate management informed the topography at KHDSB is within the permissible slopes.	Yes
4.1.3.3	Onsite verification and document review confirmed there is no planting on peat land. Thus, no document established.		Yes
4.1.3.4	KHDSB established block marker for each block includes details such as block number, field size and year of planting. Example: Block: 1; Field size: 35.15 acre; Year planted: 2012.		Yes
4.1.3.5	Onsite verification at KHDSB chemical, lubricant and fertilizer store, SDS and warning signage are displayed. Example of SDS: 1. Glyphosate IPA 41%. Onsite verification all chemicals are arranged and kept in store properly with original label.		Yes

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Principle 1: Management commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.4.1	There is no replanting programe established due to KHDSB under process sale of land.	Yes
4.1.4.2	There is no replanting plan due to the estate under process sale of land. Thus, no SIA, EIA and HCV assessments established.	Yes
4.1.4.3	Onsite verification and interviews with estate management informed there is no replanting on peat at KHDSB. Therefore, no document established.	Yes
4.1.5.1	<p>KHDSB established training need analysis dated 01/12/2024 for all employees.</p> <p>Workers are trained based on job description.</p> <p>New worker will go through the induction programme and will be brief on company policies, safety & health and work assigned.</p> <p>Briefing based on workers job description conducted:</p> <ol style="list-style-type: none"> 1. Scheduled wastes training on 01/12/2024; 2. MSPO training on 01/12/2024; 3. Chemical handling training on 01/12/2024. 	Yes
4.1.5.2	<p>KHDSB established annual training programme for year 2025 updated on 01/12/2024.</p> <p>Example of training conducted:</p> <p>SOPs on environmental management system awareness briefing carried out on 01/12/2024 for all workers and staffs.</p> <p>Interview with sampled harvesters informed they has been briefed on training conducted by KHDSB.</p> <p>Evaluation of the effectiveness of the training had been established on the same day of training conducted</p>	Yes
4.1.5.3	<p>Interviews with estate management confirmed all estate operations conducted by contractor.</p> <p>Sighted the contract agreement has been established dated 03/02/2023 signed by both parties estate management and contractor.</p> <p>Example training has been attended.</p> <ol style="list-style-type: none"> 1. MSPO awareness training dated 01/12/2024; 2. Company policies training dated 01/12/2024; 3. Harvesting training dated 01/12/2024. 	Yes
4.1.6.1	<p>KHDSB established summary of business plan budget for year 2025 dated January 2025.</p> <p>From document review of business plan consist of;</p> <ol style="list-style-type: none"> 1. Budgeted FFB production; 2. Profit and Loss Account; 3. Summary of budgeted production expenditure; 	Yes

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Principle 1: Management commitment & responsibility			
Indicator	Summary of Assessment		Compliance
	4. FFB price / mt; 5. Expenses;		
4.1.6.2	a	KHDSB business management plan for year 2025 to 2029 include the source planting material from a MPOB-licensed nursery or licensed seed producer.	Yes
	b	KHDSB business management plan for year 2025 to 2029 include the crop projection, Site yield potential, age profile and FFB yield trends.	Yes
	c	KHDSB business management plan for year 2025 to 2029 include the cost of production and cost per tonne of FFB.	Yes
	d	KHDSB business management plan for year 2025 to 2029 include the price forecast.	Yes
	e	KHDSB business management plan for year 2025 to 2029 include the financial indicators: cost benefit, discounted cash flow, and return on investment.	Yes
4.1.6.3	There is no replanting programe established due to KHDSB under process sale of land.		Yes
4.1.7.1	KHDSB contributes to local development with the local communities. Example: 1. KHDSB has provide job opportunity such as office work and field supervisor.		Yes
4.1.8.1	KHDSB established Complaint and Grievance Procedure, document no: MSPO/KARAK, Rev: 0, dated 01/12/2024. The flowchart described the process of complaint and grievances starting from rising, receiving complaint form to resolution of complaint. Onsite visit at estate notice board, complaint and grievance procedure is publicly displayed and can be access by workers. Document reviewed on complaint record, there is no complaints lodged from Feb 2024 until audit date.		Yes
4.1.8.2	KHDSB established Complaint and Grievance Procedure, document no: MSPO/KARAK, Rev: 0, dated 01/12/2024. OFI KHDSB may consider to improve on timeframe to resolve disputes in an effective, timely and appropriate manner, and is accepted by all parties.		Yes
4.1.8.3	KHDSB established complaint form for workers and external parties. Document review sighted KHDBP has maintained records from 2023 until audit date. Review on complaint records there are no complaints lodged by internal and external stakeholders.		Yes

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Client Number: 92-230

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Principle 1: Management commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.9.1	<p>KHDSB established SOP for Internal Audit, document no: MSPO/KARAK, rev: 0, dated 24/02/2025.</p> <p>SOP point no.4.2 describe frequency to conduct internal audit is once a year or when necessary.</p> <p>Latest internal audit conducted on 24/02/2025. New requirement audit checklist had been used.</p> <p>Review on the internal audit report is established with 0 finding.</p>	Yes
4.1.9.2	<p>Latest internal audit conducted on 24/02/2025. New requirement audit checklist had been used.</p> <p>There is no finding raised for this audit conducted.</p>	Yes
4.1.10.1	<p>a KHDSB latest management review conducted on 25/02/2025 with agenda as follows:</p> <ol style="list-style-type: none"> 1. Review of the weaknesses and strengths identified; 2. Review of the status of action from the previous management reviews; 3. Transition to the new MSPO Standards; 4. Discussion on the training needs to be conducted. 5. Conversion of existing systems or laws. 6. The status of actions from the previous management review has been discussed. 7. CIP 	Yes
	<p>b.i Changes of External and internal issues that are relevant to the MSPO system has been discuss in management review.</p>	Yes
	<p>b.ii The needs and expectations of interested parties (stakeholders), including compliance obligations has been discuss in management review.</p>	Yes
	<p>c The extent to which MSPO management plans have been achieved has been discuss in management review.</p>	Yes
	<p>d.i Nonconformities and corrective actions has been discussed in management review.</p>	Yes
	<p>d.ii Monitoring and measurement results has been discussed in management review.</p>	Yes
	<p>d.iii Fulfilment of its compliance obligations, has been discussed in management review.</p>	Yes
	<p>d.iv Audit results had been discussed.</p>	Yes
	<p>e Adequacy of resources has been discussed in management review</p>	Yes
	<p>f Relevant communication(s) from stakeholders including complaints has been discussed in management review</p>	Yes
	<p>g The CIP has been discussed in management review.</p>	Yes

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Principle 2: Transparency			
Indicator	Summary of Assessment		Compliance
4.2.1.1	KHDSB established stakeholders communication and consultation procedure updated 01/12/2024. Communication and consultation procedure briefing has been carried out dated 01/12/2024.		Yes
4.2.1.2	KHDSB established list of stakeholders includes the relevant stakeholders attached with the estate operation such as contractor, government agencies and neighboring.		Yes
4.2.1.3	KHDSB has appoint Assistant Manager as person in charge for consultation and communication with official letter dated 20/10/2024.		Yes
4.2.1.4	KHDSB has displayed publicly available documents such as MPOB license, company policy, stakeholders list and ERP. Confidential documents listed such as land title, company profit and loss, pay slips and etc.		Yes
4.2.2.1	KHDSB established traceability procedure and flow chart updated 01/12/2024. Review on traceability flow chart verified the process is in line with the actual process in field. Harvesting, Push to platform, Transporting to Ramp/Mill, Recording. Example: FFB ticket from KHDSB to FGV Trading Mempaga dated 25/09/2024 includes the pass number 02228543. Records of the sales is well maintained.		Yes
4.2.2.2	a	FGV Trading Sdn. Bhd. Kilang Sawit Mempaga, Pahang Darul Makmur.	Yes
	b	FFB	Yes
	c	8.23 mt	Yes
	d	25/09/2024	Yes
	e	Pass number: 02228543	Yes
	f	-	Yes
	g	-	Yes
4.2.2.3	KHDSB has appoint Assistant Manager as person in charge for traceability with official letter dated 20/10/2024.		Yes
4.2.3.1	Documents review verified pricing mechanism for services from FFB contractor to KHDSB mutually agreed by both parties. The pricing mechanism is well documented and was paid accordingly. Example:		Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	Payment to FFB contractor has been made on 30/09/2024 according to the established pricing mechanism.	
4.2.3.2	Documents review verified, there is documented contract agreements established between KHDSB and harvesting contractor dated 03/02/2023 with statements of acceptance of approved auditors to verify fulfilment of MSPO requirement.	Yes
4.2.4.1	Minor non-conformity 02: Site verification and documents review verified there is no Ethical conduct and Anti bribery policy established.	No
4.2.4.2	Refer 4.2.4.1	No

Principle 3: Compliance to legal and other requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	KHDSB established applicable legal requirement related to the estate operation. There are changes updated on legal requirements has been made. Example: <ul style="list-style-type: none"> • OSHA (Amendment) 2022 • Employment Act 1955 • Pesticide Act 1974 	Yes
4.3.1.2	KHDSB compliance to regulation has been verified through the implementation in the field and site interviewing with stakeholders and workers. Example: MPOB license for estate operation is valid with expiry date 31/07/2025. Workers pay rate is above the minimum wage of RM 1,700/month.	Yes
4.3.2.1	Document review verified the land use right for KHDSB is for oil palm cultivation only. Site inspection sighted there is no oil palm cultivation activities in KHDSB diminish the right of others to land.	Yes
4.3.2.2	Document review verified there are proof of ownership of the land title; <ul style="list-style-type: none"> - Freehold title - Lot no 4717, Lot 4720 	Yes
4.3.2.3	Document review verified there are proof of ownership of the land title. The land title is issued by Pendaftar Hakmilik Tanah Negeri Pahang dated 18/06/2021.	Yes
4.3.2.4	Site inspection along the KHDSB boundary area, observed boundary markers are clearly demarcated and maintained on the ground.	Yes

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Principle 3: Compliance to legal and other requirements		
Indicator	Summary of Assessment	Compliance
4.3.3.1	N/A	Yes
4.3.3.2	N/A	Yes
4.3.3.3	N/A	Yes

Principle 4: Responsibility to social, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>KHDSB established Social Impact Assessment report year 2025 dated March 2025.</p> <p>The SIA conducted includes positive and negative impacts:</p> <p>Example:</p> <p>Positive: Maintenance of severed road;</p> <p>Social Aspects: To maintain the safety and comfort of the severed road users;</p> <p>Action plan: Prompt repair of damaged severed road;</p> <p>Status: Ongoing;</p> <p>Minor non-conformity 03:</p> <p>Review on the Social Impact Assessment indicate the assessment carried out is not comprehensive accordance to the SIA Guidelines.</p>	No
4.4.1.2	<p>The SIA summary impact includes feedback from the internal and external stakeholders are separated into positive and negative impact for action plan and monitoring purposes.</p> <p>The SIA conducted includes positive and negative impacts:</p> <p>Example:</p> <p>Positive: Maintenance of severed road;</p> <p>Social Aspects: To maintain the safety and comfort of the severed road users;</p> <p>Action plan: Prompt repair of damaged severed road;</p> <p>Status: Ongoing;</p> <p>Monitoring: Annually;</p> <p>PIC: Asst Manager.</p>	Yes
4.4.1.3	<p>KHDSB established Social Impact Assessment report year 2025 dated March 2025. The next reviewed date will conducted on March 2026.</p>	Yes
4.4.2.1	<p>KHDSB established Occupational Safety and Health (OSH) Policy dated 13/03/2025 signed by Managing Director.</p> <p>The policy states company is committed, so far as practicable, to implement and achieve the objective of the occupational safety and health policy.</p>	Yes

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Principle 4: Responsibility to social, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Onsite visit at the estate notice board, OSH Policy is displayed and can be access by workers.</p> <p>Document reviewed on briefing records and interview with sampled harvesters and general workers informed they have been briefed on OSH policy dated 01/12/2024.</p>	
4.4.2.2	<p>a Document reviewed on the appointment letter dated 20/10/2024, KHDSB appointed Estate Assistant Manager as person responsible for safety and health.</p>	Yes
	<p>b HIRARC is established by KHDSB for respective operation activities applicable based on the risk assessment table, last updated 01/12/2024.</p> <p>The table with headings: Activity, Hazard, Risk and Effects, Risk Control (Existing Control), Risk Assessment after Control (Consequences, Likelihood, Risk rating, Description) Recommended Control and PIC.</p> <p>Example:</p> <p>Activity: "Mengasah mata sabit/ parang / pahat";</p> <p>Hazard: "Terhiris , luka pada anggota badan";</p> <p>Effect: "Cedera / luka kecil dekat tangan";</p> <p>Existing control: "Sarung tangan diberi kepada pekerja";</p> <p>Risk rating before: "L-3, S-3, R-9 (Medium)";</p> <p>Additional control: "Memberi latihan menombak, pemantauan alat pelindungan diri dan peti pertolongan cemas";</p> <p>PIC: Assistant Manager.</p> <p>Site verification and interview with sampled workers informed they have been briefed on Harvesting SOP dated 01/12/2024.</p>	Yes
	<p>c KHDSB established the SOP for safety and health for all operation in the estate based on Hazard Identification and Risk Assessment.</p> <p>Example: 1. Safety SOP for Chemical Handling Operation</p> <p>KHDSB established SOP for Chemical Handling Operation, issue / revision 0, dated 01/12/2024.</p> <p>The SOP describes safe chemical handling practice.</p> <p>KHDSB provide SDS for handling of chemicals to ensure proper and safe handling and storage.</p>	Yes
	<p>d KHDSB established Annual Training Programme year 2025 dated 01/12/2024.</p> <p>Training in the programme includes:</p> <ol style="list-style-type: none"> 1. Company policies; 2. Estate Operation SOPs; 	Yes

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Principle 4: Responsibility to social, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	3. Environments; 4. Safety & Health. Example of training conducted: 1. Safety and Health policy on 01/12/2024; 2. Safety work training for Harvesting operation dated 01/12/2024.	
e	KHDSB has total of 2 employees which is below DOSH requirement to conduct quarterly safety and health meeting. Document reviewed on minutes of OSH meeting conducted on 13/12/2024 and attended by workers and management representatives. 1. OSH meeting agenda discussed on: 2. Workplace inspection; 3. OSH policy; 4. CHRA; 5. Safety & Health; 6. Emergency Response Plan.	Yes
f	KHDSB established emergency response plan and action for emergency, flood, wildlife attack and accident handling dated 01/12/2024. Document reviewed on emergency response plan and onsite visit at estate notice board, emergency evacuation layout and emergency contact number are publicly displayed and can be access by workers. Emergency response plan briefing conducted on 01/12/2024. Onsite interview with estate workers informed they are briefed of the location of emergency assembly point.	Yes
g	First aid training for first aiders conducted by Bulan Sabit Merah Malaysia Cabang Negeri Selangor. Document review and verified, Estate Assistant Manager has attended first aider training dated 13/12/2023 – 14/12/2023. KHDSB has appointed Estate Assistant Manager trained as first aider. Site inspection verified first aid kits are available at operation site and estate rest house.	Yes
4.4.2.3	Document reviewed on KHDSB accident records, no accident or injuries reported as to audit date. Document review on Official announcement from Mykkp on January 2025. "Perlanjutan Tarikh penghantaran JKPP8 sesi 2024". New date of submission as follow:	Yes

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Principle 4: Responsibility to social, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> Tarikh asal: 30 January 2025 Tarikh Baru: 31 March 2025 	
4.4.3.1	<p>KHDSB established Social & Human Right Policy dated 13/03/2025 signed by Managing Director.</p> <p>The policy states company is committed to ensure the good social practice and human rights is implement in estate.</p> <p>Field interviews with sampled workers informed Social & Human Right Policy is displayed at estate notice board.</p> <p>Document reviewed on briefing records and interview with estate workers informed Social & Human Right Policy briefing conducted on 01/12/2024.</p>	Yes
4.4.3.2	<p>a KHDSB established Social & Human Right Policy dated 13/03/2025 signed by Managing Director.</p> <p>The policy states company is committed to ensure the good social practice and human rights is implement in estate.</p> <p>Site inspection and interviews with sampled workers sighted there is no sign abuse of vulnerability detected.</p> <p>Review the complaint and grievance record, no complaint and grievance related to abuse of vulnerability lodge by internal and external stakeholders.</p>	Yes
	<p>b Site inspection and interviews with sampled workers sighted there is no sign of deception related contract, salary and job scope detected.</p> <p>Review the complaint and grievance record, no complaint and grievance related to deception by internal and external stakeholders.</p>	Yes
	<p>c Site inspection and interviews with sampled workers inform there is no restriction for workers to resign and move. The worker passport is hold by the workers.</p> <p>Review the complaint and grievance record, no complaint and grievance related Lack of freedom of workers to resign and restriction of movement lodge by internal and external stakeholders.</p>	Yes
	<p>d Site inspection and interviews with sampled workers inform there is no isolation practiced by the company. The workers are given freedom to use personal telephone and contact with any bodies via telephone or internet.</p> <p>Review the complaint and grievance record, no complaint and grievance related Isolation lodge by internal and external stakeholders.</p>	Yes
	<p>e Site inspection and interviews with sampled workers inform there is no physical and sexual violence happened in the oil mill.</p>	Yes

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Principle 4: Responsibility to social, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Review the complaint and grievance record, no complaint and grievance related physical and sexual violence lodge by internal and external stakeholders.	
f	Site inspection and interviews with sampled workers inform there is no retention of identity documents or passports except during the renewal process and/or legal administration purpose with the consignment letter agreed by both parties, Review the complaint and grievance record, no complaint and grievance related Retention of identity documents or passports lodge by internal and external stakeholders.	Yes
g	Site inspection and interviews with sampled workers inform there is no withholding of wages conducted company. Review the complaint and grievance record, no complaint and grievance related Withholding of wages lodge by internal and external stakeholders.	Yes
h	Site inspection and interviews with sampled workers inform there is no debt bondage implemented by company. Review the complaint and grievance record, no complaint and grievance related Debt bondage lodge by internal and external stakeholders.	Yes
i	There is no workers quarters provided due to all estate activities operated by contractor.	Yes
j	There is no records of payment of statutory for recruitment fees due to all estate activities operated by contractor.	Yes
k	KKSBP use check roll book system for recording working hours and overtime for staff and workers. Time attendance report for the month of January 2025 sighted includes the working hours. Site interviews with estate management informed there is no overtime practises at KHDSB.	Yes
l	KHDSB established employment contract for local workers duly agreed signed by workers and management. Review the employment contract and interview with sampled workers revealed that no contract substitution is implemented by the KHDSB.	Yes
m	KHDSB established employment contract for local workers duly agreed signed by workers and management. Review the employment contract Penalty for termination of employment is not implemented by the KHDSB.	Yes
4.4.3.3	KHDSB established Social & Human Right Policy dated 13/03/2025 signed by Managing Director.	Yes

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Principle 4: Responsibility to social, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The policy states on company commitment to ensure no discrimination in all level of workforce and demonstrate equality.</p> <p>Site inspection and interviews with sampled workers sighted there is no discrimination occur at the workplace.</p>	
4.4.3.4	<p>KHDSB established Sexual Harassment Policy dated 13/03/2025 signed by Managing Director.</p> <p>The policy statement to prevent sexual harassment and violence against women workers and other community.</p> <p>Onsite visit and interview with workers informed Sexual Harassment Policy is publicly displayed at notice board.</p> <p>Document reviewed on KHDSB complaint records, there is no complaint lodge for sexual harassment.</p> <p>KHDSB provide guidelines for implementation and maintain records all disciplinary actions taken, and the reason for the disciplinary action.</p>	Yes
4.4.3.5	<p>KHDSB established contract agreement for workers and signed by workers and management. Workers are paid either daily rate or agreeable piece rates.</p> <p>Worker contract agreement states the daily rate of RM 65.38 per day or agreeable piece rates, overtime rate (during normal overtime, rest day overtime and public holiday overtime), working hours, rest day and etc.</p> <p>Field interviews with sampled harvesters and maintenance workers and documents reviewed on contract agreements, the establish piece rates for harvesting, chemical spraying, manuring and FFB loading is duly agreed between workers and management.</p> <p>Document reviewed on harvester pay slips against check-roll for the month of January 2025, the wages paid as per agreeable piece rates for FFB harvesting.</p>	Yes
4.4.3.6	<p>Onsite interview with Estate management informed KHDSB use the morning roll call to record workers reporting for work.</p> <p>Field interviews with sampled workers informed they have been briefed on the working hours when they signed the contract agreement and the working hours is displayed at notice board.</p>	Yes
4.4.3.7	<p>KHDSB established list of workers that contain name, gender, date of birth, date joined, job type, wage and nationality and period of employment.</p> <p>Document reviewed on list of workers and interview with estate manager and workers informed no casual workers recruited.</p>	Yes
4.4.3.8	<p>KHDSB established employment contract for both local and foreign workers duly agreed signed by workers and management.</p> <p>Site interview with harvesters and maintenance workers informed they received copy of employment agreement and understand the content of agreement.</p>	Yes

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Principle 4: Responsibility to social, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Interviewed with foreign workers and local people, the contract shall be made available or explain in a language the workers understand and copies of employment contracts shall be available to employees.	
4.4.3.9	Onsite interviews with estate management and sampled workers informed KHDSB provide benefits for both local and foreign workers such as medical care, annual leave, sick leave, accommodation, water, electricity, SOCSO and public holidays.	Yes
4.4.3.10	<p>KHDSB established Employment Policy dated 13/03/2025 signed by Managing Director.</p> <p>The policy statement company committed to ensuring recruitment is in accordance with Malaysian laws and regulations. It shall ensure that no child or young person is employed pursuant to the Children and Young Persons (Employment) Act 1966.</p> <p>Field interviews with sampled workers informed the Employment Policy is publicly displayed at notice board.</p> <p>Document reviewed on list of workers and interview with estate workers informed there are no workers hired below 18 years old.</p>	Yes
4.4.3.11	<p>KHDSB established Social & Human Right Policy dated 13/03/2025 signed by Managing Director.</p> <p>Policy statement respect employees that have right and freedom to form or join trade union.</p> <p>Document reviewed on internal stakeholders meeting minutes and interview with estate management and workers informed no union form by workers currently and internal stakeholders meeting as a method to communicate between workers and management.</p>	Yes
4.4.3.12	Site interviews with estate management informed triangular employment relationship is not implemented. Therefore, it is not applicable.	Yes
4.4.4.1	There is no workers quarters provided due to all estate activities operated by contractor.	Yes
4.4.4.2	<p>KHDSB do not have streams or rivers within the estate.</p> <p>Maps of the estate has been reviewed and verified.</p> <p>Field interviews with workers informed there are no streams or rivers within the estate.</p> <p>Therefore, no inspection of water quality established for domestic use.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>KHDSB established environmental policy dated 01/08/2019 and updated on 13/03/2025.</p> <p>Environmental policy briefing has been carried out dated 01/12/2024.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services											
Indicator	Summary of Assessment	Compliance									
	<p>Policy is available in Bahasa Malaysia and displayed at estate notice board.</p> <p>Field interviews with workers informed they have been brief on the Environmental Policy.</p>										
4.5.1.2	<p>KHDSB established EMP dated 01/12/2024 includes all polluting activities resulting in environmental impacts;</p> <p>Example:</p> <table border="1"> <thead> <tr> <th>Activity</th><th>Impacts</th><th>Action plan</th></tr> </thead> <tbody> <tr> <td>Pesticide mixing</td><td>Over spraying, spillage towards waterways</td><td>Training, mixed at designated area</td></tr> <tr> <td>Transporting of FFB</td><td>Air pollution, soil erosion</td><td>Regular inspection/service , machinery allocation</td></tr> </tbody> </table>	Activity	Impacts	Action plan	Pesticide mixing	Over spraying, spillage towards waterways	Training, mixed at designated area	Transporting of FFB	Air pollution, soil erosion	Regular inspection/service , machinery allocation	Yes
Activity	Impacts	Action plan									
Pesticide mixing	Over spraying, spillage towards waterways	Training, mixed at designated area									
Transporting of FFB	Air pollution, soil erosion	Regular inspection/service , machinery allocation									
4.5.1.3	<p>KHDSB established EMP dated 01/12/2024 includes the mitigation and to promotes the beneficial impact according to the Environmental Quality Act 1974;</p> <p>Example:</p> <table border="1"> <thead> <tr> <th>Source</th><th>Mitigation</th><th>Promote to positive</th></tr> </thead> <tbody> <tr> <td>Domestic waste</td><td>Disposal to landfill</td><td>Reduce soil contamination</td></tr> <tr> <td>Oil palm fronds</td><td>Organic recycling</td><td>Soil conservation/nutrient efficiency</td></tr> </tbody> </table> <p>Site inspection sighted all the activities are implemented accordingly at site.</p> <p>The EMP is periodically reviewed as latest review carried out dated 01/12/2024.</p>	Source	Mitigation	Promote to positive	Domestic waste	Disposal to landfill	Reduce soil contamination	Oil palm fronds	Organic recycling	Soil conservation/nutrient efficiency	Yes
Source	Mitigation	Promote to positive									
Domestic waste	Disposal to landfill	Reduce soil contamination									
Oil palm fronds	Organic recycling	Soil conservation/nutrient efficiency									
4.5.1.4	<p>KHDSB established training program year 2024 and 2025 for all workers according to the training need analysis as per job scope.</p> <p>Example;</p> <p>Training program for harvester carried out dated 01/12/2024.</p> <p>Further interview with sampled harvester informed, training for harvesting has been carried out accordingly.</p>	Yes									
4.5.2.1	<p>KHDSB established Diesel Report for year 2024 to monitor the diesel consumption for its transportation.</p> <p>Document review verified, the actual usage of diesel is below the baseline/budgeted diesel usage for the average previous 3 years.</p> <p>KHDSB established Electricity usage for year 2024 to monitor energy consumption for electricity usage.</p>	Yes									

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Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment		Compliance
	Document review verified, the actual usage of electricity is below the baseline. Management are encouraging sustainable energy usage to keep environment efficiency.		
4.5.2.2	Site inspection at KHDSB sighted there is no renewable energy.		Yes
4.5.3.1	a	KHDSB established Waste Management Plan dated 01/12/2024. The waste management plan has includes source of waste and pollution. Example: Solid waste Waste: Chemical container Source: Chemical store / spraying activities Disposal method: Reused for chemical spraying activities Monitoring Plan: Disposed to Authorized Collector when not in use Responsibility: Assistant Manager Pollution: Soil Pollution	Yes
	b	Site inspection sighted; - The EFB has been use for nutrient uptake for soil growth. - Pruned fronds decomposed as nutrient	Yes
4.5.3.2	KHDSB established SOP for Waste Handling dated 01/12/2024. There is no SDS available as there is no chemical at site.		Yes
4.5.3.3	Site inspection sighted, all domestic waste are disposed at municipal location as the estate located next to main road.		Yes
4.5.4.1	a	Recognizing the need for a phased transition to the requirements outlined in MS 2530:2022, temporary exemptions are granted to certificate holders for the following elements, effective immediately: Gas (GHG) Emissions Calculation: Exemptions are granted once during the transition period. The subsequent surveillance or recertification audit shall fulfil the exempted requirements. The certificate holders should implement the requirements as soon as the documents or guidelines are finalized by the scheme owner. Subsequent surveillance or recertification audits will require compliance with GHG emission calculation requirements.	Yes
	b		Yes
	c		Yes
	d		Yes
	e		Yes
4.5.4.2	Refer 4.5.4.1		Yes
4.5.4.3	a	Refer 4.5.4.1	Yes
	b	Refer 4.5.4.1	Yes
	c	Refer 4.5.4.1	Yes
4.5.5.1	a	Minor non-conformity 04:	No

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Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment		Compliance
		Document review verified, there is no Water Management Plan established by KHDSB.	
	b	Site inspection sighted there is no natural waterways within the estate. There is no living quarter established by the management. Thus, no negative impact occur.	Yes
	c	KHDSB has monitor the piping efficiency of water from nearby hill to ensure the water quality for sustaining livelihood. Site inspection sighted water harvesting practice has been implement by establishing small pond for chemical spraying activities to reduce wastage.	Yes
	d	Site inspection sighted there is no replanting activities has been carry out. In addition, there is no water courses and wetland within the estate.	Yes
	e	Site inspection at KHDSB verified there is no bore wells being used for water supply.	Yes
	f	KHDSB has monitor the piping efficiency of water from nearby hill to ensure the water quality for sustaining livelihood. Site inspection sighted water harvesting practice has been implement by establishing small pond for chemical spraying activities. Water from nearby hill is allocate to all facilities when necessary during drought season. Reviewed the piping maintenance carried out on quarterly basis.	Yes
4.5.5.2		Site inspection within the estate and along the estate boundary verified, there is no river passing through the estate. Thus, no bunds or weirs constructed.	Yes
4.5.6.1		Recognizing the need for a phased transition to the requirements outlined in MS 2530:2022, temporary exemptions are granted to certificate holders for the following elements, effective immediately: High Conservation Value (HCV) Assessment: Exemptions are granted for existing certified areas with no new planting/development activities after 31st December 2019. Exemptions are granted once during the transition period. The subsequent surveillance or recertification audit shall fulfil the exempted requirements. The certificate holders should implement the requirements as soon as the documents or guidelines are finalized by the scheme owner.	Yes
4.5.6.2	a	Refer 4.5.6.1	Yes
	b	Refer 4.5.6.1	Yes
	c	Refer 4.5.6.1	Yes
	d	Refer 4.5.6.1	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment		Compliance
	e	Refer 4.5.6.1	Yes
4.5.6.3	Refer 4.5.6.1		Yes
4.5.7.1	<p>Zero burning statements had been included in the KHDSB Environmental policy dated 13/03/2025.</p> <p>The policy had stated:</p> <ul style="list-style-type: none"> - Larangan terhadap kaedah pembakaran perladangan dan sisa mengikut Perintah Kualiti Alam Sekitar Pembakaran Terbuka 2003. <p>Site inspection sighted there is no replanting activities carried out within the estate and no open burning sighted or seen.</p>		Yes
4.5.7.2	Site inspection sighted there is no replanting activities carried out within the estate. Thus, no special approval to be obtained.		Yes
4.5.7.3	<p>Zero burning statements had been included in the KHDSB Environmental policy dated 13/03/2025.</p> <p>The policy had stated:</p> <ul style="list-style-type: none"> - Larangan terhadap kaedah pembakaran perladangan dan sisa mengikut Perintah Kualiti Alam Sekitar Pembakaran Terbuka 2003. <p>Document review verified procedure for ERP has been established dated 01/12/2024 as part of the commitment to prevent fire.</p> <p>Site inspection sighted there is no replanting activities carried out within the estate. Thus, no activities to be verified.</p> <p>Site inspection at KHDSB and adjacent area verified there is no occurrence of fire.</p>		Yes

4.4. Use of Marks and/or Any Other References to Certification

The audit team leader has reviewed and confirmed that there are no usage of mark/logo in Karak Heights Development Sdn Bhd operation or any on/off-products claim.

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4.5. Status of Non-Conformities Previously Identified

	The stage 1 audit findings have been reviewed, in particular to assure appropriate corrective actions implemented to address the identified audit findings.
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have implemented to address any nonconformity identified.
	The last audit results of this system have been reviewed, in particular to assure appropriate corrections and corrective actions have not been implemented effectively. The non-conformity will be re-raised.
X	No non-conformity raised in previous audit.
<p><i>Note 1: If a minor non-conformity raised in last audit, is not closed out or repeated, the finding will be raised to a Major non-conformity.</i></p> <p><i>Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the non-compliance implementation.</i></p>	

4.6. Detail of Audit Findings in last audit

AUDIT OUTCOME		
During last Audit	0	MAJOR Non-Conformities
	0	MINOR Non-Conformities

4.7. Detail of Onsite Audit Findings Identified during this audit

This section gives an overview of the non-conformities raised during this audit.

ONSITE AUDIT OUTCOME		
During this onsite audit,	0	MAJOR Non-Conformities
	4	MINOR Non-Conformities

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.1.8.2	The system shall be able to resolve disputes in an effective, timely and appropriate manner, and is accepted by all parties.	Office	KHDSB may consider to improve on timeframe to resolve disputes in an effective, timely and appropriate manner, and is accepted by all parties.
2.	4.2.1.1	Communication and consultation procedures shall be established and communicated to relevant stakeholders.	Office	KHDSB could improve on method to communicate with relevant stakeholders.
3.	4.3.1.1	The organisation shall identify applicable legal requirements related to their operations. Changes shall be updated.	Office	KHDSB could improve monitoring of legal requirements update when necessary.

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5. CONCLUSION

Karak Heights Development Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct recertification audit consisting of one estate according to MS 2530-3-1:2022 Part 3-1 General Principles for Oil Palm Plantations (40.46ha to 500ha).

All minor non-conformances action plans are submitted and accepted. The implementation of Minor NC(s) will be review and verify during the next audit.

From the review of the standard operating procedures, relevant forms, work flow charts established and implemented; the subsequent background investigation and interviews conducted during this recertification audit have provided TUV NORD Malaysia with sufficient evidence on the fulfilment of the applied standard Principles & Criteria.

In conclusion the certified unit has been established, implemented and continued to improve in managing the estates are in line with the Principles & Criteria of the applied standards of MS 2530-3-1:2022 Part 3-1 General Principles for Oil Palm Plantations (40.46ha to 500ha).

Any audit is based on sampling within an organization's management system and therefore is not a guarantee of 100 % conformity with requirements.

As a result of this audit, the audit team confirms that

Total certified number of estate(s):	1
Total certified production area:	86.52 Ha
Certified FFBs January 2025 to March 2025:	170.71 Mt
Project FFBs April 2025 to December 2025:	829.29 Mt

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6. RECOMMENDATION

The audit team conducted a process-based audit focussing on significant aspects/risks and objectives required by the standard(s). The audit methods used were interviews, observations, sampling of activities and review of documentation and records.

The structure of the audit was in accordance with the audit plan included into this summary report.

The audit team concludes that the organisation has established and maintained its management system in line with the requirements of the standard(s) and demonstrated the ability of the system to achieve requirements for products and/or services within the scope and the organisation's policy and objectives.

Therefore the audit team recommends that, based on the results of this audit and the system's demonstrated state of development and maturity that this management system certification be

	Recommended for Grant*/Extension*/Renewal* of Certification
X	Recommended for Recertification
	Recommended for Suspension of recertification
	Recommended to Refuse the Issuance of Certification. A follow-up visit to address the major non-conformity should be conducted within 2 months.

* Grant / Extension / Renewing / Continuity in the case of open nonconformities assumes that the nonconformities will be cleared as agreed.

Puchong, 18/04/2025



Ariff Bin Lokman
 TUV NORD (Malaysia) Sdn Bhd
 Audit Team Leader

Puchong, 05/05/2025



Mohamad Norhisham Bin Mohd Salleh
 TUV NORD (Malaysia) Sdn Bhd
 Certifier / Approver

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7. LIST OF STAKEHOLDERS

Table 7-1: List of Interviewed Stakeholders

No.	Organisation
1.	Estate Operation Contractor

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Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives

This report is sent by the certification body to the members of the audit team and the audit representative of the organisation. All documents (such as this report) regarding the certification procedure are treated confidentially by the audit team and the certification body. This audit report remains the property of the certification body.

An audit is a procedure based on the principle of random sampling and cannot cover each detail of the management system. Therefore nonconformities of weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

The responsibility for continuous effective operation of the management system always rests solely with the audited and certified organisation.

Salvo clause:

The audit report will be left to the organisation at the end of the audit - subject to approval by the certification body. The independent release process may cause modifications or additions. In these cases a modified revision will be sent to the audited organisation.

The objective (goal) of the audit is to establish compliance of the management system of the aforementioned organization with the requirements of the aforementioned standard in order to achieve or maintain certification through an independent and accredited certification body. Identification of possibilities to improve the management system can also be a component of the audit and is considered simply to be an enhancement; it does not constitute consultancy or advice with regard to the management system.

Annex / Enclosures

Annex / corresponding audit documentation	<input checked="" type="checkbox"/> P&C Audit Report / Checklists <input checked="" type="checkbox"/> Audit Plan
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