

# MSPO CERTIFICATION SUMMARY REPORT

**KAM CHEONG PLANTATIONS SDN.  
BHD**

**SURVEILLANCE 03**

Onsite Audit Date: 18/07/2022 – 19/07/2022

TUV NORD (Malaysia) Sdn Bhd  
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## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite

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### Table of Contents

1.	INTRODUCTION .....	4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment and qualification of team members	4
2.	METHODOLOGY.....	8
3.	ORGANISATION INFORMATION .....	10
3.1.	Production volume	10
3.2.	Planting Program for Each Estate or Division	10
3.3.	Replanting program for each estate or division	11
3.4.	Maps of Estate(s) Location	12
4.	CERTIFICATION ASSESSMENT .....	13
4.1.	Type of AuditASA 03	13
4.2.	Stakeholders' Consultation	13
4.3.	Summary of Assessment	14
4.4.	Status of Non-Conformities Previously Identified	42
4.5.	Detail of Audit Findings in last audit	42
4.6.	Detail of Onsite Audit Findings Identified during this audit	44
5.	CONCLUSION	46
6.	RECOMMENDATION	47
7.	LIST OF STAKEHOLDERS	48
	Distribution / Confidentiality / Rights of ownership / Limitations / Responsibilities / Audit Objectives	49
	Annex / Enclosures	49

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite

---



### Abbreviations

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

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



### 1. INTRODUCTION

Kam Cheong Plantations Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct a surveillance three (03) audit for its oil palm estate according to MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

#### 1.1. Objective

The objective of this surveillance three (03) 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 Kam Cheong Plantations 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 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

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: General Principles for Oil Palm Plantations and Organised Smallholders audit guidance;
2. Palm Oil Supply Chain Traceability Requirements.

#### 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: Navin Baskram

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;	Bachelor in Biotechnology and Master in Environmental Management.

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Requirement	Qualifications
v) Social Sciences and/or Anthropology; 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)	Four (4) years working experience in oil palm plantation and two (2) years' experience as sustainability executive and Internal Auditor. Two (2) years' experience in RSPO accreditation for RSPO scheme accreditation body.
Successfully completed MPOCC endorsed lead auditor trainings	Successfully completed MS2530 series of standards for Lead Auditors.
Conducted 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 as auditor based on audit log.
Field working experience in the palm oil sector or demonstrable equivalent	Four (4) years working experience in oil palm plantation.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Four (4) years working experience in oil palm plantation.
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 9001, 14001, 45001 Lead Auditor course.
Workers 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 9001, 14001, 45001 Lead Auditor course.

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Requirement	Qualifications
Attended High Conversation Value Assessment training	Attended and completed the HCV assessor training.
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(s)

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	Muhammad Khairul Anuar Bin Azizul Hasan	Qualified as auditor based on audit log.	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

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Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Requirement	Name of Assessor	Qualification	Compliance
equivalent sustainability certification schemes.			
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 IMS ISO 9001, 14001, 45001 Lead Auditor 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 IMS ISO 9001, 14001, 45001 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 Basic SA 8000 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 9001, 14001, 45001 Lead Auditor course.	Yes
Completed High Conversation Value assessment	Muhammad Khairul Anuar Bin Azizul Hasan	Attended and completed the HCV-HCS for producer online 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 Bahasa Malaysia and English.	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



## 2. METHODOLOGY

The audit approach consists of the following steps:

- 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, contractors; review of documentation;
- Reporting;
- Resolution of non-conformance (NC) (if any);
- Draft audit reporting;
- Technical review;
- Final audit reporting;
- Final approval, certification decision and issuance of certificate.

### Surveillance Three (03) Audit:

The Surveillance three (03) audit conducted onsite from 18/07/2022 – 19/07/2022 covering the following activities but not limited to below:

Onsite:

- Background investigation;
- Review of documentation established but not limited to below;
  - Policies;
  - Estate(s) map(s);
  - Land title(s);
  - Standard Operating Procedures;
  - Work Flow Charts;
  - Management Plans;
  - Operating licenses and approvals;
  - Operating records;
  - Training records;
  - Applicable Legislation Documents;
- Onsite visit, observations and inspection of estate(s) facilities and field activities;
- Interview operation personnel and field workers for understanding of work assigned;

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite

---



- Reviewed revised and updated documentation established and implemented;
- Reports established;
- Work plans established;
- Review and closed out of non-conformance raised during in last audit;
- Assessment reporting.

### On-site Assessment

The audit of the estate is conducted according to the MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

The methodology for collection of objective evidence by means of physical inspections, observation of tasks and processes, interview workers and operation personnel, review of documentation and data. Checklists and questionnaires were used to guide the collection of information.

### 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.

Major non-conformance shall be addressed and responded with 60 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.

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



### 3. ORGANISATION INFORMATION

Kam Cheong Plantations Sdn Bhd is an oil palm plantation company located at Block 11, Lot 94 Prima Square II, Sandakan and estate located at Mile 45 and Mile 25 Sabah, Malaysia.

The details of the estate as below:

Name of Division	Location	Coordinates
Kam Cheong Plantations Sdn. Bhd – Mile 25	Batu 25, Jalan Sandakan – Kota Kinabalu	5.82382 N ; 117.81417 E
Kam Cheong Plantations Sdn. Bhd – Mile 45 Lungmanis	Batu 45, Jalan Sandakan - Kota Kinabalu	5.68698 N ; 117.66970 E

#### 3.1. Production volume

Name of Division (s)	Area (Ha)		Projected FFB Production (mt) (January 2022 to December 2022)
	Total*	Production**	
Kam Cheong Plantations Sdn. Bhd. – Mile 25	209.30	157.71	1,194.70
Kam Cheong Plantations Sdn. Bhd. – Mile 45 Lungmanis	669.36	591.06	15,493.00
<b>Total</b>	<b>878.66</b>	<b>748.77</b>	<b>16,687.70</b>

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

\*\*Immature + Mature Area

#### 3.2. Planting Program for Each Division

Year / Division	Mile 25 Division	Mile 45 Division
1997	-	34.69
1998	-	72.77
1999	-	219.27
2000	-	82.64
2014	9.84	-
2016	32.94	40.72
2017	-	45.21
2018	30.49	70.76

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



2019	-	-
<b>Total Mature</b>	<b>73.27</b>	<b>566.06</b>
2020	38.46	-
2021	45.98	25
<b>Total Immature</b>	<b>84.44</b>	<b>25</b>
<b>Total</b>	<b>157.71</b>	<b>591.06</b>

### 3.3. Replanting program for each division

Year of replanting	Planted area (ha) in each estate or division		Total area to be replanted (ha)
	Mile 25	Mile 45	
2023	-	67.98	67.98
2024	-	67.98	67.98
2025	-	76.80	76.80
2026	-	76.80	76.80
2027	-	76.80	76.80
<b>TOTAL</b>	<b>-</b>	<b>366.36</b>	<b>366.36</b>

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



### 3.4. Maps of Division (s) Location

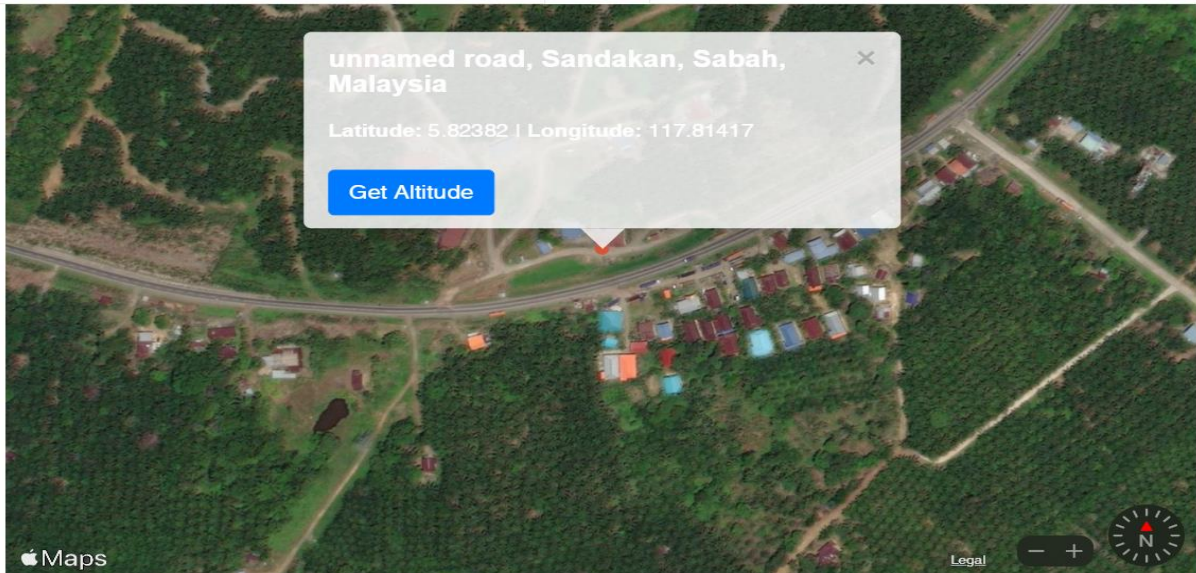


Figure 1: Location of Mile 25 division

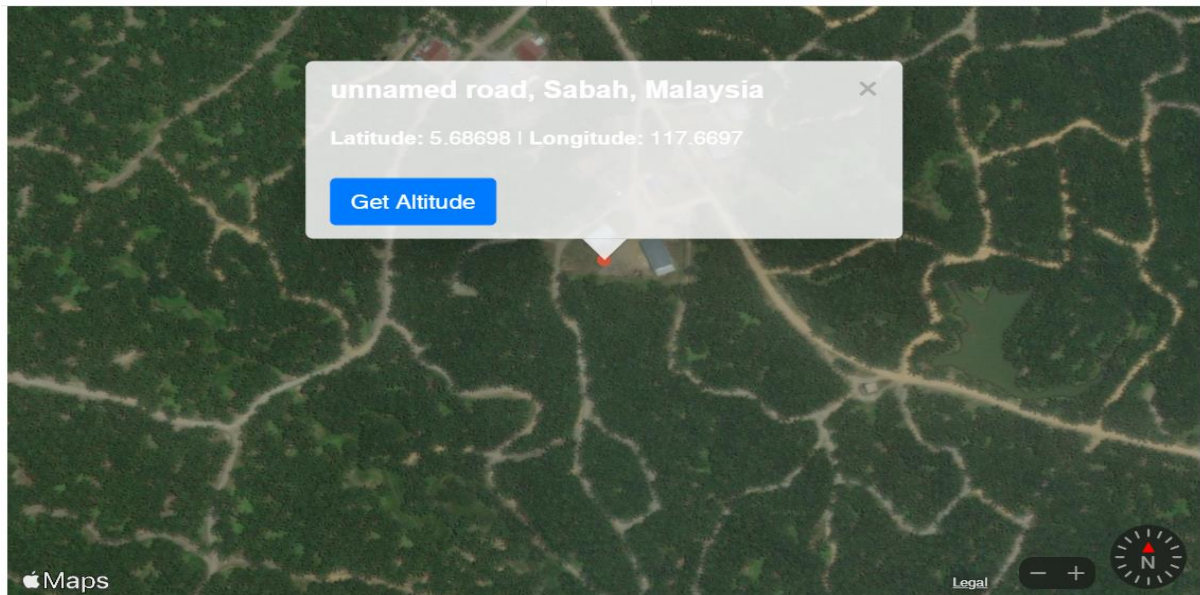


Figure 2: Location of Mile 45 division

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd  
Certifying Unit: Kam Cheong Plantations Sdn Bhd  
Client Number: 92-094  
Audit Type: ASA 03  
Mode of Audit: Onsite



### 4. CERTIFICATION ASSESSMENT

#### 4.1. Type of Audit ASA 03

The objective of the audit is to assess the activities of the estate is in compliance with MS 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

##### 4.1.1. Surveillance Three (03):

The onsite surveillance three (03) audit is conducted from 18/07/2022 to 19/07/2022 covering Kam Cheong Plantations Sdn Bhd.

During the last surveillance two (02) audit, there are zero Major, one (01) Minor, six (06) Opportunities for Improvement (OFI) are raised.

During this surveillance three (03) audit, the major and minor non-compliance raised in the last audit, the audit team has review by means of physical inspection of estate(s), conduct interviews, review and verify documents that are established, corrected and implemented appropriately by the estate management. The corrective measures implemented could be verified as appropriate.

Action plan is submitted for Minor non-conformance with implementation review during this audit.

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 ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit of the management unit, the CB shall carry out stakeholder consultation to ensure continued compliance with the requirements of the certification standards. However, stakeholders' consultation during surveillance audit may be limited to those stakeholders who have raised concerns, complaints or disputes prior to the audit.

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. (Delete for ASA02 to ASA04)

Therefore, there is no physical stakeholders consultation conducted for this surveillance audit.

TUV NORD (Malaysia) Sdn. Bhd., has published the audit notification on 16/06/2022 to announce the audit of the certified unit. As at audit date on 18/07/2022 there are no comments received.

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



### 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. 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

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>Kam Cheong Plantations Sdn Bhd (KCPSB) established Sustainability policy dated 26/03/2019 signed by Chief Executive Officer.</p> <p>Sustainability policy is available in English language, document no.: KC/P/Sustainability/1/2019 and Bahasa Malaysia language, document no.: KC/P/KEMAMPANAN/1/2019.</p> <p>The policy states:</p> <ol style="list-style-type: none"><li>1. Compliance to all relevant legal and MSPO requirements;</li><li>2. Commitment to continuous improvement;</li><li>3. Protection and conservation of high conservation values;</li><li>4. Protection of rare, threatened and endangered species in high conservation value areas;</li><li>5. Improving or use the latest technology to improve the process, water conservation and waste management or recycling;</li><li>6. Doing good agricultural practices in farming;</li><li>7. To ensure this policy is adopted and communicated through communication and ongoing training.</li></ol> <p>Sustainability policy is publicly displayed at estate notice boards for both divisions.</p> <p>Field interviews with sampled harvesters and general workers informed, they are briefed on MSPO policy.</p> <p>Sustainability policy briefing has been carried out dated 24/06/2022.</p>	Yes
4.1.1.2	<p>KCPSB MSPO policy dated 26/03/2019 includes a statement on commitment to continuous improvement.</p> <p>The policy included statement 'Commitment to Continuous Improvement to meet MSPO requirement.'</p> <p>KCPSB is committed to sustainability development and continuous improvement on estate operation through MSPO standard.</p>	Yes
4.1.2.1	<p>KCPSB established Internal Audit procedure dated 10/07/2019.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>The procedure states in section 6.1.2 (viii) 'The minimum number of internal audit at least once a year to cover all the applicable elements and above factors mentioned'. Additional, unplanned internal audits can be conducted, under certain unusual circumstances.</p> <p>KCPSB has conducted internal audits for both divisions Mile 25 and Lungmanis on 04/07/2022 with 13 findings and has been closed out within the timeline,</p> <p>The internal audit result has identified root cause, action plan, grading of non-conformity, timeframe to be resolved, strong and weak points.</p> <p>Example:</p> <p>Strong point: Checklist at every notice board;</p> <p>Weak point: Lack of monitoring from newly joined staff.</p>	
4.1.2.2	<p>KCPSB established Internal Audit procedure dated 10/07/2019.</p> <p>Outcome of audit is documented in audit report dated 04/07/2022.</p> <p>Example:</p> <p>Non-conformity: SOP for emergency response not available;</p> <p>Grade: Minor non-conformity;</p> <p>Timeframe: Two (2) days;</p> <p>Root cause: Newly joined staff not updated the SOP;</p> <p>Corrective action: Install a proper notice board for displaying the SOP;</p> <p>Status: Closed on 06/07/2022.</p> <p>Site inspection at premix area sighted the SOP has been displayed at notice board.</p>	Yes
4.1.2.3	<p>KCPSB Internal audit results are presented in the management review meeting conducted on 11/07/2022.</p> <p>The outcome of the internal audit and status of the action plans are included in the management review.</p>	Yes
4.1.3.1	<p>KCPSB conducted management review meeting on 11/07/2022.</p> <p>Management review is carried out on an annual basis after the internal audit.</p> <p>The meeting agenda includes:</p> <ol style="list-style-type: none"> <li>1. Internal audit results;</li> <li>2. Continuous improvement program;</li> <li>3. Complaint and grievances;</li> <li>4. Stakeholders meeting reporting;</li> <li>5. Training;</li> </ol>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 1: Management Commitment & responsibility																		
Indicator	Summary of Assessment	Compliance																
	6. Law and regulations.																	
4.1.4.1	<p>KCPSB established Continuous Improvement Plan (CIP) updated on 10/01/2021.</p> <p>The CIP covered impacts related to social, safety and health and environmental.</p> <p>Example:</p> <p><u>Social</u></p> <table><tr><td><b>Improvement Action</b></td><td><b>Provide clean water for workers</b></td></tr><tr><td>Expected outcomes</td><td>Clean water for domestic use</td></tr><tr><td>Time line monitoring</td><td>1 year (starting in 10/2022)</td></tr><tr><td>Responsibility</td><td>Estate Manager</td></tr></table> <p>Installing piping and water pump are under progress before commencement in October 2022.</p> <p><u>Environment</u></p> <table><tr><td><b>Improvement Action</b></td><td><b>Integrated pest and disease management</b></td></tr><tr><td>Expected outcomes</td><td>Reduce chemical usage</td></tr><tr><td>Time line monitoring</td><td>6 months (starts in 2023)</td></tr><tr><td>Responsibility</td><td>Estate Manager and Staff</td></tr></table> <p>Field inspection sighted beneficial plants and LCC are in progress of establishment at the immature area.</p>	<b>Improvement Action</b>	<b>Provide clean water for workers</b>	Expected outcomes	Clean water for domestic use	Time line monitoring	1 year (starting in 10/2022)	Responsibility	Estate Manager	<b>Improvement Action</b>	<b>Integrated pest and disease management</b>	Expected outcomes	Reduce chemical usage	Time line monitoring	6 months (starts in 2023)	Responsibility	Estate Manager and Staff	Yes
<b>Improvement Action</b>	<b>Provide clean water for workers</b>																	
Expected outcomes	Clean water for domestic use																	
Time line monitoring	1 year (starting in 10/2022)																	
Responsibility	Estate Manager																	
<b>Improvement Action</b>	<b>Integrated pest and disease management</b>																	
Expected outcomes	Reduce chemical usage																	
Time line monitoring	6 months (starts in 2023)																	
Responsibility	Estate Manager and Staff																	
4.1.4.2	<p>KCPSB established flowchart for new technology information and technique dated 15/07/2019.</p> <p>Flow chart describes the process for implementation new technology:</p> <ul style="list-style-type: none"><li>• Communication;</li><li>• Implementation;</li><li>• Monitoring for further improvement.</li></ul> <p>No new techniques or new technology implemented currently by KCPSB.</p>	Yes																
4.1.4.3	<p>KCPSB established the flowchart for new technology information and technique with document revision dated 15/07/2019.</p> <p>The flow chart states involvement with workers on the implementation of new technology, information and technique, to provide training when required once technology or equipment has been approved for implementation.</p>	Yes																

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



### Principle 1: Management Commitment & responsibility

Indicator	Summary of Assessment	Compliance
	No new techniques or new technology implemented currently by KCPSB.	

### Principle 2: Transparency

Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>KCPSB established the list of stakeholders updated on 21/06/2020, doc ref.: KC/LIST.STAKEHOLDER/01 includes NGOs, surrounding communities, schools, government authorities, collection centers, suppliers and transporters.</p> <p>KCPSB conducted external stakeholders meeting with feedback from 25/05/2022 to 18/06/2022.</p> <p>Reviewed stakeholders meeting minutes, the stakeholders meeting minute dated 30/06/2022 include consultation and communication SOP, social, environment, safety and legal matters topics.</p>	Yes
4.2.1.2	<p>KCPSB established list of publicly available management documents, updated on 15/07/2022.</p> <p>The document is available in Malaysian language.</p> <p>Example of publicly available document upon request and confidential:</p> <ul style="list-style-type: none"><li>i. MPOB license;</li><li>ii. Estate Map;</li><li>iii. CHRA.</li></ul> <p>Example of confidential documents:</p> <ul style="list-style-type: none"><li>i. Payroll;</li><li>ii. Financial report;</li><li>iii. Company progress report.</li></ul> <p>During site visit, observed the list of publically available and confidential document are displayed at notice board.</p> <p>Information on publically available documents has been shared with stakeholders on 04/07/2022.</p>	Yes
4.2.2.1	<p>KCPSB establish flowchart of consultation and communication updated on 20/01/2022.</p> <p>The flowchart describe:</p> <ul style="list-style-type: none"><li>i. Communication to employee and stakeholders;</li><li>ii. Enquiry / issue from employee and stakeholders;</li><li>iii. Consultation and grievances on sexual harassment.</li></ul> <p>KCPSB conducted stakeholders' consultation and communication meeting from 25/05/2022 to 18/06/2022.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	Stakeholders meeting minutes reviewed, the stakeholders meeting minute included consultation and communication SOP, social, environment, safety and legal matters topics.	
4.2.2.2	<p>KCPSB appoints Estate Manager as person in-charge for consultation and communication.</p> <p>Reviewed the appointment letter dated 01/01/2021.</p> <p>External stakeholders are informed on consultation and communication person in charge during stakeholders meeting from 25/05/2022 to 18/06/2022.</p> <p>Field interviews with harvesters and general workers informed they had been briefed on consultation and communication person in charge.</p>	Yes
4.2.2.3	<p>KCPSB established the list of stakeholders updated on 21/06/2020, includes NGOs, surrounding communities, schools, government authorities, collection centers, suppliers and transporters.</p> <p>Reviewed the request records, there were two requests for year 2022. All request has been resolved within timeframe.</p>	Yes
4.2.3.1	<p>KCPSB establish traceability procedure, document number: KC/TRACEABILITY/0/2019 dated 10/05/2019.</p> <p>The procedure describes:-</p> <ol style="list-style-type: none"> <li>Identification, registration of documentation and type of document store;</li> <li>Implementation and monitoring of records by management to ensure the traceability system are accordingly;</li> <li>Retention of traceability record kept as accordance with minimum to five (5) years;</li> <li>Frequency of traceability record by annual management review meeting;</li> <li>List of records in plantation crop production that should be available for the inspection.</li> </ol> <p>Reviewed the FFB record book, delivery note and weighbridge ticket.</p> <p>Example of delivery order number:</p> <p>Date: 13/06/2022;</p> <p>Division: Mile 45, Lungmanis;</p> <p>Delivery Order Number: 55995;</p> <p>Delivered to: LCH Palm Oil Mill;</p> <p>Lorry no.: ST9369L;</p> <p>MSPO Cert. No.: 04 300 92 094;</p> <p>Example of weighbridge ticket from mill:</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	Ticket Number: S0002828; Date: 13/06/2022; Delivery Order Number: 55995; Lorry number: ST9369L; Nett weight: 12.57 M/tons.	
4.2.3.2	KCPSB conduct traceability inspection on daily, weekly and monthly basis by Field Staffs, Chief Clerk and Estate Manager.  Reviewed the internal audit report, the report includes inspection for traceability system with no findings raised during the internal audit conducted on 04/07/2022 for both divisions.  Reviewed the FFB sales and delivery records for May 2022 records updated and well maintained.	Yes
4.2.3.3	KCPSB appointed Chief Clerk as person in charge for maintaining the traceability system for Mile 25 and 45.  Reviewed the appointment letter dated 01/01/2021.	Yes
4.2.3.4	KCPSB established records of sales and delivery on daily, weekly and monthly basis kept at estate office.  Reviewed records such as delivery chit to mill weighbridge are available. Unique number is captured in estate weighbridge ticket and mill weighbridge ticket.  Section "e" of traceability procedure mentions records are to be maintained for five (5) years.  Reviewed and verified records of FFB sales from year 2019.  Example of mill weighbridge ticket for year 2019:  Ticket Number: S0000160; Date: 30/03/2019; Delivery Order Number: 53230; Lorry number: ST9369L; Nett weight: 12.7 M/tons.	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	KCPSB established Legal Register updated on 10/07/2021.  Example of legal register: <ul style="list-style-type: none"><li>• Pesticide Act 1974;</li><li>• Malaysian Palm Oil Board Act 1998;</li></ul>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) regulation 2020.</li> </ul> <p>KCPSB established List of Permit &amp; Licenses Year 2022.</p> <p>Example of permits and licenses:</p> <ul style="list-style-type: none"> <li>MPOB license remains valid date 01/09/2021 – 31/08/2022;</li> <li>Trading licenses, No: A 431486, valid date 08/02/2022 – 31/12/2022.</li> </ul>	
4.3.1.2	<p>KCPSB established Legal Register dated 10/07/2021.</p> <p>Document review on Legal register, the applicable requirements for estate are as follow:</p> <ul style="list-style-type: none"> <li>Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) regulation 2020;</li> <li>Environmental Quality Act 1974;</li> <li>Immigration Act 1959/1963;</li> <li>Occupational Safety and Health Act 1994 (Act 514).</li> </ul>	Yes
4.3.1.3	<p>KCPSB legal register is established on 10/07/2021 and updated on 10/07/2022.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>Prevention and control of Infectious Disease Act 1988 Regulation &amp; Order 2020;</li> <li>Minimum Wage Order 2022.</li> </ul>	Yes
4.3.1.4	<p>KCPSB appointed the head office administrative clerical staff as person for updating legal documents, regulations and licenses dated 01/01/2021.</p>	Yes
4.3.2.1	<p>KCPSB land titles are Country Lease and Provincial Lease issued by Sabah State Land Office.</p> <p>There is no diminish of land use rights of other users.</p>	Yes
4.3.2.2	<p>KCPSB land titles are Country Lease and Provincial Lease issued by Sabah State Land Office with tenure of 99 years lease period for both divisions.</p> <p>Document review on the land titles, actual use of the land is agricultural of economic value.</p>	Yes
4.3.2.3	<p>Land titles include map consist of title number, size in acre and boundary stone numbers.</p> <p>Field inspection sighted the boundary marker is marked with a boundary stone and wooden stick of red and white colour.</p>	Yes
4.3.2.4	<p>KCPSB land titles are issued by Director of Lands and Surveys, Sabah. Therefore, no land disputes.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.3.1	KCPSB land titles are Country Lease and Provincial Lease issued by Director of Lands and Surveys, Sabah.  There are no native or customary sub-lease land in KCPSB for both divisions.	Yes
4.3.3.2	KCPSB land titles are Country Lease and Provincial Lease issued by Director of Lands and Surveys, Sabah.  There are no native or customary sub-lease land in KCPSB for both divisions.	Yes
4.3.3.3	KCPSB land titles are Country Lease and Provincial Lease issued by Director of Lands and Surveys, Sabah.  There are no native or customary sub-lease land in KCPSB for both divisions.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	KCPSB established Social Impact Assessment (SIA) dated 10/07/2022.  The SIA include information from internal and external stakeholders collected from survey and feedback.  Review on the SIA report on assessment results, positive and negative impacts, monitoring plan to promote positive and mitigate negative, timeline and person in charge (PIC).  Example: Negative Impact; <ul style="list-style-type: none"><li>• Issue: Poor drainage system;</li><li>• Mitigation: Expand drain size;</li><li>• PIC: Estate Manager;</li><li>• Time frame: 2022;</li><li>• Expected completion time: 2022 (completed);</li></ul> Example: Positive impact; <ul style="list-style-type: none"><li>• Issue: New minimum wage 2022;</li><li>• Promote action: All workers achieve new minimum wage 2022;</li><li>• PIC: Estate Manager;</li><li>• Time: On going.</li></ul>	Yes
4.4.2.1	KCPSB established complaint and grievances flow chart available in English language, document number: KC/ADUAN/1/2020 dated 01/01/2020 and Bahasa Malaysia language, document number KC/ADUAN/2018 dated 31/12/2018.	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment		Compliance
	<p>Site inspection sighted flow chart is displayed at estate notice board at both divisions.</p> <p>Time frame to resolve complaints and grievances is within 30 days and if out of Estate manager jurisdiction it will be forwarded to Top management and to be resolve within 60 days.</p> <p>Field interviews with sampled harvesters and general workers informed they had been briefed on complaint and grievance procedure dated 24/06/2022.</p>		
4.4.2.2	<p>KCPSB established complaints form and available at estate office.</p> <p>Complaint record reviewed, no complaints lodged from year 2021 till the audit date.</p>		Yes
4.4.2.3	<p>The complaint and grievance form is available near the office complaint box that can be access by all workers.</p> <p>Site inspection sighted the complaint and grievance box is available at KCPSB estate office.</p>		Yes
4.4.2.4	<p>Complaints and Grievance flow chart available at notice board for both divisions.</p> <p>During site visit observed of complaints and grievance flow chart displayed at notice boards.</p> <p>Briefing on complaints and grievance flow chart carried out at both divisions on 24/06/2022.</p>		Yes
4.4.2.5	<p>Document review on complaints and grievances record for Lungmanis and Mile 25, there is no complaint lodged as of audit date.</p> <p>The complaints record are maintained since April 2019 until audit date.</p>		Yes
4.4.3.1	<p>KCPSB provides job opportunity to local communities for estate operations and office admin.</p>		Yes
4.4.4.1	<p>KCPSB established Safety &amp; Health Policy dated 26/03/2019 signed by Chief Executive Officer.</p> <p>The policy states that "Kam Cheong Plantations Sdn Bhd the farm is committed by giving priority to the aspects of safety, health and environment for all staff. Fulfilling this goal is one of the main objectives of management as well as the responsibility of all parties related to those."</p> <p>The policy is publicly displayed at notice boards for both divisions.</p> <p>Field interviews with sampled harvesters and general workers informed, they are briefed on safety and health policy dated 24/06/2022.</p>		Yes
4.4.4.2	a	<p>KCPSB safety &amp; health policy is available at estate notice board</p> <p>Field interviews with sampled harvesters and general workers informed, they are briefed on safety and health policy dated 24/06/2022.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
b	<p>KCPSB established HIRARC dated 01/01/2022 by work area for each activity.</p> <p>The HIRARC table describes the activities, hazard, risk and effects, existing control measures, risk assessment, proposed control measure and PIC.</p> <p>Example:</p> <p>Activity: Sickle handling;</p> <p>Hazard: Sharp object;</p> <p>Effect: Wounds;</p> <p>Risk rating before control: Low;</p> <p>Control Measures: Sickle cover to be attached;</p> <p>Proposed control measure: Right PPE to be used.</p> <p>Field inspection at harvesting block sighted palm oil sickle are attached with cover before starts the work.</p>	Yes
c i	<p>KCPSB established Annual Training Programme for year 2022 dated 01/01/2022.</p> <p>Reviewed training record for safety work practice sighted training has been carried out as per programmed as follow:</p> <ul style="list-style-type: none"> <li>Miles 25: Chemical Handling dated 16/04/2022;</li> <li>Lungmanis: Chemical Handling dated 12/04/2022.</li> </ul>	Yes
c ii	<p>Review of SDS for chemicals are displayed and updated. Chemicals are stored in proper storage facilities with sufficient ventilations.</p> <p>SDS available in dual language, English and Bahasa Malaysia.</p>	Yes
d	<p>KCPSB established records of PPEs issuance and review on the records are maintained and updated On 23/06/2022.</p> <p>Type of PPE for activity in accordance to HIRARC and CHRA assessment is identified.</p> <p>Example: Chemical Spraying;</p> <p>PPE: Nitrile Glove, Goggles, Apron, N95 respirator, rubber boots.</p> <p>Workers are provided with proper PPEs for the assigned task according to HIRARC and CHRA. This further crosscheck with PPE issuance record and interview with sampled harvesters and general workers.</p> <p>CHRA conducted on 18/04/2022 and valid for five (5) years.</p>	Yes
e	<p>KCPSB established List of SOP, doc KC/LIST.SOP/0/2019 dated 20/07/2019.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The list includes:</p> <ul style="list-style-type: none"> <li>SOP for chemical spraying document ref.: KC/SOP/15/0/2016;</li> <li>SOP for chemical handling at chemical store document ref.: KC/SOP/0/2019;</li> <li>SOP for triple rinsing document ref.: KC/SOP/1/0/2019;</li> <li>SOP for premixing document ref.: KC/SOP/6/0/2019.</li> </ul> <p>Site inspection at all chemical stores sighted the SOP of chemical handling is available and displayed.</p>	
f	<p>KCPSB appointed health and safety coordinator to oversee the health and safety aspects of all operations activities.</p> <p>Document review verified the appointment letter dated 10/06/2018.</p>	Yes
g	<p>KCPSB conducts Occupational Safety and Health meeting on quarterly basis attended by estate management and workers.</p> <p>The latest OSH meeting carried out on 08/06/2022. The last meeting held on 13/03/2022 and 29/12/2021.</p> <p>The latest OSH meeting on 08/06/2022 discuss on safety &amp; health matters, workplace inspection, PPE usage, and others matter are available.</p> <p>KCPSB OSH Committee reported zero (0) incident with zero (0) day Loss Time Injury (LTI).</p>	Yes
h	<p>KCPSB established Accident and Emergency Procedure dated 30/09/2019 and Fire Emergency Procedure dated 20/12/2018.</p> <p>Emergency evacuation layout plans and contact details available at estate office and housing notice boards at both divisions.</p> <p>KCPSB conduct Fire drill training dated on 12/04/2022.</p>	Yes
i	<p>First aid training includes in the CIP to be carried out before end of year 2022.</p> <p>Emergency contact numbers are available at both divisions' notice boards.</p> <p>Site inspection sighted emergency contact number is displayed at notice boards.</p> <p>First aid kit available at workshop, harvesting field and stores and office.</p> <p>Field interviews with sampled harvesters and general workers informed the first aid kits are available at office and estate operation if emergency occurs.</p>	Yes
j	<p>KCPSB maintain records of injuries and presented during quarterly safety and health meeting.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment		Compliance
		JKKP 8 reported for year 2021 submission by KCPSB dated 04/01/2022 reported with no accident and zero lost days.  Review on 2021 and 2022 records of injuries there is no incident recorded.	
4.4.5.1	KCPSB established Ethical & Human Rights Policy dated 26/03/2019 signed by Chief Executive Officer and made available at both divisions notice board.  Briefing on the policy conducted on 24/06/2022 for both divisions.  Field interviews with sampled harvesters and general workers informed, they had been briefed on Social and Human Right policy.		Yes
4.4.5.2	KCPSB established Ethical & Human Rights Policy dated 26/03/2019 signed by Chief Executive Officer and made available at both divisions notice board.  The policy include declaration that 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,  Briefing on the policy conducted on 24/06/2022 for both divisions.  Field interviews with sampled harvesters and general workers informed, they had been briefed on Social and Human Right policy.  Review on complaint record, no complaint lodged for related the discrimination issue.		Yes
4.4.5.3	KCPSB established contract agreement for workers in accordance to Sabah Labour Ordinance and Minimum Wages Order 2022.  Workers are paid either daily rate or piece rate.  The contract agreement are signed by workers and management.  KCPSB established list of piece rate implemented started in year 2020 onward.  Field interviews with sampled harvesters and general workers informed they are briefed on the list of piece rate and agreed with the rate pay.  The pay slip month of June 2022 indicates the workers' pay are in accordance with Minimum Wages Order 2022 and list of piece rate.  Workers who are on piece rated are determined based on historical performance for each task.		Yes
4.4.5.4	KCPSB monitored contractor workers' pay based on pay slip provided.  Document review of contractor's workers' wages, they are paid according to the task work as describe in the agreement with KCPSB.  The payment made are in accordance with Minimum Wages Order 2022.		Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.5	<p>KCPSB established summary records of workers for both Mile 25 and Lungmanis divisions. The record includes contractors' workers for both divisions.</p> <p>The summary records include details such as name, no passport or IC, gender, nationality, date of birth, date of entry, job description and wages.</p>	Yes
4.4.5.6	<p>KCPSB Employment agreement for workers contents are in line with Sabah Labour Ordinance 1950, Chapter 67.</p> <p>Review of contract employment consist of worker particulars, workers job, salary, type of allowances and leave entitlement duly signed by both the management and worker.</p> <p>Employment agreement signed by workers and management.</p> <p>Field interviews with sampled harvesters and general workers informed they received the signed copy of employment agreement and briefed on the content of agreement.</p>	Yes
4.4.5.7	<p>KCPSB use the morning roll call to monitor workers reporting for work.</p> <p>Working hours are stated in the worker contract agreement. Overtime is not implemented by the estate.</p> <p>Sighted workers attendance records for month of June 2022 for both Mile 25 and Lungmanis divisions.</p> <p>Field interviews with sampled harvesters and general workers, they understand on the working hours.</p>	Yes
4.4.5.8	<p>KCPSB established working hours and display at the notice board for both divisions.</p> <p>The work hours are as follows:</p> <p>Workshop and field workers</p> <p>Working time:</p> <p>5.30 am until 10.30 am;</p> <p>11.00 am until 2.00 pm.</p> <p>Rest time:</p> <p>10.30 am until 11.00 am.</p> <p>Field interviews with sampled harvesters and general workers informed they had been briefed on the working hours as stated in their employment agreement.</p>	Yes
4.4.5.9	<p>KCPSB provide pay slips to all workers documenting the wage, overtime, holiday pay, SOCSO and EPF deductions for local workers.</p> <p>Workers are paid either piece rate or daily rate.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Document review on workers' pay slip for month of June 2022, the workers monthly pay in accordance to Minimum Wages Order 2022 and list of piece rate.	
4.4.5.10	KCPSB provides social benefits such as harvesting incentives, housing, medical, annual and medical leave and listed in the work contract.	Yes
4.4.5.11	KCPSB adopted the industry best practices for workers housing quarters with water, electricity, crèche for foreign worker's children, recreational area and gardening area are provided.  Site inspection at workers housing sighted every house are provided with basic amenities.	Yes
4.4.5.12	KCPSB established Sexual Harassment policy dated 26/03/2019 signed by Chief Executive Officer and displayed at both divisions notice board.  The Policy states: <ul style="list-style-type: none"> <li>i. To make sure employment condition free from sexual harassment;</li> <li>ii. Company commitment to act as soon as possible upon complaint and impose disciplinary action against convict.</li> </ul> There are no complaints related to sexual harassment.  Field interviews with sampled harvesters and general workers informed they had been briefed on Sexual Harassment Policy.	Yes
4.4.5.13	KCPSB established Ethical and Human Rights Policy dated 26/03/2019 signed by Chief Executive Officer include a statement respects the rights of freedom of association.  There is no union form by workers in KCPSB.  KCPSB conduct social meeting once a year as a platform for workers to raise any concerns on social related matters. Social meeting conducted as follows:  Mile 25: 07/04/2022;  Lungmanis: 23/06/2022.  Field interviews with sampled harvesters and general workers informed they have no interest to form or join any union.	Yes
4.4.5.14	KCPSB established Ethical and Human Rights Policy dated 26/03/2019 signed by Chief Executive Officer include a statement, comply to applicable laws and regulations related to labour that no underage of below 18 years will be hired in accordance to Sabah Labour Ordinance Cap. 67.  Document review list of workers sighted there are no underage worker employed by KCPSB.  Field inspection at both divisions KCPSB, there is no underage workers sighted been hired.	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.6.1	KCPSB established "Training Matrix or Safety Program Annually" dated 01/01/2022 for year 2022.  Review on training document includes attendance list, photos and training material.  Example training conducted: <ul style="list-style-type: none"><li>• Genset handling dated 24/06/2022;</li><li>• Harvesting dated 23/06/2022;</li><li>• Chemical Spraying dated 23/06/2022.</li></ul>	Yes
4.4.6.2	KCPSB established training matrix dated 01/01/2022.  Document review on the training matrix, training provided is based on the work description.	Yes
4.4.6.3	KCPSB established annual training program dated 01/01/2022 for year 2022 and updated annually.  The training programmed include training for health, safety environment and social.  Example: <ul style="list-style-type: none"><li>• Pre-mix training on May 2022;</li><li>• Fertilizer handling training on April 2022.</li></ul>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	KCPSB established Environmental Protection Policy dated 26/03/2019 signed by Chief Executive Officer.  The policy describes: <ul style="list-style-type: none"><li>• Complying with related environmental laws and regulation;</li><li>• Reducing negative impact of the environment;</li><li>• No open burning;</li><li>• Reduce GHG impact;</li><li>• Awareness on environmental management for local community.</li></ul> KCPSB conducted policy briefing to all workers on 23/06/2022 and 24/06/2022.  During site visit, observed policy displayed at notice boards.  KCPSB established Environmental Management Plan updated on 14/07/2022.  Example of content:	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Activity: Manuring.</p> <ol style="list-style-type: none"> <li>1) Environmental Impact: Water pollution;</li> <li>2) Control measure: Briefing for manurers and riparian management;</li> <li>3) Management control: Continuous field monitoring during manuring activity;</li> <li>4) Responsibility: Field staff / Estate manager.</li> </ol> <p>Field interviews with sampled manurers informed they were briefed on manuring SOP and company policies.</p> <p>Reviewed and verified briefing records on manuring dated 23/06/2022.</p>	
4.5.1.2	<p>a KCPSB established Environmental Policy and Biodiversity dated 23/03/2019 signed by Chief Executive Officer.</p> <p>The objective of the policy is to support measures to improve and conserve the environment and biodiversity.</p>	Yes
	<p>b KCPSB aspect and impact identified in the EIA including aspect, impact, risk assessment, mitigation plan, monitoring plan and responsibility updated on 14/07/2022.</p> <p>Example:</p> <p>Activity: Harvesting;</p> <p>Negative Aspect: Unstacked fronds disrupting water ways;</p> <p>Negative aspect: Water pollution;</p> <p>Risk level: Low;</p> <p>Mitigation plan: Monitoring at field during harvesting;</p> <p>Monitoring plan: Continuous monitoring and training for harvesters;</p> <p>Responsibilities: Staff and Estate Manager.</p> <p>During field visit, observed riparian area at block number F2, F9 and F10 for Mile 45, pegging in red established to ensure clear demarcation of riparian areas.</p> <p>Field interviews with sampled harvesters informed they were briefed on harvesting SOP on 23/06/2022.</p>	Yes
4.5.1.3	<p>KCPSB established Environmental Management Plan including aspect and impact identified in the EIA including aspect, impact, risk assessment, improvement plan, monitoring plan and responsibility updated on 14/07/2022.</p> <p>Example:</p> <p>Activity: Premixing chemicals;</p> <p>Negative impact: Water pollution;</p> <p>Positive Impact: Control in chemical application at field;</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Improvement plan: Providing correct dosage according for chemical application;</p> <p>Monitoring: Monitoring of chemical mixing activity at premix area;</p> <p>Responsibility: Staff and Estate Manager.</p> <p>Site interview with premixer informed that they were briefed on chemical premixing and there are no application on rainy days.</p>	
4.5.1.4	<p>KCPSB established promotion of positive impacts in the CIP dated 10/01/2021.</p> <p>Example:</p> <p>Improvement Action: Establishment of beneficial plants;</p> <p>Expected outcome: Improvement in flowering agents;</p> <p>Timeframe for monitoring: 6 months;</p> <p>Location: Field;</p> <p>Responsibility: Estate Manager;</p> <p>Status review: Completed.</p> <p>During field visit, observed planting of beneficial <i>Tunera Subulata</i> and <i>Antigonon leptopus</i> along main roads.</p>	Yes
4.5.1.5	<p>KCPSB training matrix updated on 01/01/2022, ref no: KC/Training/0/2022.</p> <p>Environmental policy training conducted on 24/06/2022 at Mile 45 and Mile 25.</p> <p>Field interviews with sampled harvesters and general workers informed they were briefed on environment policy.</p>	Yes
4.5.1.6	<p>KCPSB latest environmental meeting conducted on 24/06/2022. The meeting was participated by management and employee representatives.</p> <p>Reviewed environmental meeting minutes topics discussed such as greenhouse gas emissions, HCV management and scheduled waste.</p> <p>Environment meeting is carried out biannually.</p>	Yes
4.5.2.1	<p>KCPSB established records of diesel per tonne FFB from 2018 to 2021.</p> <p>Baseline values for diesel usage has been set on three (3) years values from 2018 to 2020.</p> <p>Diesel per tonne FFB is lower for year 2021 compared to the average baseline value from 2018 to 2020.</p> <p>This is due to low operating hours of genset usage and higher FFB production.</p> <p>Electricity is generated using diesel genset.</p>	Yes
4.5.2.2	Reviewed and verified budget for diesel consumption for year 2022.	No

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Comparison of diesel usage estimate and actual for year 2022 from the period of January to June was carried out.</p> <p>Diesel consumption for year 2022 is lower compared to budget for the same period.</p> <p>This is due to low operating hours of genset usage.</p> <p>Monitoring of diesel usage per ton FFB process is on annual basis while there are records of monitoring on a monthly basis.</p> <p><b>Major Non-Conformity 1</b></p> <p>KCPSB established diesel usage monitoring records and budget. However, the estimate and actual diesel usage does not include diesel usage by FFB transporting contractor.</p>	
4.5.2.3	<p>KCPSB does not use any renewable energy.</p> <p>Site interview with management informed that there are no plans to install renewable energy due to high cost.</p>	Yes
4.5.3.1	<p>KCPSB Waste Management Plan (WMP) is included in the EIA updated on 14/07/2022.</p> <p>The WMP includes source, type of waste, process, waste classification, performance measure and waste management.</p> <p>Example:</p> <ol style="list-style-type: none"> <li>1. Waste Identified: Empty fertilizer bags;</li> <li>2. Source: Manuring activity.</li> </ol>	Yes
4.5.3.2	<p>a KCPSB Waste Management Plan (WMP) is included in the EIA updated on 14/07/2022.</p> <p>Example:</p> <ol style="list-style-type: none"> <li>1. Waste Identified: Empty fertilizer bags;</li> <li>2. Source: Manuring activity;</li> <li>3. Control method: Reuse for loose fruit collections.</li> </ol> <p>Field interviews with sampled manurers informed they were briefed on manuring SOP.</p> <p>Reviewed and verified manuring briefing carried out on 23/06/2022.</p> <p>During field visit at block 7 Mile 45, observed harvesters using empty fertilizer bags for loose fruit collections.</p>	Yes
	<p>b KCPSB Waste Management Plan (WMP) is included in the EIA updated on 14/07/2022.</p> <p>The plan identifies recycling of potential waste as nutrients.</p> <p>Example:</p> <p>Waste identified: Pruned fronds;</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Source: Harvesting;</p> <p>Control measure: Pruned fronds are stacked properly for nutrient supplements.</p> <p>During field visit at block 7 Mile 45 division, observed harvesters stacking pruned fronds according to SOP.</p>	
4.5.3.3	<p>KCPSB established SOP on Handling Scheduled Waste with document reference no. KC-SOP/8/0/2019-2016, rev, 0 dated 10/06/2019.</p> <p>SOP describes that scheduled waste needs to be label and stored at accordingly in dedicated scheduled waste store.</p> <p>KCPSB listed and identified scheduled wastes generated in estate operation in their Environmental Management plan according to legal requirement.</p> <p>Reviewed disposal records dated 14/07/2022 for SW 305, 306, 409 and 410. Scheduled waste collected by DOE approved contractor Pentas Flora (Sabah) Sdn. Bhd.</p> <p>Disposal done within 180 days from date of generation.</p>	Yes
4.5.3.4	<p>KCPSB established procedure on Handling Empty Chemical Container document reference no: KC/SOP/1/2019, revision no: 1 dated 10/06/2019.</p> <p>The SOP describes all rinsed water discharged from premix chemical activities at premix area, will be collected and reused for chemical spraying activity in field.</p> <p>Unused empty chemical containers are disposed by 3<sup>rd</sup> party DOE authorized scheduled waste collector.</p> <p>During site visit at empty chemical store, all chemical containers were disposed. Some empty chemical containers were triple rinsed marked with "X" in red and reused for chemical premixing.</p>	Yes
4.5.3.5	<p>All domestic wastes from housing disposed at landfill located in Mile 45 division block number 7 and block number 1 at Mile 25.</p> <p>Domestic wastes collected twice in a week. Reviewed and verified waste collection record on 22/06/2021 and 29/06/2021.</p> <p>During field visit, observed landfill in Mile 45 and Mile 25 divisions well managed with date open and closed.</p> <p>Distance of landfill area from nearest waterways is approximately 2 KM.</p>	Yes
4.5.4.1	<p>KCPSB Waste Management Plan (WMP) is included in the EIA updated on 14/07/2022 identified sources waste into solid, liquid and gases.</p> <p>Example of Greenhouse gas emissions identified from fossil fuel usage and landfill.</p> <p>Type of Greenhouse Gasses identified example:</p> <ul style="list-style-type: none"> <li>Carbon Monoxide (CO) from tractors;</li> </ul>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> <li>Methane (CH<sub>4</sub>) and Carbon Dioxide (CO<sub>2</sub>) from landfill.</li> </ul>	
4.5.4.2	<p>KCPSB Waste Management Plan (WMP) is included in the EIA updated on 14/07/2022 with action plans.</p> <p>Example:</p> <p>Tractor usage for transportation</p> <p>Impact: GHG emissions from smoke;</p> <p>Action plan: Monitoring of fossil fuel usage;</p> <p>Time frame: Daily;</p> <p>PIC: Staff in charge.</p> <p>Reviewed and verified diesel usage records for the month of April 2022.</p>	Yes
4.5.5.1	<p>a KCPSB established water management plan on 15/05/2019.</p> <p>Water sources are from rainwater harvesting, catchment pond located at block F15 and river for Mile 45 and government water supply by Sabah State Water Department for Mile 25.</p> <p>Water usage for domestic purposes is by rainwater harvesting and catchment pond.</p> <p>During site visit, observed water storage tanks at labour line.</p> <p>KCPSB conduct water quality test for inlet and outlet of streams flowing through Mile 45 division using 3<sup>rd</sup> party SAMM accredited laboratory.</p> <p>During field visit, observed water inlet sampling area at Mile 45 block F2 and outlet at Block F10 are well maintained.</p>	Yes
	<p>b KCPSB established water management plan on 15/05/2019.</p> <p>Maps established to identify streams and catchment locations.</p> <p>River passing through the Mile 45 division is Sungai Segaliud.</p> <p>During site visit, observed water inlet sampling area at Mile 45 block F2 and outlet at Block F10 well maintained.</p> <p>Water testing done on an annual basis. The water testing carried out by a 3<sup>rd</sup> party SAMM accredited laboratory.</p> <p>Test result reviewed and comply with National Water Quality Standards of Malaysia requirements.</p>	Yes
	<p>c KCPSB optimize water usage via:</p> <ol style="list-style-type: none"> <li>Implementation of water harvesting;</li> <li>Waste water from triple rinsing re used and applied at fields.</li> </ol>	Yes
	<p>d Sungai Segaliud flows within KCPSB Mile 45 Division.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>During field visit, observed riparian buffers with visible signage and demarcation.</p> <p>Riparian buffers well maintained.</p> <p>Field interviews with sampled chemical sprayers and manurers informed they were briefed on the riparian buffers with appropriate training on 23/06/2022.</p>	
e	<p>During field visit at KCPSB Mile 45 division riparian buffer, there are no vegetation removed from riparian zones.</p> <p>Riparian buffer zones well maintained.</p>	Yes
f	<p>There are no bore well observed based pictorial evidences review at KCPSB both divisions.</p> <p>This was cross verified with during field interviews with sampled chemical sprayers, manurers and harvesters.</p>	Yes
4.5.5.2	<p>There is no construction of bunds or dams observed at river flowing through KCPSB Mile 45 division.</p> <p>This was cross-verified during field interviews with sampled chemical sprayers, manurers and harvesters.</p> <p>During field visits at Mile 45, observed there are no bunds, weirs or dams constructed.</p>	Yes
4.5.5.3	<p>KCPSB divisions practice rainwater harvesting for domestic use and operational use. Water from catchment pond is not used for drinking or cooking purposes. Water from pond is only used for washing of clothes and bathing.</p> <p>This was cross-verified during field interviews with sampled chemical sprayers, manurers and harvesters.</p> <p>During site visit, observed water storage tanks at the labour line.</p>	Yes
4.5.6.1	<p>a KCPSB has presence of protected wildlife according to Sabah Wildlife Enactment.</p> <p>KCPSB maintained the habitat area for crocodile's presence in the water catchment pond at block F8 Mile 45 division.</p> <p>The list of wildlife is established example wild boar, monkeys, water monitor lizard.</p> <p>During field visit, observed wildlife signage erected for awareness purposes.</p> <p>Wildlife signage installed to inform and educate workers and outsiders at entrance and field blocks.</p> <p>A monthly monitoring checklist of biodiversity conducted to ensure no hunting or capturing activities.</p> <p>Reviewed and verified checklist from January to June 2022.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Field interviews with sampled harvesters and general workers informed the feedback to management for wildlife sighted.	
	<p>b The list of wildlife sighted in KCPSB Mile 45 division and nearby forest reserve is establish in accordance to Sabah Wildlife Enactment.</p> <p>The identified wildlife as below: :</p> <ol style="list-style-type: none"> <li>1. Monkey;</li> <li>2. Water monitor lizard;</li> <li>3. Crocodile;</li> <li>4. Snakes;</li> <li>5. Jungle Fowls.</li> </ol> <p>Reviewed and verified wildlife sightings records on 09/06/2022 and 24/06/2022 for Mile 45 division.</p> <p>Field interviews with sampled harvesters and general workers informed all wildlife sightings will be reported to the mandore or staff for recording purposes and they were briefed on no hunting activities.</p>	Yes
4.5.6.2	<p>a The RTE identified at KCPSB Mile 45 division are according to Sabah Wildlife Conservation Enactment 1997 and Wildlife Regulation 1998.</p> <p>Reviewed and verified RTE training conducted during the muster call to brief on legal protection and prohibition based on Sabah Wildlife Enactment 1997 on 24/06/2022.</p> <p>During field visit, observed wildlife signage erected for awareness purposes.</p> <p>Wildlife signage installed to inform and educate workers and outsiders at entrance and field blocks.</p>	Yes
	<p>b KCPSB install appropriate signage as information to discourage any illegal or inappropriate hunting, fishing or collecting activities.</p> <p>During field visit, observed wildlife signage erected for awareness purposes.</p> <p>Wildlife signage installed to inform and educate workers and outsiders at entrance and field blocks.</p> <p>Field interviews with sampled harvesters and general workers informed all wildlife sightings will be reported to the mandore or staff for recording purposes and they were briefed on no hunting, collecting or fishing activities.</p>	Yes
4.5.6.3	<p>KCPSB established monitoring checklist of biodiversity system to monitor any illegal or inappropriate hunting, fishing or collecting activities and type of wildlife within the estate.</p> <p>Reviewed and verified checklist from January to June 2022.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Reviewed and verified wildlife sightings records on 09/06/2022 and 24/06/2022 for Mile 45 division.</p> <p>Field interviews with sampled harvesters and general workers informed all wildlife sightings will be reported to the mandore or staff for recording purposes and they were briefed on no hunting activities.</p>	
4.5.7.1	<p>KCPSB established Environmental Policy and Biodiversity, reference no.: KC/P/ENVIRONMET/1/2019 dated 26/03/2019.</p> <p>The policy stated 'The company is committed to not conduct any open burning activities'</p> <p>During field visit and site visit at labor line, observed no signage of open burning.</p> <p>During field and site visit, observed no burning signage at block number F8 at Mile 45 division.</p>	Yes
4.5.7.2	<p>KCPSB established Environmental Policy and Biodiversity, reference no.: KC/P/ENVIRONMET/1/2019 dated 26/03/2019.</p> <p>The policy stated 'The company is committed to not conduct any open burning activities'</p> <p>No disease observed on oil palms that required burning for treatment via pictorial evidence verification.</p> <p>Therefore no special approval for open burning from relevant authorities.</p>	Yes
4.5.7.3	<p>KCPSB established Environmental Policy and Biodiversity, reference no.: KC/P/ENVIRONMET/1/2019 dated 26/03/2019.</p> <p>The policy stated 'The company is committed to not conduct any open burning activities'.</p> <p>There are no application documents sighted for controlled burning.</p>	Yes
4.5.7.4	<p>There is no replanting activities for year 2022.</p> <p>Therefore, no signs of burning could be observed during field visit.</p>	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>KCPSB established procedures on good agriculture practises.</p> <p>The SOPs includes estate operations as follows:</p> <ol style="list-style-type: none"> <li>1. Chemical spraying SOP, document number KC/SOP/15/0/2016, revision 0, dated on 19/01/2016;</li> <li>2. Harvesting SOP document number KC/SOP/3/0/2019 revision 2 dated on 13/06/2019;</li> <li>3. Control of the spread of Covid 19 SOP document number KC/SOP/COVID-19/0/2020 dated on 1/07/2020.3.</li> </ol>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<p>KCPSB displayed COVID-19 SOP and as guideline and scanning purpose at guard house and office notice board for safety precautions.</p> <p>Example:</p> <ul style="list-style-type: none"> <li>I. Training SOP for harvester at on 23/06/2022;</li> <li>II. Training SOP for manurers on 23/06/2022;</li> <li>III. Training SOP for chemical sprayers on 23/06/2022.</li> </ul> <p>Review on training record for SOPs, photos and attendance is documented and maintained.</p> <p>Field interviews with harvesters and general workers informed they have been trained on best practices.</p>	
4.6.1.2	<p>KCPSB established standard operating procedure (SOP) for Managing Terrace &amp; Platform Construction' that includes the soil conservation measure.</p> <p>The procedure states 'to prevent erosion, cover plants should be established on slopes as soon as possible after land clearing.'</p> <p>The topography of Mile 45 and 25 divisions is low to moderate hills with slope 0-15°.</p> <p>This has been verified using Jutwa application.</p> <p>During field visits at both divisions, observed Mucuna bracteates is planted to control soil erosion within the terrace area.</p>	Yes
4.6.1.3	<p>KCPSB established block marking at each field block for both divisions including information on block number, acreage, planting material and year of planting.</p> <p>During field visit at both divisions established block marking with information block number, acreage, planting material and year of planting and well maintained.</p> <p>Review of block markings are as below:</p> <ul style="list-style-type: none"> <li>i. Mile 45 Division: F1, 2016, 40.72 Ha;</li> <li>ii. Mile 25 Division: F1, 2020, 38.56 Ha.</li> </ul>	Yes
4.6.2.1	<p>KCPSB established four (4) years business management plan from year 2022 – 2025.</p> <p>The plan includes the following: for</p> <ul style="list-style-type: none"> <li>1. Chemical and fertilizer purchase;</li> <li>2. Tractor upkeep cost;</li> <li>3. Labour wages;</li> <li>4. Workers work pass and passport cost;</li> <li>5. Environment, social and safety and health;</li> </ul>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	6. CIP for social, safety and health and environment.	
4.6.2.2	Review of KCPSB both divisions replanting program dated 01/01/2022. Replanting programme is from year 2020 to 2027. There is no replanting for year 2022.	Yes
4.6.2.3	KCPSB established a four (4) years financial plan from year 2022 to 2025. The financial plan includes: 1. Planting material; 2. Crop projection based on age profile mature and immature; 3. Cost of production for both divisions; 4. Cost per ton of FFB and expenditure.	Yes
4.6.2.4	KCPSB established the monthly report for monitor the achievement of company's goals and objective. Example Mile 45 May 2022 monthly report 1. The report stated the crop production analysis which comparing the actual crop vs monthly crop budget; 2. Actual Crop; 3. Budget this month; 4. Variance; 5. Annual budget.	Yes
4.6.3.1	KCPSB purchases products using quotation and purchase order system. Example: Reviewed records of purchasing fertilizer dated 24/02/2022 includes purchase requisition, purchase order, delivery order, payment voucher and invoice are documented and maintained.	Yes
4.6.3.2	Reviewed purchasing of fertilizer for KCPSB Mile 25 division dated 24/04/2021, includes purchase requisition, purchase order, quotation, delivery of order and invoices are documented and maintained. Content of purchase orders, quotations, delivery orders and invoices are consistent. Reviewed records of payment voucher made on 28/02/2022. Payment amount is consistent with pricing in quotation.	Yes
4.6.4.1	KCPSB established contracts with FFB transporter dated 27/07/2021. Reviewed and verified records of briefing to contractor workers on company MSPO policies, complaints system, contracts terms and regulations dated 03/06/2022.	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.4.2	The contract agreement between KCPSB and FFB transport contractor dated 27/07/2021 signed by both parties describe the service, terms of payment and conditions.	Yes
4.6.4.3	<p>Reviewed and verified contract agreement between KCPSB and FFB transporter dated 27/07/2021.</p> <p>The contact agreements describes scope, payment terms, termination and obligation of respective parties.</p> <p>The contract includes statement as below under Section 21:</p> <p>"The contractor shall accept MSPO approved auditors to verify assessment through a physical inspection."</p> <p>Email communication regarding revised contract agreements have been shared and reviewed.</p> <p>Both contractors have agreed on the terms via email.</p>	Yes
4.6.4.4	<p>KCPSB payment to contractor is based on progress report monitored by office administrator and approved by General Manager prior to issue payment.</p> <p>Reviewed and verified payment voucher to contractor upon job completion for FFB transporting dated 24/05/2022.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	<p>KCPSB planting statement is reviewed and there are no new planting at both Mile 25 and Mile 45 divisions.</p> <p>The 1<sup>st</sup> planting cycle carried out in Mile 25 division in year 1997 and Mile 45 in year 1992.</p> <p>The 2<sup>nd</sup> planting cycle is carried in year 2020 and year 2021 for Mile 25.</p> <p>Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.</p>	Yes
4.7.1.2	<p>KCPSB planting statement is reviewed and there are no new planting at both Mile 25 and Mile 45 divisions.</p> <p>The 1<sup>st</sup> planting cycle carried out in Mile 25 division in year 1997 and Mile 45 in year 1992.</p> <p>The 2<sup>nd</sup> planting cycle is carried in year 2020 for Mile 25 division for 88.35 Ha and year 2021 for 46.38 Ha.</p> <p>Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.</p> <p>Therefore, no EIA or PMM required to establish.</p>	Yes
4.7.2.1	<p>KCPSB planting statements and estates maps are reviewed, there is no peat land.</p> <p>Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.</p> <p>During field visits and review of soil maps, there is no peat land within the estate.</p>	Yes
4.7.3.1	<p>KCPSB planting statement, estates maps and land titles are reviewed.</p> <p>Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.</p> <p>Therefore, no Social and Environmental Impact Assessment (SEIA) document established.</p>	Yes
4.7.3.2	<p>KCPSB planting statement, estates maps and land titles are reviewed.</p> <p>Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.</p> <p>Therefore, no SEIA document established.</p>	Yes
4.7.3.3	<p>KCPSB planting statement, estates maps and land titles are reviewed.</p> <p>Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.</p> <p>Therefore, no SEIA document established.</p>	Yes
4.7.3.4	<p>There is no smallholders' scheme in KCPSB certification.</p>	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



4.7.4.1	KCPSB planting statement, estates maps and land titles are reviewed. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting. Therefore, no maps established	Yes
4.7.4.2	KCPSB planting statement, estates maps and land titles are reviewed. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting. Therefore, no topography maps established.	Yes
4.7.5.1	Review on KCPSB planting statement and estate soil maps. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting. Therefore, no topography map and permits established.	Yes
4.7.5.2	Review on KCPSB planting statement and estate soil maps. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting. Therefore, no monitoring management plans for fragile and marginal soil established.	Yes
4.7.5.3	KCPSB planting statement and soil maps are reviewed. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting. Therefore, no identification of marginal and fragile soils established.	Yes
4.7.6.1	Review on KCPSB planting statement, there is no new planting. Therefore, no FPIC conducted. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.2	Review on KCPSB planting statement, there is no new planting. There is no scared site, therefore no management plan established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.3	Review on KCPSB planting statement, there is no new planting. Therefore, no customary land established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.4	Review on KCPSB planting statement, there is no new planting. Therefore, no compensation established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



4.7.6.5	Review on KCPSB planting statement, there is no new planting. Therefore, assessment on recognition for customary rights is not required. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.6	Review on KCPSB planting statement, there is no new planting. Therefore, no system for compensation established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.7	Review on KCPSB planting statement, there is no new planting. Therefore, no compensation plan established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes
4.7.6.8	Review on KCPSB planting statement, there is no new planting. Therefore, no management plan established. Further check conducted using Sabah Land and Survey Department JTUWMA to crosscheck on the estate to confirm there is no new planting.	Yes

### 4.4. 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.
X	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.
	No non-conformity raised in previous audit.
<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>	
<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>	

### 4.5. Detail of Audit Findings in last audit

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

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Non Conformity Number 01			
<b>Indicator # and Description:</b>	4.6.4.3 The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.		
<b>Location:</b>	Office		
<b>Description of Finding / Objective Evidence:</b>			
KCPSB has established contract agreements with respective contractors. However, the contract agreements do not state the obligation of the contractors to accept MSPO auditors to verify assessments through a physical inspection if required.			
<b>Classification</b>	<input type="checkbox"/> Major		<input checked="" type="checkbox"/> Minor
<b>Raise by:</b>	Navin Baskram	<b>Date Raise:</b>	16/07/2021
<b>Deadline for implementation</b>			
<b>Root Cause Analysis (by company):</b>			
Management did not identify the issue or problem in the contract agreement.			
<b>Correction (by company):</b>			
The management need to review the contents of the contract agreement in a yearly basis prior to renewal and during Internal audit. This is to ensure contract contents are in accordance to respective MSPO indicators.			
<b>Corrective / Preventive Action (by company)</b>			
Statement mentioned below included in all contract agreement:  Section 21: The contractor shall accept MSPO approved auditors to verify assessment through a physical inspection.			
<b>Review of Correction &amp; Corrective / Preventive Action</b>			
Reviewed and verified revised contract agreement for replanting contractor dated 19/07/2021 and FFB transporter dated 27/07/2021.  Both contracts have included statement as below under Section 21:  "The contractor shall accept MSPO approved auditors to verify assessment through a physical inspection."  Email communication regarding revised contract agreements have been shared and reviewed.  Both contractors have agreed on the terms via email.			
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<b>Name of Lead Auditor:</b> Navin Baskram		<b>Date of Closure:</b> 29/07/2021	
<b>Review of Implementation</b>			

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



### Non Conformity Number 01

Reviewed and verified revised contract agreement FFB transporter dated 27/07/2021.

Both contracts have included statement as below under Section 21:

"The contractor shall accept MSPO approved auditors to verify assessment through a physical inspection."

Email communication regarding revised contract agreements have been shared and reviewed.

Both contractors have agreed on the terms via email.

Thus, the implementation is deemed sufficient.

**Name of Lead Auditor:**

Navin Baskram

**Date of Review:**

19/07/2022

## 4.6. Detail of Remote 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,	1	MAJOR Non-Conformities
	0	MINOR Non-Conformities

### Non Conformity Number 01

<b>Indicator # and Description:</b>	4.5.2.2 The oil palm premises shall estimate the direct usage of non-renewable 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
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**Location:** KCPSB Office

#### Description of Finding / Objective Evidence:

KCPSB established diesel usage monitoring records and budget. However, the estimate and actual diesel usage does not include diesel usage by FFB transporting contractor.

**Classification** ☒ Major

☐ Minor

**Raise by:** Navin Baskram

**Date Raise:** 19/07/2022

**Deadline for implementation**

#### Root Cause Analysis (by company):

Management did not identify the need for fossil fuel monitoring for contractor.

#### Correction (by company):

Revise previous year fuel usage monitoring records to include contractor's fuel usage.

#### Corrective / Preventive Action (by company)

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



Non Conformity Number 01	
1. The contractor must submit fuel records before payment; 2. Management to review if fuel consumption has exceeded the limits; 3. Fuel records for previous year to be revised to include contractor fuel usage.	
Review of Correction & Corrective / Preventive Action	
Revised fuel monitoring records for year 2021 has been shared and reviewed. Fuel records include records of fuel usage by FFB transporting contractor. Evidence submitted is deemed sufficient to close the non-conformity. Further verification on implementation will be carried out during next surveillance.	
<b>Closed:</b> <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<b>Site verification :</b> <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<b>Name of Lead Auditor:</b> Navin Baskram	<b>Date of Closure:</b> 01/08/2022
Review of Implementation	
<b>Name of Lead Auditor / Auditor:</b>	
<b>Date of Review:</b>	

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.4.4.2	b) The risks of all operations shall be assessed and documented	KCPSB Office	KCPSB could improve HIRARC on the following; - office work; - work on height area.
2.	4.5.1.2	b) The aspects and impacts analysis of all operations.	KCPSB Office	KCPSB could improve environment impact and aspect descriptions by including all types of impacts based on aspects by activities carried out by management.
3.	4.5.1.6	Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.	KCPSB Office	KCPSB could improve environment meetings to include workers from all categories.
4.	4.5.4.2	An action plan to reduce identified significant pollutants and emissions shall be established and implemented	KCPSB Office	KCPSB could improve action plans for Greenhouse gas emissions to include all implementations carried out by the management.
5.	4.5.5.1	a. Assessment of water usage and sources of supply	KCPSB Office	KCPSB could improve water quality monitoring action plans for water from catchment pond.

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



### 5. CONCLUSION

Kam Cheong Plantations Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance three audit consisting of one estate according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

There is one (01) Major NC raise and closed out successfully.

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 surveillance 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-Part 3:2013 General principles for Oil Palm Plantations and Organised Smallholders.

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:	1
Total certified production area:	748.77 Ha
Certified FFBs January to June 2022:	3,098.84 Mt
Project FFBs January to December 2022:	16,687.70 Mt

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



### 6. RECOMMENDATION

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

The structure of the audit is in accordance with the audit plan included in this summary report as annex.

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 policies 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

<input type="checkbox"/>	Recommended for Certification
<input checked="" type="checkbox"/>	Recommended for Continuity of Certification
<input type="checkbox"/>	Recommended for Suspension of Certification

Puchong, 01/08/2022

Navin Baskram  
TUV NORD (Malaysia) Sdn Bhd  
Audit Team Leader

Puchong, 16/08/2022

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

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite

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### 7. LIST OF STAKEHOLDERS

No stakeholders' consultation conducted in accordance to ACB – OPMC 4 Issue 2 dated 04/09/2020, Stakeholder Consultation Requirements Section 6: Consultation during audit, §6.1: During the stage 2 and recertification audit. Therefore, no stakeholders listed.

## MSPO Certification Summary Report

Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 03

Mode of Audit: Onsite



### 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 or 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

- ☒ P&C Audit Report / Checklists
- ☒ Audit Plan