

MSPO CERTIFICATION SUMMARY REPORT

**KAM CHEONG PLANTATIONS SDN.
BHD.**

SURVEILLANCE 04

Onsite Audit Date: 26/07/2023 – 27/07/2023

TUV NORD (Malaysia) Sdn Bhd
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Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 04

Mode of Audit: Onsite

Abbreviations

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

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1. INTRODUCTION

Kam Cheong Plantations Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance four (04) 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 four (04) audit is to assess the estates 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 members. 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: Muhammad Khairul Anuar bin Azizul Hasan

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

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Requirement	Qualifications
vii) Other relevant related fields	
At least five (5) years of work experience in the oil palm sector or related field in consultancy / auditing of similar industry or equivalent related to and as necessary for the certification process. (e.g., sustainability, palm oil management; agriculture, ecology; social science)	7 years working experience in oil palm plantations.
Successfully completed MPOCC endorsed lead auditor training	Successfully completed MS 2530 series 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 Lead auditor for MSPO scheme.
Field working experience in the palm oil sector, or demonstrable equivalent	7 years working experience in oil palm plantation.
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	7 years working experience in oil palm plantation.
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Successfully completed IMS ISO 9001 Lead Auditor course.
Health and safety auditing on the farm and in processing facilities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Successfully completed IMS ISO 45001 Lead Auditor course.
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training.
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Successfully completed IMS ISO 14001 Lead Auditor course.
Completed High Conversation Value assessment	Attended and completed the HCV-HCS for producers course.
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Able to communicate in Bahasa Malaysia and English.

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Qualification of Team Member(s)

Requirement	Name 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	Ariff bin Lokman	Graduate in Plantation Industry and Management	Yes
	Zulkifli bin Kamarol Zaman	Graduate in Bachelor Sciences Agriculture Business	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)	Ariff bin Lokman	7 years working experience in oil palm plantations.	Yes
	Zulkifli bin Kamarol Zaman	10 years working experiences in oil palm plantations.	Yes
Successfully completed MPOCC endorsed lead auditor / auditor trainings	Ariff bin Lokman	Successfully completed MS2530 series of standards for Lead Auditors	Yes
	Zulkifli bin Kamarol Zaman	Successfully completed MS2530 series of standards for Lead Auditors	Yes
Conducted a minimum six (6) on-site audits for a total of at least 20 man-days of audit experience as an auditor-in-training under the direction and guidance of a qualified Lead Auditor for MSPO or equivalent sustainability certification schemes.	Ariff bin Lokman	Qualified as auditor based on audit log.	Yes
	Zulkifli bin Kamarol Zaman	Qualified as auditor based on audit log.	Yes
Field working experience in the palm oil sector or demonstrable equivalent	Ariff bin Lokman	7 years working experience in oil palm plantations.	Yes

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Requirement	Name Assessor	Qualification	Compliance
	Zulkifli bin Kamarol Zaman	10 years working experiences in oil palm plantations	Yes
Good Agricultural Practices (GAP) and Integrated Pest Management (IPM), pesticide and fertilizer use	Ariff bin Lokman	7 years working experience in oil palm plantations.	Yes
	Zulkifli bin Kamarol Zaman	10 years working experiences in oil palm plantations.	Yes
Successfully completed Quality Management Systems (QMS) ISO9001 standard	Ariff bin Lokman	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
	Zulkifli bin Kamarol Zaman	Successfully completed IMS ISO 9001 Lead Auditor course.	Yes
Health and safety auditing on the farms processes and activities Or Successfully completed Occupational, Health & Safety Management System ISO 45001 standard	Ariff bin Lokman	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
	Zulkifli bin Kamarol Zaman	Successfully completed IMS ISO 45001 Lead Auditor course.	Yes
Workers welfare and social auditing experience or Successfully attended SA8000 or related social or ethical accountability codes	Ariff bin Lokman	Successfully completed SA 8000 Basic training	Yes
	Zulkifli bin Kamarol Zaman	Successfully completed SMETA (Issue 6.0) Internal Training.	Yes
Environmental and ecological auditing or experience with organic agriculture. or Successfully completed Environmental Management Systems ISO 14001 standard	Ariff bin Lokman	Successfully completed IMS ISO 9001, ISO 14001 and ISO 45001 LA course.	Yes
	Zulkifli bin Kamarol Zaman	Successfully completed IMS ISO 14001 Lead Auditor course.	Yes
Completed High Conversation Value assessment	Ariff bin Lokman	Attended and completed the HCV-HCS for producers course.	Yes
	Zulkifli bin Kamarol Zaman	Attended and completed the HCV-	Yes

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Requirement	Name Assessor	Qualification	Compliance
		HCS for producers course.	
Able to communicate in Bahasa Malaysia, English and / or any other local language.	Ariff bin Lokman	Able to communicate in both Bahasa Malaysia and English.	Yes
	Zulkifli bin Kamarol Zaman	Able to communicate in both Bahasa Malaysia and English.	Yes

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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, 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 Audit four (04):

The Surveillance four (04) audit conducted onsite from 26/07/2023 – 27/07/2023 covering the following activities but not limited to below:

Onsite:

- Background investigation;
- Review of documentation established but not limited to below;
 - Policies;
 - Estate maps;
 - Land titles;
 - 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 facilities and field activities;
- Interview operation personnel and field workers for understanding of work assigned;
- Reviewed revised and updated documentation established and implemented;

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- 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 estates are 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 site 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.

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3. ORGANISATION INFORMATION

Kam Cheong Plantations Sdn. Bhd. is an oil palm plantation company located at 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 Divisions	Area (Ha)		Projected FFB Production (mt) (January 2023 to December 2023)
	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
Total	878.66	748.77	16,687.70

*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 Estate or 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
2019	-	-
Total Mature	73.27	566.06

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2020	38.46	-
2021	45.98	25
Total Immature	84.44	25
Total	157.71	591.06

3.3. Replanting program for each estate or 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
TOTAL	-	366.36	366.36

3.4. Maps of Estate or Divisions Location

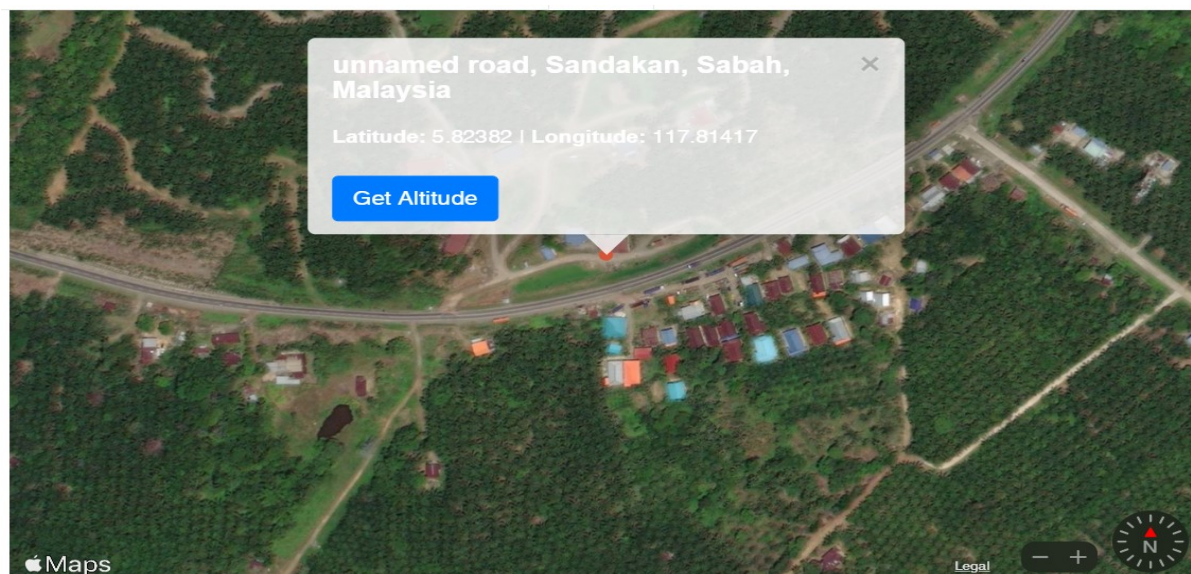


Figure 1: Kam Cheong Plantations Sdn. Bhd. – Mile 25 Estate Location

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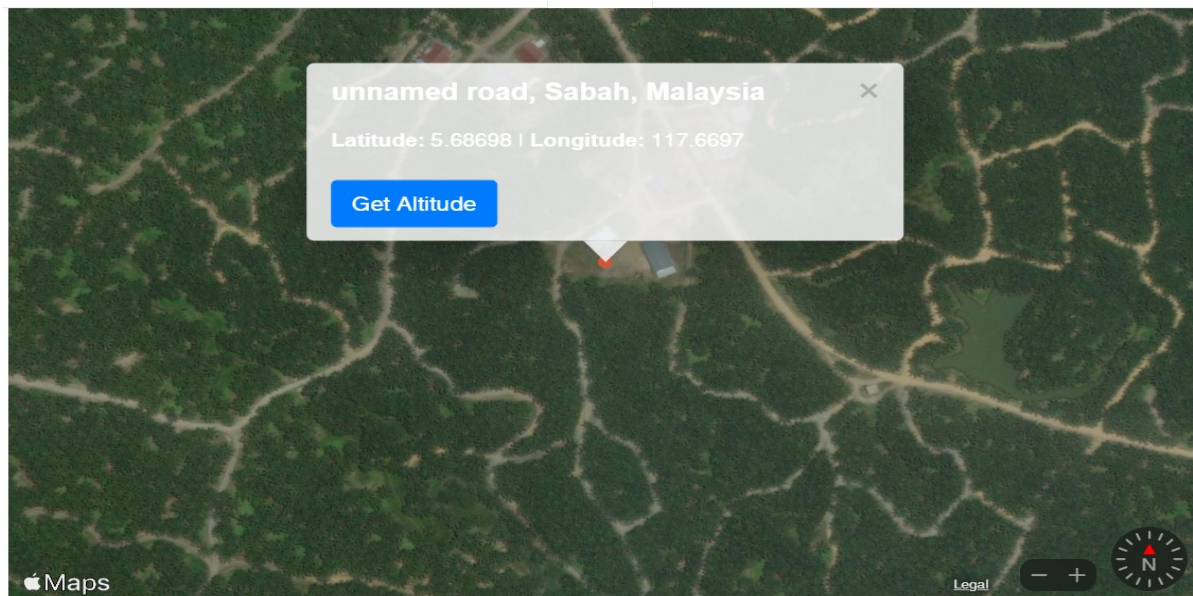


Figure 2: Kam Cheong Plantations Sdn. Bhd. – Mile 45 Lungmanis Estate Location

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4. CERTIFICATION ASSESSMENT

4.1. ASA 04

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 four (04):

The surveillance four (04) audit is conducted from 26/07/2023 to 27/07/2023 covering Kam Cheong Plantations Sdn. Bhd.

During the last last surveillance audit, there are (1) Major and (5) Opportunities for Improvement (OFI) are raised.

During this surveillance 04 audit, the major and minor non-compliance raised in the last audit, the audit team has review by means of physical inspection of estate, 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.

The major non-conformances raise during the last surveillance 03 audit are closed out by means of documents review that are establish, revised and implemented appropriately and preventive actions taken.

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.

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

TUV NORD (Malaysia) Sdn. Bhd., has published the audit notification on 23/06/2023 to announce the audit of the certified unit. As at audit date on 26/07/2023 there are no comments received.

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4.3. Summary of Assessment

Principle and Criteria Assessment Summary
<p>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.</p>

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"> 1. Compliance to all relevant legal and MSPO requirements; 2. Commitment to continuous improvement; 3. Protection and conservation of high conservation values; 4. Protection of rare, threatened and endangered species in high conservation value areas; 5. Improving or use the latest technology to improve the process, water conservation and waste management or recycling; 6. Doing good agricultural practices in farming; 7. To ensure this policy is adopted and communicated through communication and ongoing training. <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 17/02/2023.</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> <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</p>	Yes

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>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 13/06/2023 and 14/06/2023 with 6 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>Chemical Handling;</p> <p>Strong point: Labelling on repacking pesticides;</p> <p>Weak point: No labelling on repacking pesticides could harm the workers.</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 03/07/2023.</p> <p>Example:</p> <p>Non-conformity: Checklist in first aid box is not available;</p> <p>Grade: Minor non-conformity;</p> <p>Timeframe: Ten (10) days;</p> <p>Root cause: Lack of information on first aid checklist;</p> <p>Corrective action: update monthly first aid checklist;</p> <p>Status: Closed on 25/06/2023.</p> <p>Site inspection on first aid box sighted the checklist is available and updated.</p>	Yes
4.1.2.3	<p>KCPSB Internal audit results are presented in the management review meeting conducted on 04/07/2023.</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 04/07/2023.</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"> 1. Internal audit results; 2. Continuous improvement program; 3. Stakeholders meeting includes (SIA); 4. Training; 5. Domestic and scheduled wastes management plan. 	Yes
4.1.4.1	<p>KCPSB established Continuous Improvement Plan (CIP) updated on 30/06/2023.</p>	Yes

Principle 1: Management Commitment & responsibility																		
Indicator	Summary of Assessment	Compliance																
	<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>Improvement Action</td><td>Provide clean water for workers</td></tr><tr><td>Expected outcomes</td><td>Clean water for domestic use</td></tr><tr><td>Time line monitoring</td><td>Completed in year 2023</td></tr><tr><td>Responsibility</td><td>Director</td></tr></table> <p>Site inspection sighted installing of water filter is completed.</p> <p><u>Environment</u></p> <table><tr><td>Improvement Action</td><td>Domestic waste disposal</td></tr><tr><td>Expected outcomes</td><td>Close of landfill / reduce impact</td></tr><tr><td>Time line monitoring</td><td>12 month (starts in December 2022)</td></tr><tr><td>Responsibility</td><td>Estate Manager and Staff</td></tr></table> <p>Field inspection sighted, there is no landfill at estates. Domestic wastes is disposed at Majlis Perbandaran Sandakan dated 26/07/2023 weighted 420kg.</p>	Improvement Action	Provide clean water for workers	Expected outcomes	Clean water for domestic use	Time line monitoring	Completed in year 2023	Responsibility	Director	Improvement Action	Domestic waste disposal	Expected outcomes	Close of landfill / reduce impact	Time line monitoring	12 month (starts in December 2022)	Responsibility	Estate Manager and Staff	
Improvement Action	Provide clean water for workers																	
Expected outcomes	Clean water for domestic use																	
Time line monitoring	Completed in year 2023																	
Responsibility	Director																	
Improvement Action	Domestic waste disposal																	
Expected outcomes	Close of landfill / reduce impact																	
Time line monitoring	12 month (starts in December 2022)																	
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">• Communication;• Implementation;• Monitoring for further improvement. <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> <p>No new techniques or new technology implemented currently by KCPSB.</p>	Yes																

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>KCPSB established the list of stakeholders updated on 01/01/2023, doc ref.: KC/LIST.STAKEHOLDER/01; Rev:02 includes NGOs, surrounding communities, schools, government authorities, collection centers, suppliers, and transporters.</p> <p>KCPSB conducted stakeholders meeting with feedback on 21/03/2023 and 01/06/2023.</p> <p>Reviewed stakeholders meeting minutes, the above stakeholders meeting minute include consultation and communication SOP, social, environment, safety and legal matters topics.</p> <p>As to date, there is no request information made by the relevant stakeholders.</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 Malay language.</p> <p>Example of publicly available document upon request and confidential:</p> <ul style="list-style-type: none"> i. MPOB license; ii. Estate Map; iii. CHRA. <p>Example of confidential documents:</p> <ul style="list-style-type: none"> i. Payroll; ii. Financial report; iii. Company progress report. <p>During site visit, observed the list of publicly available and confidential document are displayed at notice board.</p> <p>Information on publicly available documents has been shared with stakeholders on 21/03/2023 and 01/06/2023.</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"> i. Communication to employee and stakeholders; ii. Enquiry / issue from employee and stakeholders; iii. Consultation and grievances on sexual harassment. <p>KCPSB conducted stakeholders' consultation and communication meeting on 21/03/2023 and 01/06/2023.</p> <p>Stakeholders meeting minutes was reviewed and verified during the audit. The agenda of stakeholders meeting are included consultation and communication SOP, social, environment, safety and legal matters topics.</p>	Yes
4.2.2.2	<p>KCPSB appoints Estate Manager as person in-charge for consultation and communication.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<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 on 21/03/2023 to 01/06/2023.</p> <p>Field interviews with harvesters and general workers informed they had been briefed on consultation and communication person in charge.</p>	
4.2.2.3	<p>KCPSB established the list of stakeholders updated on 01/01/2023, includes NGOs, surrounding communities, schools, government authorities, collection centers, suppliers and transporters.</p> <p>Stakeholder meeting was conducted on 21/03/2023 and 01/06/2023 and all action taken for stakeholder inputs has been recorded in the stakeholder minute meeting. Feedback and action taken by the operating unit are satisfactorily resolved by the KCPSB as evident in the Stakeholder Request Form.</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> <ul style="list-style-type: none"> i. Identification, registration of documentation and type of document store; ii. Implementation and monitoring of records by management to ensure the traceability system are accordingly; iii. Retention of traceability record kept as accordance with minimum to five (5) years; iv. Frequency of traceability record by annual management review meeting; v. List of records in plantation crop production that should be available for the inspection. <p>FFB record book, delivery note and weighbridge ticket was reviewed during the audit.</p> <p>Example of delivery order number:</p> <p>Date: 10/04/2023;</p> <p>Division: Mile 45, Lungmanis;</p> <p>Delivery Order Number: 56568;</p> <p>Delivered to: LCH Palm Oil Mill;</p> <p>Lorry no.: SS6501L;</p> <p>MSPO Cert. No.: 04 300 92 094;</p> <p>Example of weighbridge ticket from mill:</p> <p>Ticket Number: 065302;</p> <p>Date: 10/04/2023;</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>Delivery Order Number: 56568;</p> <p>Lorry number: SS6501L;</p> <p>Nett weight: 13.44 M/tons.</p>	
4.2.3.2	<p>KCPSB conduct traceability inspection on daily, weekly and monthly basis by Field Staffs, Chief Clerk and Estate Manager.</p> <p>Reviewed the internal audit report, the report includes inspection for traceability system with no findings raised during the internal audit conducted on 05/03/2023 for both divisions.</p> <p>Reviewed the FFB sales and delivery records for April 2023 records updated and well maintained.</p>	Yes
4.2.3.3	<p>KCPSB appointed Chief Clerk as person in charge for maintaining the traceability system for Mile 25 and 45.</p> <p>Evidence of the appointment letter dated 01/01/2021 has been presented during the assessment.</p>	Yes
4.2.3.4	<p>KCPSB established records of sales and delivery on daily, weekly and monthly basis kept at estate office.</p> <p>Reviewed records such as delivery chit to mill weighbridge are available. Unique number is captured in estate weighbridge ticket and mill weighbridge ticket.</p> <p>Section "e" of traceability procedure mentions records are to be maintained for five (5) years.</p> <p>Reviewed and verified records of FFB sales from year 2019.</p> <p>Example of mill weighbridge ticket for year 2019:</p> <p>Ticket Number: S0000160;</p> <p>Date: 30/03/2019;</p> <p>Delivery Order Number: 53230;</p> <p>Lorry number: ST9369L;</p> <p>Nett weight: 12.7 M/tons.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>KCPSB established Legal Register updated on 10/07/2022.</p> <p>Example of legal register:</p> <ul style="list-style-type: none"> Pesticide Act 1974; Malaysian Palm Oil Board Act 1998; Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) regulation 2020. <p>KCPSB established List of Permit & Licenses Year 2023.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	<p>Example of permits and licenses:</p> <ul style="list-style-type: none"> MPOB license remains valid date 01/09/2022 – 31/08/2023; Trading licenses R401/2003N valid until 31/12/2023. 	
4.3.1.2	<p>KCPSB established Legal Register updated on 10/07/2022.</p> <p>Document review on Legal register, the applicable requirements for estate are as follow:</p> <ul style="list-style-type: none"> Prevention and Control of Infectious Diseases (Measures within the Infected Local Areas) regulation 2020; Environmental Quality Act 1974; Immigration Act 1959/1963; Occupational Safety and Health Act 1994 (Act 514). 	Yes
4.3.1.3	<p>KCPSB established Legal Register updated on 10/07/2022.</p> <p>Example:</p> <ul style="list-style-type: none"> Prevention and control of Infectious Disease Act 1988 Regulation & Order 2020; Minimum Wage Order 2022. 	Yes
4.3.1.4	KCPSB appointed the head office administrative clerical staff as person for updating legal documents, regulations and licenses dated 01/01/2021.	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	KCPSB land titles are issued by Director of Lands and Surveys, Sabah. Therefore, no land disputes.	Yes
4.3.3.1	<p>KCPSB land titles are Country Lease and Provincial Lease issued by Director of Lands and Surveys, Sabah.</p> <p>There are no native or customary sub-lease land in KCPSB for both divisions.</p>	Yes
4.3.3.2	KCPSB land titles are Country Lease and Provincial Lease issued by Director of Lands and Surveys, Sabah.	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	There are no native or customary sub-lease land in KCPSB for both divisions.	
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	<p>KCPSB established Social Impact Assessment (SIA) dated 10/06/2023.</p> <p>The SIA include information from internal and external stakeholders collected from survey and feedback.</p> <p>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).</p> <p>Example: Negative Impact;</p> <ul style="list-style-type: none"> • Issue: Poor road condition; • Mitigation: To ensure the road condition is good; • PIC: Estate Manager; • Time frame: 2023; • Expected completion time: continuously. <p>Example: Positive impact;</p> <ul style="list-style-type: none"> • Issue: New minimum wage 2022; • Promote action: All workers achieve new minimum wage 2022; • PIC: Estate Manager; • Time: continuously. 	Yes
4.4.2.1	<p>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.</p> <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 17/02/2023.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.2.2	KCPSB established complaints form and available at estate office. Complaint record reviewed; no complaints lodged from year 2021 till the audit date.	Yes
4.4.2.3	The complaint and grievance form is available near the office complaint box that can be access by all workers. Site inspection sighted the complaint and grievance box is available at KCPSB estate office.	Yes
4.4.2.4	Complaints and Grievance flow chart available at notice board for both divisions. During site visit observed of complaints and grievance flow chart displayed at notice boards. Briefing on complaints and grievance flow chart carried out at both divisions on 17/02/2023.	Yes
4.4.2.5	Document review on complaints and grievances record for Mile 45 and Mile 25 divisions, there is no complaint lodged as of audit date. The complaints record is maintained since April 2019 until audit date.	Yes
4.4.3.1	KCPSB provides job opportunity to local communities for estate operations and office admin.	Yes
4.4.4.1	KCPSB established Safety & Health Policy dated 26/03/2019 signed by Chief Executive Officer. 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." The policy is publicly displayed at notice boards for both divisions. Field interviews with sampled harvesters and general workers informed, they are briefed on safety and health policy dated 17/02/2023.	Yes
4.4.4.2	a KCPSB safety & health policy is available at estate notice board Field interviews with sampled harvesters and general workers informed, they are briefed on safety and health policy dated 17/02/2023.	Yes
	b KCPSB established HIRARC updated 01/01/2023 by work area for each activity. The HIRARC table describes the activities, hazard, risk and effects, existing control measures, risk assessment, proposed control measure and PIC. Example: Activity: Sickle handling; Hazard: Sharp object; Effect: Wounds;	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<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>	
c i	<p>KCPSB established Annual Training Programme for year 2022 dated 01/01/2023.</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"> Miles 25: Safety work training for spraying Pest and Disease dated 22/05/2023; Miles 45: Safety work training for fertilizer activities dated 27/02/2023. 	Yes
c ii	<p>Review of SDS for chemicals are displayed and updated.</p> <p>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 08/04/2023.</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> <p>The list includes:</p> <ul style="list-style-type: none"> SOP for chemical handling at chemical store document ref.: KC/SOP/0/2019; SOP for triple rinsing document ref.: KC/SOP/1/0/2019; SOP for premixing document ref.: KC/SOP/6/0/2019. <p>Site inspection at all chemical stores sighted the SOP of chemical handling is available and displayed.</p>	Yes
f	<p>KCPSB appointed health and safety coordinator to oversee the health and safety aspects of all operations activities.</p>	Yes

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Indicator	Summary of Assessment	Compliance
	Document review verified the appointment letter dated 10/06/2018.	
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 14/06/2023. The last meeting held on 22/03/2023 and 21/12/2022.</p> <p>The latest OSH meeting on 08/06/2022 discuss on safety & 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>Field interviews with sampled harvester and general worker informed, there has been briefed on Fire drill training dated on 12/04/2022. Review on the training program, fire drill training to be conducted on August 2023.</p>	Yes
i	<p>KCPSB First aid training carried out 06/11/2023 by Malaysian Red Crescent Sandakan Branch.</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> <p>JKKP 8 reported for year 2022 submission by KCPSB dated 05/01/2023 reported with no accident and zero lost days.</p> <p>Review on 2022 and 2023 records of injuries there is no incident recorded.</p>	Yes
4.4.5.1	<p>KCPSB established Ethical & Human Rights Policy dated 26/03/2019 signed by Chief Executive Officer and made available at both divisions notice board.</p> <p>Briefing on the policy conducted on 17/02/2023 for both divisions.</p> <p>Field interviews with sampled harvesters and general workers informed, they had been briefed on Social and Human Right policy.</p>	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.5.2	<p>KCPSB established Ethical & Human Rights Policy dated 26/03/2019 signed by Chief Executive Officer and made available at both divisions notice board.</p> <p>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.</p> <p>Briefing on the policy conducted on 17/02/2023 for both divisions.</p> <p>Field interviews with sampled harvesters and general workers informed, they had been briefed on Social and Human Right policy.</p> <p>Review on complaint record, no complaint lodged for related the discrimination issue.</p>	Yes
4.4.5.3	<p>KCPSB established contract agreement for workers in accordance to Sabah Labour Ordinance. Workers are paid either daily rate or agreeable piece rates.</p> <p>KCPSB workers are paid on agreeable piece rates as per contract agreement and daily rates of RM 57.69 for sick leave and public holiday.</p> <p>The contract agreements are signed by workers and management.</p> <p>Field interviews with sampled harvesters and chemical sprayers and documents reviewed on contract agreements, the establish piece rates for harvesting, chemical spraying, manuring and FFB loading is duly agreed between workers and management.</p> <p>Document reviewed on harvester pay-slip and against monthly payroll record for the month of June 2023, the wages paid as per agreeable piece rates for chemical spraying.</p> <p>Workers who are on piece rated are determined based on historical performance for each task.</p>	Yes
4.4.5.4	<p>KCPSB monitored contractor workers' pay based on pay slip provided.</p> <p>Document review of contractor's workers' wages, they are paid according to the task work as describe in the agreement with KCPSB.</p> <p>The payment made are in accordance with Minimum Wages Order 2022.</p>	Yes
4.4.5.5	<p>KCPSB established summary records of workers for both Mile 25 and Mile 45 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>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Field interviews with sampled harvesters and general workers informed they received the signed copy of employment agreement and briefed on the content of agreement.	
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 Mile 45 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> <p>Document review on workers' pay slip for month of June 2023, the workers monthly pay in accordance to Minimum Wages Order 2022 and and list of piece rate.</p>	Yes
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	<p>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.</p> <p>Site inspection at workers housing sighted every house are provided with basic amenities.</p>	Yes
4.4.5.12	<p>KCPSB established Sexual Harassment policy dated 26/03/2019 signed by Chief Executive Officer and displayed at both divisions notice board.</p> <p>The Policy states:</p> <p>i. To make sure employment condition free from sexual harassment;</p>	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>ii. Company commitment to act as soon as possible upon complaint and impose disciplinary action against convict.</p> <p>There are no complaints related to sexual harassment.</p> <p>Field interviews with sampled harvesters and general workers informed they had been briefed on Sexual Harassment Policy.</p>	
4.4.5.13	<p>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.</p> <p>There is no union form by workers in KCPSB.</p> <p>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:</p> <p>Mile 25 and Mill 45: 21/03/2023.</p> <p>Field interviews with sampled harvesters and general workers informed they have no interest to form or join any union.</p>	Yes
4.4.5.14	<p>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.</p> <p>Document review list of workers sighted there are no underage worker employed by KCPSB.</p> <p>Field inspection at both divisions KCPSB, there is no underage workers sighted been hired.</p>	Yes
4.4.6.1	<p>KCPSB established "Training Matrix or Safety Program Annually" dated 01/01/2023 for year 2023.</p> <p>Review on training document includes attendance list, photos and training material.</p> <p>Example training conducted:</p> <ul style="list-style-type: none"> • Tractor driver dated 17/05/2023; • Manuring activities dated 13/03/2023; • FFB Grader dated 10/07/2023; • Harvesting dated 06/06/2023; • Chemical Spraying dated 22/05/2023. 	Yes
4.4.6.2	<p>KCPSB established training matrix dated 01/01/2023.</p> <p>Document review on the training matrix, training provided is based on the work description.</p>	Yes
4.4.6.3	<p>KCPSB established annual training program dated 01/01/2022 for year 2022 and updated annually.</p>	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The training programmed include training for health, safety environment and social.</p> <p>Example:</p> <ul style="list-style-type: none"> • Pre-mix training on June 2023; • Chemical handling training on May 2023; • Workshop training on May 2023. 	

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>KCPSB established Environmental Protection Policy dated 26/03/2019 signed by Chief Executive Officer.</p> <p>The policy describes:</p> <ul style="list-style-type: none"> • Complying with related environmental laws and regulation; • Reducing negative impact of the environment; • No open burning; • Reduce GHG impact; • Awareness on environmental management for local community. <p>KCPSB conducted policy briefing to all workers on 22/06/2023.</p> <p>During site visit, observed policy displayed at notice boards.</p> <p>KCPSB established Environmental Management Plan updated on 10/01/2023.</p> <p>Example of content:</p> <p>Activity: Harvesting FFB</p> <ol style="list-style-type: none"> 1. Environmental Impact: Air pollution; 2. Control measure: Training to harvester; 3. Management control: Continuous field monitoring during harvesting activity; 4. Responsibility: Field staff / Estate manager. <p>Field interviews with sampled harvesters informed they were briefed on harvesting SOP and company policies.</p> <p>Reviewed and verified briefing records for harvesting activities was conducted on 22/06/2023.</p>	Yes
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

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>b KCPSB aspect and impact identified in the EIA including aspect, impact, risk assessment, mitigation plan, monitoring plan and responsibility updated on 10/01/2023. Reviewed the EIA found all environment impact and aspect descriptions had included all types of impacts based on aspects by activities carried out by management.</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 22/06/2023.</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 10/01/2023.</p> <p>Example:</p> <p>Activity: Manuring activities;</p> <p>Negative impact: Water pollution;</p> <p>Positive Impact: Reuse of empty bag;</p> <p>Improvement plan: Limited water usage for washing empty fertilizer bag;</p> <p>Monitoring: Monitoring of fertilizer activities;</p> <p>Responsibility: Staff and Estate Manager.</p> <p>Site visit at field and facilities found that the estate management adhered with the above improvement plan.</p>	Yes
4.5.1.4	<p>KCPSB established promotion of positive impacts in the CIP dated 10/01/2023.</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>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	Responsibility: Estate Manager; Status review: Completed. During field visit, observed planting of beneficial <i>Tunera Subulata</i> and <i>Antigonon leptopus</i> along main roads.	
4.5.1.5	KCPSB training matrix updated on 01/01/2023, ref no: KC/Training/0/2023. Environmental policy training conducted on 22/06/2023 at Mile 45 and Mile 25. Field interviews with sampled harvesters and general workers informed they were briefed on environment policy.	Yes
4.5.1.6	KCPSB latest environmental meeting conducted on 09/06/2023. The meeting was participated by management and employee representatives. Reviewed environmental meeting minutes topics discussed such as greenhouse gas emissions, HCV management and scheduled waste. Environment meeting is carried out biannually.	Yes
4.5.2.1	KCPSB established records of diesel per tonne FFB from 2018 to 2022. Baseline values for diesel usage has been set on three (3) years values from 2019 to 2021. Diesel per tonne FFB is higher for year 2022 compared to the average baseline value from 2019 to 2021. This is due to lower of FFB production.	Yes
4.5.2.2	Reviewed and verified budget for diesel consumption for year 2023. Comparison of diesel usage estimate and actual for year 2023 from the period of January to June was carried out. Diesel consumption for year 2023 is lower compared to budget for the same period. This is due to low operating hours of genset usage. Monitoring of diesel usage per ton FFB process is on annual basis while there are records of monitoring monthly.	Yes
4.5.2.3	During site visit at office and facilities compound, it was found the estate installed solar panel. Referring to the records in documents entitled 'Report Solar' the estate has installed 16 unit of solar panel at the office and facilities compound estate.	Yes
4.5.3.1	KCPSB Waste Management Plan (WMP) is included in the EIA updated on 10/01/2023. The WMP includes source, type of waste, process, waste classification, performance measure and waste management. Example: 1. Waste Identified: Used filter;	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>2. Source: Vehicle.</p> <p>Location: Used oil storage.</p>	
4.5.3.2	<p>a KCPSB Waste Management Plan (WMP) is included in the EIA updated on 10/01/2023.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Waste Identified: Used filter; 2. Source: Vehicle; 3. Control method: Disposal by competent contractor. <p>Field interviews with sampled workers at the facilities informed they were briefed on responsibility to disposed of used filter as the used filter has been categorized as schedule waste.</p> <p>Record disposal of used filter were made available during the audit and disposed to approved contractor, Pentas Flora (Sabah) Sdn Bhd on 23/01/2023 and 27/06/2023.</p>	Yes
	<p>b KCPSB Waste Management Plan (WMP) is included in the EIA updated on 10/01/2023.</p> <p>The plan identifies recycling of potential waste as nutrients.</p> <p>Example:</p> <p>Waste identified: Pruned fronds;</p> <p>Source: Harvesting;</p> <p>Control measure: Pruned fronds are stacked properly for nutrient supplements.</p> <p>During field visit at Mile 25 and Mile 45 division, observed harvesters stacking pruned fronds according to SOP.</p>	Yes
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 27/06/2023 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. Furthermore, KCPSB has recorded inventory of schedule waste by monthly basis as evident captured in the eswis application for the month of October 2022 to June 2023.</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>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<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 3rd party DOE authorized scheduled waste collector. Record of disposal were made available during the audit and latest disposal was on 27/06/2023 by Pentas Flora (Sabah) Sdn Bhd</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>	
4.5.3.5	<p>During the audit, it was found that collection of domestic wastes are conducted 2 times a week, to be disposed into the bin provided by the municipal council.</p> <p>This has been verified by the audit team during site visit. Evidence of record and photos disposal of domestic waste to the area provided by municipal council has been presented during the audit. Latest disposal of domestic waste was on 27/06/2023.</p>	Yes
4.5.4.1	<p>KCPSB Waste Management Plan (WMP) is included in the EIA updated on 10/01/2023 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"> • Carbon Monoxide (CO) from tractors; • Methane (CH₄) and Carbon Dioxide (CO₂) from workshop activities. 	Yes
4.5.4.2	<p>KCPSB Waste Management Plan (WMP) is included in the EIA updated on 10/01/2023 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 January to June 2023.</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>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<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 3rd party SAMM accredited laboratory.</p> <p>During field visit, observed water inlet sampling area at Mile 45 block F2 and outlet at Block F10 well maintained.</p>	
b	<p>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 3rd party SAMM accredited laboratory. Latest water sampling analysis were conducted on 19/04/2023.</p> <p>Test result reviewed and complied with National Water Quality Standards of Malaysia requirements.</p>	Yes
c	<p>KCPSB optimize water usage through:</p> <ul style="list-style-type: none"> • Implementation water harvesting by construction of terrace and silt pit; • Wastewater from triple rinsing re used and applied at fields. 	Yes
d	<p>Sungai Segaliud flows within KCPSB Mile 45 Division.</p> <p>During field visit, observed riparian buffers with visible signage and demarcation.</p> <p>Riparian buffers well maintained.</p> <p>Random interviews with sampled workers informed they were briefed on the riparian buffers with appropriate training on 22/06/2023.</p>	Yes
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 on site visit conducted at KCPSB both divisions.</p>	Yes
4.5.5.2	<p>No construction of bunds, weirs and dams across waterways passing through the estate as verified during site visit for both KCPSB divisions.</p>	Yes
4.5.5.3	<p>Collection drains, field drains and roadside drains is implemented within estates area as a part of the estate's water harvesting practices. This has been verified during field visit.</p> <p>Also sighted water storage tank for domestic use. In addition, silt pit and terrace construction also were implemented for water harvesting practices as sighted during field visit.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment		Compliance
4.5.6.1	a	<p>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 July (as at 24th) 2023.</p> <p>Field interviews with sampled harvesters and general workers informed the feedback to management for wildlife sighted.</p>	Yes
	b	<p>The list of wildlife sighted in KCPSB Mile 45 division and nearby forest reserve is establish in accordance with Sabah Wildlife Enactment.</p> <p>The identified wildlife as below:</p> <ol style="list-style-type: none"> 1. Monkey; 2. Water monitor lizard; 3. Crocodile; 4. Snakes; 5. Jungle Fowls. <p>Reviewed and verified wildlife sightings records on 14/07/2023 to 24/07/2023 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	a	<p>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 22/06/2023.</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
	b	<p>KCPSB install appropriate signage as information to discourage any illegal or inappropriate hunting, fishing or collecting activities.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<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>	
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 July (as at 24th) 2023.</p> <p>Reviewed and verified wildlife sightings records on 14/07/2023 to 24/07/2023 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
4.5.7.1	<p>KCPSB established Environmental Policy and Biodiversity, reference no.: KC/P/ENVIRONMENT/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 signs of open burning.</p> <p>During field and site visit, observed no burning signs 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/ENVIRONMENT/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 as verified during field visit.</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/ENVIRONMENT/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>No replanting were observed during site visit as no programme for this year. The method of the replanting are felled, chipped and shredded as mentioned in the company's SOP/Guidelines on best practices.</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"> 1. Chemical spraying SOP, document number KC/SOP/15/0/2016, revision 0, dated on 19/01/2016; 2. Harvesting SOP document number KC/SOP/3/0/2019 revision 2 dated on 13/06/2019; 3. Control of the spread of Covid 19 SOP document number KC/SOP/COVID-19/0/2020 dated on 1/07/2020.3. <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> <ol style="list-style-type: none"> I. Training SOP for harvester at on 06/06/2023; II. Training SOP for manurers on 13/03/2023; III. Training SOP for chemical sprayers on 22/05/2023. <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>	Yes
4.6.1.2	<p>KCPSB established standard operating procedure (SOP) for Managing Terrace & 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>Verified block markings are as below:</p> <ol style="list-style-type: none"> i. Mile 45 Division: F1, 99/00, 67.67 Ha; ii. Mile 25 Division: F1, 2021, 35.85 Ha. 	Yes
4.6.2.1	<p>KCPSB established four (4) years business management plan from year 2022 – 2025.</p>	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<p>The plan includes the following: for</p> <ol style="list-style-type: none"> 1. Chemical and fertilizer purchase; 2. Tractor upkeep cost; 3. Labour wages; 4. Workers work pass and passport cost; 5. Environment, social and safety and health; 6. CIP for social, safety and health and environment. 	
4.6.2.2	<p>Review of KCPSB both divisions replanting program updated 13/03/2023.</p> <p>Replanting programme is from year 2022 to 2030.</p> <p>There is no replanting for year 2022.</p>	Yes
4.6.2.3	<p>KCPSB established a four (4) years financial plan from year 2023 to 2026 dated 15/12/2022.</p> <p>The financial plan includes:</p> <ol style="list-style-type: none"> 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	<p>KCPSB established the monthly report for monitor the achievement of company's goals and objective updated June 2023.</p> <p>Example:</p> <p>Mile 45 division.</p> <p><u>June 2023 monthly report</u></p> <ol style="list-style-type: none"> 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	<p>KCPSB purchases products using quotation and purchase order system.</p> <p>Example:</p> <p>Reviewed records of purchasing fertilizer dated 24/05/2023 includes purchase requisition, purchase order, delivery order, payment voucher and invoice are documented and maintained.</p>	Yes
4.6.3.2	<p>Reviewed purchasing of fertilizer for KCPSB Mile 45 division dated 24/05/2023, includes purchase requisition, purchase order, quotation, delivery of order and invoices are documented and maintained.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
	<p>Content of purchase orders, quotations, delivery orders and invoices are consistent.</p> <p>Reviewed records of payment voucher made on 26/07/2023. Payment amount is consistent with pricing in quotation.</p>	
4.6.4.1	<p>KCPSB established contracts with FFB transporter dated 27/07/2021.</p> <p>Reviewed and verified records of briefing to contractor workers on company MSPO policies, complaints system, contracts terms and regulations dated 01/06/2023.</p>	Yes
4.6.4.2	<p>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.</p>	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 08/06/2023.</p>	Yes

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 1st planting cycle carried out in Mile 25 division in year 1997 and Mile 45 in year 1992.</p> <p>The 2nd planting cycle is carried in year 2020 and year 2021 for Mile 25 and year 2021 and year 2022 for mile 45.</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 1st planting cycle carried out in Mile 25 division in year 1997 and Mile 45 in year 1992.</p> <p>The 2nd 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	There is no smallholders' scheme in KCPSB certification.	Yes

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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

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

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

4.5. Status of Non-Conformities Previously Identified

	The stage 1 audit findings have been reviewed, in particular to assure appropriate corrective actions implemented to address the identified audit findings.
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.
<p><i>Note 1: If a minor non-conformity raised in last audit, is not closed out or repeated, the finding will be raised to a Major non-conformity.</i></p> <p><i>Note 2: All major and minor NCs raise in last audit are required to capture in this report together with the review of the non-compliance implementation.</i></p>	

4.6. Detail of Audit Findings in last audit

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

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Non Conformity Number 01			
Indicator # and Description:	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		
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	<input checked="" type="checkbox"/> Major		<input type="checkbox"/> 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)			
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.			
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Name of Lead Auditor: Navin Baskram		Date of Closure: 01/08/2022	
Review of Implementation			
Document review on diesel budget year 2021, 2022 and 2023 verified the estimate usage of contractors is included. The diesel budget has detailed the estimate usage of contractor for FFB transport work for both mile 25 and mile 45. The evidence provided is deemed sufficient.			
Name of Auditor: Zulkifli bin Kamarol Zaman		Date of Review: 27/07/2023	

4.7. Detail of Onsite Audit Findings Identified during this audit

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

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

Nr.	Indicator	Description	Location	Opportunity for Improvement
1.	4.4.5.6	All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.	Office	KCPSB could improve contract agreement information on wages details.
2.	4.5.2.1	Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.	Office	KCPSB could improve baseline values for electricity.
3.		b) Conservation status (e.g. The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), that could be significantly affected by the grower(s) activities.	Office	KCPSB could improve checklist in monitoring wildlife conservation status.

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5. CONCLUSION

Kam Cheong Plantations Sdn Bhd has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct ASA 04 audit consisting of 1 estate (2 divisions) according to MSPO 2530-3:2013 Part 3 General principles for Oil Palm Plantations and Organised Smallholders.

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 estates:	1	
Total certified production area:	748.77	Ha
Certified FFBs January to June 2023:	4,835.78	Mt
Project FFBs July to December 2023:	7,130.99	Mt

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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

	Recommended for Certification
X	Recommended for Continuity of Certification
	Recommended for Suspension of Certification

Puchong, 11/08/2023



Muhammad Khairul Anuar
 TUV NORD (Malaysia) Sdn Bhd
 Audit Team Leader

Puchong, 15/08/2023



Navin Baskram
 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 04

Mode of Audit: Onsite

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.

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

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

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

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

Salvo clause:

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

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

Annex / Enclosures

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