



MSPO CERTIFICATION SUMMARY REPORT

KAM CHEONG PLANTATIONS SDN BHD

SURVEILLANCE AUDIT 01

Onsite Audit Date: 13/07/2020 – 14/07/2020

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Company Name: Kam Cheong Plantations Sdn Bhd

Certifying Unit: Kam Cheong Plantations Sdn Bhd

Client Number: 92-094

Audit Type: ASA 1

Mode of Audit: Onsite



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Abbreviations

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

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1. INTRODUCTION

Kam Cheong Plantations Sdn. Bhd. has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct surveillance audit for its oil palm estates 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 audit is to assess the estate by an independent certification body with the aim for compliance of the standards.

1.2. Scope

The certification is based on the documentation developed by the estate. 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 2 team members. The audit team members contributed to the review of documents, the assessment of the project activity and to the preparation of this report.

Qualification of the Lead Auditor in Training: Chan Shi Lie

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 vii) Other relevant related fields	Graduate in Bachelor of Media Technology (Major in Broadcasting)

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Requirement	Qualifications
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)	6 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MS 2530:2013 series of standards training
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.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Able to communicate in Bahasa Malaysia, Mandarin and English.
Field working experience in the palm oil sector, or demonstrable equivalent	6 years working experience in oil palm plantations.
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	6 years working experience in oil palm plantations.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 18001 or Occupational, Health & Safety Assurance System	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Successfully completed SA 8000 Basic training
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.

Qualification of Team Members

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following	Zul Hairi Bin Abu Hassan	Graduate in Diploma in Plantation Industry Management.	Yes

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Requirement	Assessor	Qualification	Compliance
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	Joseph Sim Siaw Seng	Graduated in Diploma in Occupational Safety & Health	
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)	Zul Hairi Bin Abu Hassan	9 years working experience in oil palm plantations.	Yes
	Joseph Sim Siaw Seng	5 years of working experiences in oil palm plantations.	
Successfully completed MS 2530 series of standards training	Zul Hairi Bin Abu Hassan	Successfully completed MS2530 series of standards training.	Yes
	Joseph Sim Siaw Seng	Successfully completed MS2530 series of standards training.	
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.	Zul Hairi Bin Abu Hassan	Qualified and appointed as auditor for MSPO scheme.	Yes
	Joseph Sim Siaw Seng	Trainee	
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia or any other local language.	Zul Hairi Bin Abu Hassan	Able to communicate in Bahasa Malaysia and English.	Yes
	Joseph Sim Siaw Seng	Bahasa Malaysia, Mandarin and English.	
Field working experience in the palm oil sector, or demonstrable equivalent	Zul Hairi Bin Abu Hassan	9 years working experience in oil palm plantations.	Yes

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Requirement	Assessor	Qualification	Compliance
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Joseph Sim Siaw Seng	5 years working experience in oil palm plantation.	
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Zul Hairi Bin Abu Hassan	Successfully completed ISO 45001:2018 Lead Auditor course.	Yes
	Joseph Sim Siaw Seng	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Zul Hairi Bin Abu Hassan	Successfully completed Basic SA 8000 training.	Yes
	Joseph Sim Siaw Seng	Successfully completed Basic SA 8000 training.	
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management Systems (EMS) or High Conservation Value (HCV)	Zul Hairi Bin Abu Hassan	Successfully completed ISO 14001:2015 Lead auditor course and auditor for MSPO scheme.	Yes
	Joseph Sim Siaw Seng	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	

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2. METHODOLOGY

The audit approach onsite audit consists of the following steps:

- Contract review;
- Appointment of team members and technical reviewer;
- Contact client for relevant documentation according to the applicable MSPO standards;
- Audit planning;
- Background investigation, desk review of submitted documents;

Onsite Audit:

- On-Site assessment, inspections, interviews with operational personnel, stakeholders and its contractors; review of documentation;
- On-site reporting
- Resolution of non-conformance (NC) (if any)
- Draft audit reporting
- Technical review
- Final audit reporting
- Peer review
- Address Peer Review Comments (if any)
- Final approval and issuance of certificate.

The surveillance audit 01 is conducted in accordance to the certification procedure.

Annual Surveillance 01:

Annual surveillance 01 is conducted on 13/07/2020 to 14/07/2020 at Kam Cheong Plantations Sdn. Bhd. estate that covers desk review activities:

- Background investigation
- Review of documentation established but not limited to below
 - Group Operating Policies
 - Estate maps
 - Land titles
 - Standard Operating Procedures including Agricultural Manual
 - Work Flow Charts
 - Operating licenses and approvals
 - Operating records
 - Training records

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- Applicable Legislation Documents
 - Interviews of relevant operation personnel
 - Assessment reporting

Annual Surveillance 01:

Annual surveillance 01 is conducted on 13/07/2020 to 14/07/2020 for onsite covers the following activities but not limited to below:

Onsite:

- Onsite visit, observations and inspections of estate facilities and field activities;
- Interview operation personnel and field workers for understanding for the work assigned;
- Reviewed revised and updated documentation established and implemented;
- Operating records;
- Training records;
- Reports established;
- Work plans established;
- Stakeholders consultation meeting;
- Review and closed out of non-conformance raised during stage 1 audit;
- Assessment reporting;

On-site Assessment

The audit of the estates 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 included physical site inspections, observation of tasks and processes, interviews of stakeholders, communities, staff, workers and their families, review of documentation and data. Checklists and questionnaires were used to guide the collection of information. The comments made by external stakeholders are taken into account in the assessment.

For the onsite surveillance audit Kam Cheong Plantations Sdn. Bhd. has 1 estate. Therefore, no selection required.

Table 2-1: List of Estates Selected

Name of Estate	Coordinates
Kam Cheong Plantations Sdn. Bhd. – Mile 25	5.82382 N ; 117.81417 E
Kam Cheong Plantations Sdn. Bhd. – Mile 45	5.68698 N ; 117.66970 E

Non-conformance:

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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 with head office 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 Estate	Location	Coordinates
Kam Cheong Plantations Sdn. Bhd.	Mile 25 division	5.82382 N ; 117.81417 E
Kam Cheong Plantations Sdn. Bhd.	Mile 45 division Lungmanis division	5.68698 N ; 117.66970 E

3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) (January to December 2020)
	Total*	Production**	
Kam Cheong Plantations Sdn. Bhd. – Mile 25	209.30	206.19	4,759.00
Kam Cheong Plantations Sdn. Bhd. – Mile 45 Lungmanis	669.36	591.06	13,844.38
Total	878.66	797.25	18,603.38

*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

Year / estate	Mile 25 Division	Mile 45 Division
1997	134.61	34.69
1998	-	72.77
1999	-	244.27
2000	-	82.64
2014	8.15	-
2016	32.94	40.72
Total Mature	175.70	475.09
2017	-	45.21
2018	30.49	70.76
2019	-	-
Total Immature	30.49	-
Total	206.19	591.06

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3.3. Replanting program for each estate

Year of replanting	Planted area (ha) in each division		Total area to be replanted (ha)
	Mile 25	Mile 45	
2020	88.23	-	88.23
2021	46.38	-	46.38
2022	-	67.98	67.98
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	134.61	434.34	568.95

3.4. Maps of Company Location and Plantations



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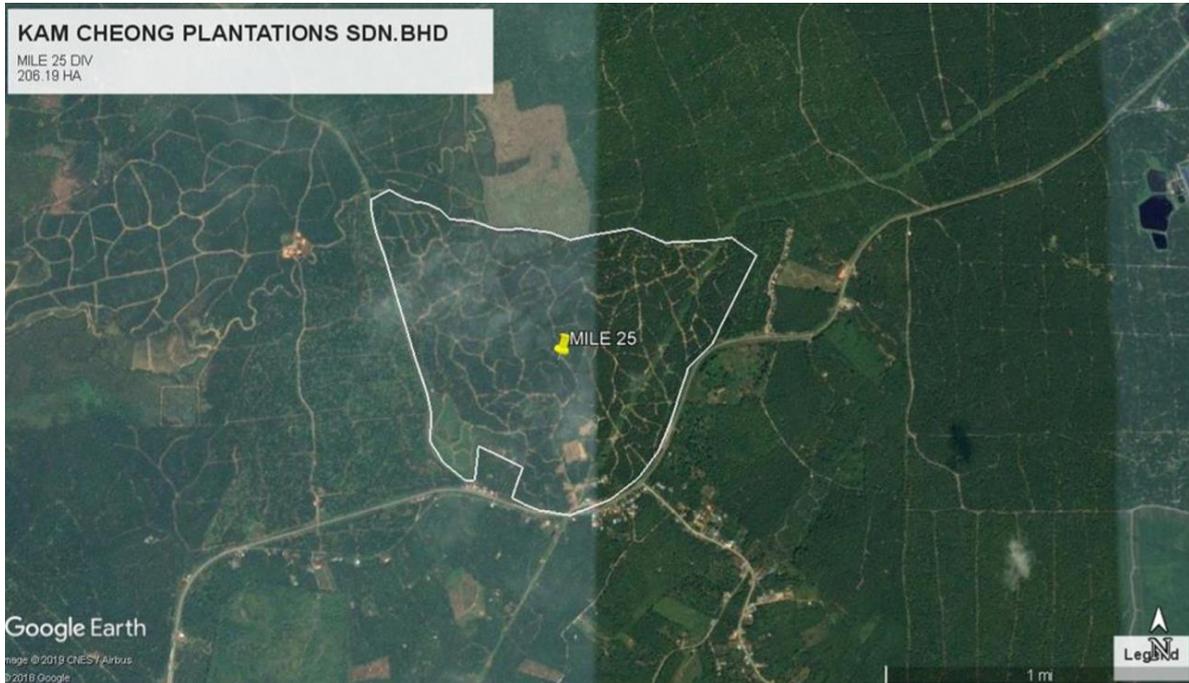
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4. CERTIFICATION ASSESSMENT

4.1. Annual Surveillance Audit 01

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

4.1.1. Annual surveillance audit 01:

The Surveillance audit is conducted on 13/07/2020 to 14/07/2020 covering the estate of Mile 25 and Mile 45 Lungmanis divisions.

During the surveillance audit, there are 2 Majors, no Minor, 1 Opportunities for Improvement (OFI) are raised. The Major non-conformances raise during the 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

TUV NORD (Malaysia) Sdn. Bhd., has published the public notification on 12/06/2020 as to accommodate stakeholder's consultation meeting for Kam Cheong Plantations to provide comments. As at audit date on 13/07/2020 there are no comments received.

Invitation letters are sent on 24/06/2020 to invite relevant stakeholders to attend a local stakeholders' consultation on 13/07/2020 to gather information from the local communities in accordance to §7, 3.2 of the Certification Procedure requirements.

The topics of discussion are as below:

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

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

1. Principle 2 Criteria 2 Indicator 1: Consultation and Communication with stakeholders:
The stakeholders could confirm they have attended meetings with the company on MSPO certification.
2. Principle 4 Criteria 2 Indicator 3 & 4: A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint

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The stakeholders' advice they are informed a logbook and form is available at the office to lodge any complaints or suggestions.

- Principle 4 Criteria 3 Indicator 1: Contribute to local development in consultation with the local communities.

The local communities could confirm the company has provide assistance and support to communities.

- Principle 6 Criteria 4 Indicator 1: Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information

The contractors who provides maintenance and service could confirm they are briefing on MSPO requirements.

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

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

Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
1	Any information from Company as regards to the MSPO audit?	Stakeholders confirmed they are informed of the MSPO audit through invitation letters and public announcement made by the company.	Positive comment
2	Social issues	No major social concerns raise from neighboring stakeholders.	Positive comment
3	Type of land title – Country Leased, Provisional Leased, Native title, Customary Land	There are no land title issues. Stakeholders informed that Kam Cheong Plantations Sdn Bhd has been operating in current location for more than 30 years.	Positive comment
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Interview stakeholders are not local communities. Therefore, no action input to this topic.	No action required.
5	Does MSPO largely benefits the local community?	Interview stakeholders are not local communities. Therefore, no action input to this topic.	No action required.
6	Environmental understanding	Interview stakeholders are not local communities. Therefore, no action input to this topic.	No action required.

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Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
7	Awareness towards species, habitats, and high conservation values	Interview stakeholders are not local communities. Therefore, no action input to this topic.	No action required.
8	Are there any plantation management practices that affect you?	Interview stakeholders are not local communities. Therefore, no action input to this topic.	No action required.
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders informed estate has taken effort to meet the MSPO requirements.	No action required.
10	Do you have any suggestions for management?	No suggestions or comments from stakeholders.	No action required.

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 criteria and indicator or evidences and when non conformity is found. Summary of the non-conformity can be found below

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 Malaysia language, document no.: KC/P/KEMAMPANAN/1/2019.</p> <p>Sustainability policy is displayed at estate notice board at both Mile 25 and Mile 45.</p> <p>KCPSB briefed Sustainability policy to workers at both divisions as follows:</p> <p>Mile 25: On 04/06/2020</p> <p>Mile 45: On 12/05/2020 and 02/07/2020</p> <p>External stakeholders are informed on the Sustainability policy via emailed dated between 19/06/2020 to 30/06/2020.</p>	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.2	<p>KCPSB established Sustainability Policy dated 26/03/2019 signed by Chief Executive Officer stated.</p> <p>The policy include the continual improvement statement in 'No. 2 Commitment to Continuous Improvement to meet MSPO requirement.'</p>	Yes
4.1.2.1	<p>KCPSB established Internal Audit procedure dated 10/07/2019.</p> <p>The procedure states in 6.1 (vi). 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 conduct internal for both divisions as follows:</p> <p>Mile 25: Site inspection on 20/05/2020</p> <p>Mile 45: Site inspection on 19/05/2020</p> <p>Documentation review for both division on 15/06/2020.</p> <p>Internal audit report is available for both division and has identified potential area for improvement.</p>	Yes
4.1.2.2	<p>KCPSB established Internal Audit procedure dated 10/07/2019 describing the process to perform internal audit.</p> <p>KCPSB has conduct internal for both divisions as follows:</p> <p>Mile 25: Site inspection on 20/05/2020</p> <p>Mile 45: Site inspection on 19/05/2020</p> <p>Documentation for both division on 15/06/2020.</p> <p>The internal audit result has identified root cause, action plan and time frame to be resolve.</p> <p>Example findings for site inspection at Mile 25</p> <p>Findings: Training records for chemical premix SOP was not available</p> <p>Root cause: At time of internal audit conducted, the training is not yet conducted.</p> <p>Action plan: To conduct training for Mile 25 immediately.</p> <p>Date closure: Training conducted 04/06/2020 for mile 25</p>	Yes
4.1.2.3	<p>KCPSB conduct Management Review Meeting dated 30/06/2020 include discussion on internal audit results.</p>	Yes
4.1.3.1	<p>KCPSB conduct Management Review Meeting on 30/06/2020 include agenda of discussion as follows:</p> <ul style="list-style-type: none"> • Internal audit results • Continues improvement program • Complaint and grievances 	Yes

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Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> Greenhouse gases analysis Stakeholders meeting reporting Any other business 	
4.1.4.1	<p>KCPSB established Continual Improvement Plan (CIP), document no.: (KC/CIP/0/2019) established on 10/07/2020 and updated on 10/05/2020.</p> <p>The topic covered issues on pesticides, environment, waste & reduce, pollution and emission, social impact, health & safety, legal compliance and traceability, general</p> <p>CIP table includes improvement action plan, time frame, location, person in-charge and status of review.</p> <p>Example</p> <p>Topic: Waste reduce</p> <p>Improvement action plan: train workers to segregate waste by category or class</p> <p>Time frame:12 months</p> <p>Location: land fill, offices & workshop</p> <p>PIC: Field staff</p> <p>Review on training record, KCPSB conduct training on waste segregation by category or class dated 14/05/2020.</p>	Yes
4.1.4.2	<p>KCPSB established flowchart for new technology information and technique dated on 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>New information provide to workers and external stakeholders with regards to Covid 19 prevention and precautions matters as follows:</p> <p>Workers are briefed on Covid 19 matters on 02/07/2020.</p> <p>External stakeholders are informed on the flowchart for new technology information and technique via emailed dated 9/06/2020 to 30/06/2020.</p> <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 on 15/07/2019.</p> <p>The flow chart stated involvement with workers on the implementation of new technology, information and technique, to provide training as when required once being implemented.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>KCPSB established the list of stakeholder dated 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 conduct stakeholder's consultation and communication via email from 19/06/2020 until 30/06/2020.</p> <p>Review on the document emailed to external stakeholders include information of company policies, complaint and grievances procedure, consultation and communication procedure, KCPSB person in-charge for communication and consultation and list of publicly available documents.</p>	Yes
4.2.1.2	<p>KCPSB established List of publicly available management documents, document number KC/Document/1/2020 dated 06/01/2020.</p> <p>The list document is available in Malay language and display at office notice board.</p> <p>Example of publicly available document upon request and confidential:-</p> <ul style="list-style-type: none"> i. MPOB license ii. Estate Map <p>Example of confidential documents:-</p> <ul style="list-style-type: none"> i. Payroll ii. Contract agreement 	Yes
4.2.2.1	<p>KCPSB establish flowchart of consultation and communication dated on 20/03/2019.</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 <p>Stakeholders meeting is postponed due to Covid 19. The Stakeholders consultation and communication conducted via email from 19/06/2020 until 30/06/2020 include procedure of consultation and communication.</p>	Yes
4.2.2.2	<p>KCPSB appoints Estate Manager as person in-charge for consultation and communication for year 2020 and 2021 on 20/06/2020.</p> <p>External stakeholders are informed on procedure of consultation and communication, and inform PIC for communication and consultation via emailed dated 19/06/2020 to 30/06/2020.</p>	Yes
4.2.2.3	<p>KCPSB established the list of stakeholder dated on 21/06/2020, doc ref.: KC/LIST.STAKEHOLDER/01 includes NGOs, surrounding communities, schools, government authorities, collection centers, suppliers and transporters.</p>	Yes

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Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>External stakeholders consultation and communication has been conducted via email from 19/06/2020 until 30/06/2020.</p> <p>There is no request received from external & internal stakeholders related to complaint and grievance as of audit date.</p>	
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"> 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 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. 	Yes
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 on the internal audit report has include inspection for traceability system with no findings raised during the internal audit conducted on 15/06/2020 for both division.</p> <p>Further check on the FFB sales and delivery records for June 2020 records updated and well maintained.</p>	Yes
4.2.3.3	<p>KCPSB appoint Chief Clerk as person in charge for maintaining the traceability system for Mile 25 and 45.</p>	Yes
4.2.3.4	<p>KCPSB established records of sales and delivery and kept at estate office on daily, weekly and monthly basis.</p> <p>Review on the records such as delivery chit to mill weighbridge are available. Unique number is captured in estate weighbridge ticket and mill weighbridge ticket.</p>	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	<p>KCPSB established Legal Register dated 01/07/2020.</p> <p>Example of legal register:</p> <ul style="list-style-type: none"> • Pesticide Act 1974 • Malaysian Palm Oil Board Act 1998 	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	KCPSB established List of Permit & Licenses dated 01/07/2020. Example of permits and licenses: <ul style="list-style-type: none"> MPOB license remains valid date 01/09/2019 – 31/08/2020. 	
4.3.1.2	KCPSB established Legal Register dated 01/07/2020. Example: <ul style="list-style-type: none"> Wildlife Conservation enactment 1997 Occupational Safety and Health Act 1994 	Yes
4.3.1.3	The legal register is established on 02/01/2020 and updated on 01/07/2020. Example: <ul style="list-style-type: none"> Prevention and control of Infectious Disease Act 1988 Regulation & Order 2020. 	Yes
4.3.1.4	KCPSB appointed the head office administrative clerical staff as person for updating legal documents, regulations and licenses dated 20/06/2020.	Yes
4.3.2.1	KCPSB land titles are Country Leased and Provincial Leased issued by Sabah State Land Office. There is no diminish the land use rights of other users.	Yes
4.3.2.2	KCPSB land titles are Country Leased and Provincial Leased issued by Sabah State Land Office with tenure of 99 years lease period for both divisions. Reviewed on the land titles, actual use of the land is agricultural of economic value.	Yes
4.3.2.3	Land titles include map consist of title number, size in acre and boundary stone numbers. During site verification, boundary marker is marked with a boundary stone and wooden stick of red and white colour.	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	KCPSB land titles are Country Leased and Provincial Leased issued by Director of Lands and Surveys, Sabah. There are no native or customary sub-leased land in KCPSB for both divisions.	Yes
4.3.3.2	KCPSB land titles are Country Leased and Provincial Leased issued by Director of Lands and Surveys, Sabah. There are no native or customary sub-leased land in KCPSB for both divisions.	Yes

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Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.3.3	<p>KCPSB land titles are Country Leased and Provincial Leased issued by Director of Lands and Surveys, Sabah.</p> <p>There are no native or customary sub-leased land in KCPSB for both divisions.</p>	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	<p>KCPSB reviewed Social Impact Assessment (SIA) dated 20/06/2020.</p> <p>The SIA include information from internal and external stakeholders collected from survey and feedback.</p> <p>External stakeholder's feedback collected during stakeholder's communication via email conducted from 19/06/2020 until 30/06/2020.</p> <p>Internal stakeholders' survey and feedback collected during social meeting dated 02/07/2020 for Mile 45 and 25/02/2020 for Mile 25.</p> <p>Review on the SIA report, describes in section 8.0 the assessment results, positive and negative impacts, monitoring plan to promote positive and mitigate negative, timeline and PIC.</p> <p>Example: Negative Impact</p> <p>Issue: Poor condition of office chair and table</p> <p>Mitigation: To replace and provide with new chair and table</p> <p>PIC: Estate Manager</p> <p>Time frame: 2020</p> <p>Expected completion time: December 2020</p> <p>Positive impact: Management provide PPE to all workers</p> <p>Promote action: To continuous provide PPE to all workers and replace all poor condition PPE with the new</p> <p>PIC: General Manager</p> <p>Time: On going</p> <p>KCPSB established PPE issuance record. Site visit observed workers are wearing PPE when performing their job at both divisions.</p>	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 Malay language, document number KC/ADUAN/2018 dated 31/12/2018.</p> <p>The flow chart is available and displayed at estate notice board at both division.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<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>Site interviewed with workers informed they are ware of complaint and grievance procedure.</p> <p>Interview with external stakeholders stated that KCPSB did inform them on the procedure and they are aware on complaint process.</p>	
4.4.2.2	<p>KCPSB established complaints logbook and made Buku available at estate office.</p> <p>Review on the complaints logbook, there was no complaint received from stakeholders or workers except on housing maintenance lodged by workers.</p>	Yes
4.4.2.3	<p>Complaint form and box available at estate office.</p> <p>Interview workers could demonstrate how and where to submit any complaint either via WhatsApp or complaint form.</p>	Yes
4.4.2.4	<p>Complaint and Grievance flow chart available at notice board for both divisions.</p> <p>Briefing on compliant and grievance flow chart conducted as follows: Mile 25: 25/02/2020 for all workers and replanting contractors Mile 45: 02/07/2020 for all workers.</p> <p>KCPSB conduct external stakeholder's consultation and communication from 19/06/2020 to 30/06/2020 via email has include the complaint and grievances flow chart process.</p>	Yes
4.4.2.5	<p>Review on the complaints and grievances record for KCPSB Mile 45 there is no complaint lodged as of audit date.</p> <p>The complaints record are maintained since May 2019 until audit date.</p> <p>Review on the complaints and grievances record for KCPSB Mile 25 there is no complaints 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 c provides job opportunity to local communities for estate operations and office admin.</p>	Yes
4.4.4.1	<p>KCPSB established Safety & Health Policy dated 26/03/2019 signed by Chief Executive Officer.</p> <p>The policy states that "company is committed, Kam Cheong Plantations Sdn Bhd the farm 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 available at estate notice board.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>KCPSB conduct social meeting with workers has include topic on Safety and Health policy dated 02/07/2020 for Mile 45 and 25/02/2020 for Mile 25.</p> <p>KCPSB conduct external stakeholder's consultation and communication from 19/06/2020 to 30/06/2020 via email has include the Safety and Health policy.</p>	
4.4.4.2	<p>a</p> <p>The safety & health policy is available at estate notice boards.</p> <p>Worker are briefed on the policy on 02/07/2020 for Mile 45 and 25/02/2020 for Mile 25.</p>	Yes
	<p>b</p> <p>KCPSB established HIRARC dated 05/06/2020 by work area for each activity.</p> <p>The HIRARC table describes the activities, hazard, risk and effects, risk assessment, control measures, residue risk and date review.</p> <p>Example:</p> <p>Reviewed date: 05/06/2020</p> <p>Activity: Triple Rinsing</p> <p>Hazard: Pesticide</p> <p>Effect: Poisoning</p> <p>Risk rating before control: C5, L2, Risk score Medium</p> <p>Control Measures: PPE (respirator, nitrile gloves, apron, etc)</p> <p>Residue risk: C2, L3, Risk score Low</p>	Yes
	<p>c i</p> <p>Records of training on PPE and chemical handling conducted on 12/05/2020 for workers.</p> <p>Safe work practices for harvesting, manuring and chemical premix conducted on 20/04/2020.</p> <p>OSH policy briefing conducted on 02/07/2020 & 19/06/2020 for workers and contractors.</p>	Yes
	<p>c ii</p> <p>SDS is available at chemical, fertilizer and diesel stores.</p> <p>Example:</p> <p>Chemical Surfactant DS747 dated issued 05/02/2017.</p> <p>SDS are available in English and Malaysia language.</p> <p>Chemical store is in good condition and locked. Liquid chemical placed in tray below and powder chemical placed on top.</p> <p>Medical surveillance conducted on 18/05/2020 for chemical sprayers and workshop technicians, all workers are fit to work.</p>	Yes
	<p>d</p> <p>KCPSB established records of PPEs issuance and review on the records are maintained and updated.</p>	Yes

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Indicator	Summary of Assessment	Compliance
	<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>During site visit, all workers are provided with PPEs for the assigned task according to HIRARC and CHRA.</p> <p>PPE mask are issued to all worker for prevention of COVID-19.</p> <p>CHRA conducted on date 12/01/2017 and valid for 5 years.</p>	
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 spraying document ref.: KC/SOP/15/0/2016 • 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>All chemicals have original labelling and in original packaging.</p>	Yes
f	<p>KCPSB appointed health and safety staff to oversee the health and safety aspects of all operations activities.</p>	Yes
g	<p>KCPSB conducted quarterly OSH meeting on 12/06/2020 attended by workers and management include agenda as follows:</p> <ul style="list-style-type: none"> • Prevention on infectious disease such as Covid 19 • Safety briefing • Record of injuries • Medical examination result • Injury investigation report • Any other business 	Yes
h	<p>KCPSB established Accident and Emergency Procedure document ref.: KC/ERP4/0/2019 dated 30/09/2019 and Fire Emergency Procedure document ref.: KC/SOP/12/0/2018 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>Covid 19 guidelines and procedures briefed to worker on 14/05/2020.</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>i</p> <p>First aid training attended by estate manager and OSH staff on 02/03/2019.</p> <p>Emergency contact numbers are available at both divisions' notice boards.</p> <p>First aid kit available in housing compound and field activities such as harvesting, chemical and fertilizer store.</p>	Yes
	<p>j</p> <p>Records of injuries and accidents discuss and reported in quarterly OSH meeting.</p> <p>Annual JKPP 8 reporting for year 2019 establish with records of injuries and accidents occurred. Review on accident records there are 4 cases reported in year 2019 but only 3 cases are reported in JKPP 8.</p> <p>From the 4 cases reported in year 2019 there are 2 accidents with more 4 days medical leave. During document review there is no documented evidence of JKPP 6 submission.</p> <p>Major NC01</p> <p>Review on accident records there are 4 cases reported in year 2019. However, only 3 cases are reported in JKPP 8.</p> <p>In Year 2019 there are 2 accidents with more than 4 days medical leave. However, during document review there is no documented evidence of JKPP 6 submission.</p>	No
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 25/02/2020 for Mile 25 and 02/07/2020 for Mile 45.</p> <p>KCPSB communicate the Ethical & Human Rights Policy to external stakeholders via email dated 19/06/2020 till 30/06/2020. Interview with workers informed they are aware on the Ethical & Human Rights policy.</p>	Yes
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>It could be observed during field visits, women are employed as mandore for field activities</p> <p>Interviewed with female workers, they are aware on the policy and no discrimination practices in estate.</p>	Yes
4.4.5.3	KCPSB pay the workers according to Minimum Wage Order.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	Workers pay slip is review and wage paid according the regulation. Workers who are on piece rated are determine based on historical performance for each task.	
4.4.5.4	KCPSB monitors the wages paid by the contractors to their workers. The wage paid is based on a verbal agreement between the contractor and the worker.	Yes
4.4.5.5	KCPSB established summary records of workers for both mile 25 and mile 45 divisions. The summary record include details such as name, no passport or IC, gender, nationality, date of birth, date of entry and job description.	Yes
4.4.5.6	KCPSB established worker contract agreement for every worker recruited and provide a fair contract duly signed by workers and management. The employment conditions describe in the contract agreement are in accordance to local Sabah Labour Ordinance. During site interview workers informed they are briefed on the contract terms and conditions and received a copy after signed.	Yes
4.4.5.7	KCPSB use the morning roll call to monitor workers reporting for work. Working hours and overtime are stated in the worker contract agreement. Sighted workers attendance records for month of May 2020 for both mile 25 and mile 45 divisions. Interview with workers informed they are aware on working hours and overtime rates.	Yes
4.4.5.8	KCPSB established working hours and display at the notice boardfor both divisions. The work hours are as follows: Workshop and field workers Working time: 5.30 am until 10.30 am 11 am until 2.00 pm Rest time: 10.30 am until 11.00 am	Yes
4.4.5.9	KCPSB established summary monthly payroll that include wage and overtime payment. Overtime is paid according to Sabah Labour Ordinance. Review on the worker's pay slip for the month of May 2020, sighted holiday pay is being paid of RM42.31 per day according to Sabah Labour Ordinance.	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Example:</p> <p>Labour day RM42.31 per day is paid to workers.</p>	
4.4.5.10	KCPSB provides social benefits such as harvesting incentives, free housing, medical, electricity, 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.	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> <ul style="list-style-type: none"> i. To make sure employment condition free from sexual harassment. ii. Company commitment to act as soon as possible upon complaint and impose disciplinary action against convict. <p>The policy is brief to workers as follows:</p> <p>Mile 25: 25/02/2020</p> <p>Mile 45: 02/07/2020</p> <p>KCPSB communicate Sexual Harassment Policy with external stakeholders via email dated 19/06/2020 till 30/06/2020.</p>	Yes
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: 25/02/2020</p> <p>Mile 45: 02/07/2020</p>	Yes
4.4.5.14	<p>KCPSN 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>The workers lists review and no underage below 18 years hired.</p> <p>During field visits no underage workers found.</p>	Yes
4.4.6.1	<p>KCPSB established "Training Matrix or Safety Program Annually" dated 02/01/2020 doc KC/TRAINING/0/2019 for year 2020.</p> <p>Sighted training records for:</p>	Yes

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Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> Genset SOP dated 14/05/2020 Chemical premix dated 12/05/2020 COVID-19 Prevention dated 14/05/2020 OSH policy dated 02/07/2020 for Mile 45 and 25/02/2020 for Mile 25 	
4.4.6.2	<p>KCPSB established "Training Matrix or Safety Program Annually" dated 02/01/2020.</p> <p>The training need analysis is established based on job description.</p> <p>Example of training includes:</p> <ul style="list-style-type: none"> First Aid Waste Management PPE Training Complaint & Grievance Environmental planning & training 	Yes
4.4.6.3	<p>KCPSB established annual training program dated 02/01/2020 for year 2020 include training for health, safety environment and social.</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services			
Indicator	Summary of Assessment	Compliance	
4.5.1.1	<p>KCPSB established Environmental Policy and Biodiversity dated 23/03/2019 signed by Chief Executive Officer.</p> <p>Statement 1 of the policy describe "Comply with all legislation related to the environment and biodiversity:</p> <p>Interview with workers informed they are aware of environmental policy example no spraying activities near the water, pond.</p> <p>The policy is made available at the notice boards of estates office.</p>	Yes	
4.5.1.2	a	<p>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 in ensuring the Environment</p>	Yes
	b	<p>KCPSB established Environment Management Plan dated 20/05/2019.</p> <p>The environmental aspect and impact table are included in the EMP, listing the aspects and impacts analysis by activity</p>	Yes
4.5.1.3	<p>KCPSB established Environment Management Plan dated 20/05/2019.</p>	Yes	

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>The environmental aspect and impact table is included in the EMP, listing the aspects and impacts analysis by activity.</p> <p>Example:</p> <p>Workshop operation:-</p> <p>Aspect: Spillage of used oil</p> <p>Impacts: Pollution to water courses and land</p> <p>Mitigate: All used oil and filters are under scheduled waste and to dispose to thirds party, used oil storing should have bounding wall.</p>	
4.5.1.4	<p>KCPSB established Environment Management Plan dated 20/05/2019.</p> <p>The programme to promote positive is listed in section environment impact assessment and mitigation/improvement plan.</p> <p>Example: Pruned oil palm fronds from plantation</p> <p>Positive Impact: Pruned oil palm fronds can enhance the soil nutrients.</p> <p>CIP: Proper pruning and fronds stacking training need to provide to the pruner.</p> <p>Site observation pruning and fronds stacking is carried out accordingly.</p>	Yes
4.5.1.5	<p>Training matrix and safety annually program established 02/01/2020, ref no: KC/Training/0/2019.</p> <p>Environmental policy training conducted on 12/05/2020 at Mile 45 and conducted on 04/06/2020 at Mile 25.</p> <p>Chemical handling conducted on 12/05/2020.</p> <p>Chemical premix conducted on 20/04/2020.</p> <p>During site interview with workers feedback they are understand the Environmental Policy.</p>	Yes
4.5.1.6	<p>Environmental Meeting conducted on 02/06/2020 with agenda on.</p> <p>Reviewed environmental meeting minutes topics discussed such as scheduled waste management and monitoring.</p> <p>The committee included workers from both Mile 45 and Mile 25.</p>	Yes
4.5.2.1	<p>KCPSB establish 3 years baseline for fossil fuel usage (diesel consumption vs FFB Tonnage) for the farm tractors and transport of FFBS to oil mills which monitored on yearly basis.</p> <p>The fuel consumption records for January to December 2019 is review. The actual diesel consumption compared against baseline is lower.</p>	Yes
4.5.2.2	<p>KCPSB establish budget for fuel consumption dated year 2020.</p> <p>The fuel consumption established including farm tractor, lorry or truck, supervision car, contractor fuel consumption, electrical and heavy machinery.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.2.3	KCPSB does not practice renewable energy.	Yes
4.5.3.1	<p>KCPSB established Environment Management plan dated 20/05/2019. Waste identification and disposal method had been captured including the source, location and disposal method.</p> <p>KCPSB established the monitoring record to manage listed waste.</p> <p>For example, KCPSB had established the empty chemical containers record to monitor the total empty chemical containers reused for chemical spraying activities as at 09/07/2020 255 containers.</p>	
4.5.3.2	<p>a KCPSB established Environment Management plan (EMP) dated 20/05/2019 include the waste and pollution sources identification and monitoring plan for disposal method.</p> <p>EMP describes waste identification and disposal method listing the table type of waste source, location, disposal method, document related and responsibility</p> <p>Example:</p> <p>Waste: Electrical waste</p> <p>Source: Housing, office and other buildings</p> <p>Storage: Scheduled wasted store</p> <p>Disposal: Competent contractor</p>	Yes
	<p>b KCPSB established Environment Management plan dated on 20/05/2019 include the waste and pollution sources identification; and monitoring plan for disposal method.</p> <p>Monitoring Plan :</p> <ul style="list-style-type: none"> • Proper monitoring, storage and disposal as scheduled waste of used lubricant by established the waste record summary. • Constant checks on storage drum for any leakages. <p>KCPSB had identified the potential waste that could be reduced, reuse and recycle, for example:</p> <ul style="list-style-type: none"> • Domestic Waste: Recycling of plastic, paper & metal and glass. (established recycle bin at housing, store and workshop) • Pruned Oil Palm fronds: To implements the correct method for frond stacking. 	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>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>KCPSB listed and identify scheduled wastes generated in estate operation in their Environmental Management plan according to legal requirement.</p> <p>During inspection at chemical stores and crosscheck with the stock card there are no obsolete chemicals.</p>	
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 3rd party DOE authorized scheduled waste collector.</p>	Yes
4.5.3.5	<p>KCPSB disposed domestic wastes in landfill located 500 meter at Miles 25 and 1.2 km at Miles 45 from housing area.</p> <p>The landfills area is fenced and marked with opening and closing date.</p>	Yes
4.5.4.1	<p>KCPSB established Pollution Aspects and Impacts. The document is attached together with Environment Management plan dated on 20/05/2019.</p> <p>List of pollutants:-</p> <p>The waste list established identify the source of wastes as solids, liquids and gases.</p> <p>Example:</p> <ul style="list-style-type: none"> • Fertilizer/Chemical • GHG • The noise of Generator set. • Plastic Usage for fertilizer application 	Yes
4.5.4.2	<p>KCPSB established Pollution and Emission Plan as stated inside the Continuous Improvement Plan (CIP).</p> <p>The plan includes the action plan for significant pollutants and emissions.</p> <p>Example:</p> <ul style="list-style-type: none"> • Plastic bags are used to fill fertilizer for fertilization purpose • Improvement action: Reduce plastic usage • Expected outcome: Less pollution 	Yes
4.5.5.1	<p>a</p> <p>Water management plan establish dated 20/05/2019 describe the source and usage.</p> <p>Water source</p> <ul style="list-style-type: none"> • Mile 25: Sabah State Water Department (SPA), rain water 	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<ul style="list-style-type: none"> Mile 45: Water catchment pond, rain water. <p>Water used of chemical from catchment pond and rain water.</p>	
	<p>b KCPSB conduct water quality test for inlet and outlet of streams flowing through the estate.</p> <p>Water quality tests and analysis conducted every six months by external 3rd party laboratory. Test result are reviewed and comply with DOE requirement.</p> <p>Site verification domestic water discharge to the estate field.</p>	Yes
	<p>c Empty chemical container washing and rinsing water is recycle for pre-mix usage.</p> <p>Rain harvesting is practice at housing and facilities area for domestic consumption.</p> <p>Piping system are in good order during inspection at housing and facilities area.</p>	Yes
	<p>d Monthly monitoring of biodiversity area established for year 2020.</p> <p>KCPSB installed signage at buffer / riparian zones.</p> <p>Workers are briefed on environmental topics such as buffer zone restriction and environment protection during morning muster.</p> <p>Mile 45: Dated 07/01/2020</p> <p>Mile 25: Dated 04/06/2020</p> <p>Interviewed workers informed they understood chemical application and fertilizing activities are prohibited to be carry out at buffer zone area.</p>	Yes
	<p>e Field observation indicates there are no vegetation removed from riparian zones.</p> <p>Riparian zones are well maintained.</p>	Yes
	<p>f During site visit at housing areas, there are no bore wells used for water supply.</p>	Yes
4.5.5.2	During field inspections there are no construction of bunds, weirs and dams across main river flowing in both estates.	Yes
4.5.5.3	KCPSB has rain harvesting practice at the labour line, workshop, and chemical mixing areas.	Yes
4.5.6.1	<p>a KCPSB has presence of protected wildlife according to Sabah Wildlife Enactment.</p> <p>Maintain the habitat area for crocodiles presence in the water catchment pond.</p> <p>The list of wildlife is established example wild boar and monkeys.</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Proper wildlife signage installed to inform and educate workers.</p> <p>A monthly monitoring checklist of biodiversity conducted to ensure no hunting or capturing activities.</p> <p>Site interview with workers confirm the feedback to management for wildlife sighted.</p>	
	<p>b The list of wildlife sighted in the estate and nearby forest reserve is establish in accordance to Sabah Wildlife Enactment.</p> <p>Example: Monitor Lizard</p> <p>There are no wildlife sighted within the estate during field visit.</p>	Yes
4.5.6.2	<p>a The RTE identified according to Sabah Wildlife Conservation Enactment 1997 and Wildlife Regulation 1998.</p> <p>RTE training conducted during the muster call to brief on legal protection and prohibition based on Sabah Wildlife Enactment 1997 on 26/03/2019.</p> <p>Proper signage installed to inform workers the wildlife and no hunting.</p>	Yes
	<p>b Appropriate signage install as information to workers to discourage any illegal or inappropriate hunting, fishing or collecting activities.</p> <p>Workers interview informed no hunting, fishing and capturing.</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>	Yes
4.5.7.1	<p>KCPSB established Environmental Policy and Biodiversity, reference no.: KC/P/ENVIRONMET/1/2019 dated 26/03/2019. The policy stated that 'The company is committed to not conduct any open burning activities'</p> <p>No signage of open burning sighted during the site verification visit in field during replanting at Mile 25 and 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 state 'The company is committed to not conduct any open burning activities'</p> <p>There are no serious palm diseases sighted during the field visits that require burning.</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 state 'The company is committed to not conduct any open burning activities'.</p> <p>There are no application documents sighted for controlled burning..</p>	Yes

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Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.7.4	During the field visits at replanted area at Mile 25 old palms are felled and chipped, no sign of open burning observed in the field.	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	<p>KCPSB established several standard operating procedures as follows:</p> <ul style="list-style-type: none"> Harvesting SOP document number KC/SOP/3/0/2019 revision 2 dated on 13/06/2019 Control of the spread of Covid 19 SOP document number KC/SOP/COVID-19/0/2020 dated on 1/07/2020.3. SOP appropriate distant during chemical application I. Manuring SOP, document number KC-/SOP/5/0/2019. rev. 2 dated on 10/06/2019 Chemical spraying SOP, document number KC/SOP/15/0/2016, revision 0, dated on 19/01/2016. <p>All operation activities are monitored by mandore to ensure that workers follow the SOP accordingly.</p> <p>Major NC02:</p> <p>KCPSB established Covid 19 SOP document number KC/SOP/COVID-19/0/2020 dated 1/07/2020. The SOP states that all outsiders and workers from outside must checked their body temperature. However during interview with security guard and review record at guard house there is no records for body temperature reading capture before enter to estate premise.</p>	No
4.6.1.2	<p>KCPSB established the 'standard operating procedure (SOP) 108.1 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>	Yes
4.6.1.3	<p>KCPSB established map with field block numbers.</p> <p>Information stated on the block marker is block number and year of planting.</p>	Yes
4.6.2.1	<p>KCPSB established annual budget for year 2020 to 2022.</p> <p>Financial budget includes description of upkeep, harvesting, social, medical health, utility, corporate social responsibility</p> <p>The budget had include estimation production of FFB tonne with number of FFB bunches harvested.</p>	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.2.2	KCPSB established Replanting Program reference no: KC/LM/REPLANTING PROGRAM/1/2020 date 07/02/2019 revision 2 updated 02/06/2020 Replanting program established from 2020 to 2025 for Mile 25 and Mile 45.	Yes
4.6.2.3	KCPSB established a 3 years financial plan from year 2020 to 2022. The financial plan includes: <ul style="list-style-type: none"> • Planting material • Crop projection based on age profile mature and immature • Cost of production for both divisions • 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 <ul style="list-style-type: none"> • Mile 45 March'20 monthly report • The report stated the crop production analysis which comparing the actual crop vs monthly crop budget • Actual Crop • Budget this month • Variance • Annual budget 	Yes
4.6.3.1	KCPSB engage FFB transporter for deliver FFB from field to Mill. Both parties had signed contract agreement on 02/01/2019, with charges based on FFB rates per ton. The terms of payment is agreed by both parties. The agreement describes the service period, rates and payment terms.	Yes
4.6.3.2	KCPSB engage FFB transporter for deliver FFB from field to mill. The contract states the rate, terms of payment, period of contract and duly signed by both parties. Payment are according to the agreed rate and payment conditions stated in the contract.	Yes
4.6.4.1	KCPSB has established contracts with FFB transporter and road graveling contractor. Contractors and contractor's workers interviewed informed they are briefed on MSPO requirements.	Yes
4.6.4.2	Contract agreements are duly signed and accepted by both parties.	Yes

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Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.4.3	The contract agreement include a statement stated that contractors to comply with the standards in sustainability certification such as MSPO and subject to be audited by respective Certification Body.	Yes
4.6.4.4	KCPSB payment to contractors based on progress report monitored by office administrator and approved by the General Manager prior to issue payment.	Yes

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Principle 7: Development of new planting		
Indicator	Summary of Assessment	Compliance
4.7.1.1	The planting statement is review and there are no new planting at both Mile 25 and Mile 45 divisions. The 1 st planting in mile 25 division in year 1997 and Mile 45 in year 1998 until 2000. 2 nd cycle replanting for Mile 25 carried out in year 2020.	Yes
4.7.1.2	The planting statement is review and there are no new planting at both Mile 25 and Mile 45 divisions. 2 nd replanting for Mile 25 in year 2020 are 88.23 Ha as at to-date June 2020, 34.54 Ha at block 4 was completed. The replanting at mile 25 for an area of 88.23 ha is less than 100ha. Therefore, no PPM required.	Yes
4.7.2.1	The planting statement and maps both Mile 25 and Mile 45 divisions are review and field inspection there are no peat land.	Yes
4.7.3.1	The planting statement is review and there are no new planting at both Mile 25 and Mile 45 divisions. Therefore, no SEIA conducted.	Yes
4.7.3.2	The planting statement is review and there are no new planting at both Mile 25 and Mile 45 divisions. Therefore, no SEIA conducted.	Yes
4.7.3.3	The planting statement is review and there are no new planting at both Mile 25 and Mile 45 divisions. Therefore, no SEIA conducted.	Yes
4.7.3.4	There are no smallholder's scheme in KCPSB certification. Therefore, not applicable.	Yes
4.7.4.1	The planting statement is review and there are no new planting at both Mile 25 and Mile 45 divisions. Therefore, no maps established	Yes
4.7.4.2	The planting statement is review and there are no new planting at both Mile 25 and Mile 45 divisions. Therefore, no maps established.	Yes
4.7.5.1	The planting statement is review and there are no new planting at both Mile 25 and Mile 45 divisions. Therefore, no maps establish and no permits available	Yes
4.7.5.2	The planting statement is review and there are no new planting at both Mile 25 and Mile 45 divisions. Therefore, no plans established.	Yes
4.7.5.3	The planting statement is review and there are no new planting at both Mile 25 and Mile 45 divisions. Therefore, no soil map established.	Yes
4.7.6.1	The planting statement is review and there are no new planting area at both Mile 25 and Mile 45 divisions. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	The planting statement is review and there are no new planting area at both Mile 25 and Mile 45 divisions. There are no sacred sites, therefore, management plan establish.	Yes
4.7.6.3	The planting statement is review and there are no new planting area at both Mile 25 and Mile 45 divisions. Therefore, no SOP establish.	Yes

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4.7.6.4	The planting statement is review and there are no new planting area at both Mile 25 and Mile 45 divisions. Therefore, no compensation and agreement established.	Yes
4.7.6.5	The planting statement is review and there are no new planting area at both Mile 25 and Mile 45 divisions. Therefore, no assessment established.	Yes
4.7.6.6	The planting statement is review and there are no new planting area at both Mile 25 and Mile 45 divisions. Therefore, no system establish for calculating the compensation for distribution.	Yes
4.7.6.7	The planting statement is review and there are no new planting area at both Mile 25 and Mile 45 divisions. Therefore, no compensation plan established.	Yes
4.7.6.8	The planting statement is review and there are no new planting area at both mile 25 and mile 45 divisions. Therefore, no communities affected.	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.
	Not applicable. No non-conformity raised in previous audit.
<p><i>Note 1: If a minor non-conformity raised in last audit, is not closed out, then this finding will be re-raised to a Major non-conformity.</i></p> <p><i>Note 2: All minor NCs raise in last audit are required to capture in this report together with the closing of the non-compliance.</i></p>	

4.5. Detail of Audit Findings in last audit

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

Non Conformity Number 1	
Indicator # and Description:	4.1.2.2: The internal audit procedures and results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.
Location:	Kam Cheong Plantations Sdn. Bhd.
Description of Finding / Objective Evidence:	

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Non Conformity Number 1			
The internal audit outcome did not include following:			
1. Cause of the non-compliance			
2. Date to close the non-compliance			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
Raise by:	Cheong, Chun Yuen (Robert)	Date Raise:	04/08/2019
Deadline for implementation	03/10/2019		
Root Cause Analysis (by company):			
Lack of manpower and lack of ideas for MSPO internal audit.			
Correction (by company):			
Internal audit has been conducted and all errors have been addressed to the personal in-charge for correction.			
Corrective / Preventive Action (by company)			
Improve on internal audit activity and discuss with the team.			
Review of Correction & Corrective / Preventive Action			
The revised internal audit checklists are review and update with the status of the outcome of the findings with the date when findings is address. This will be sufficient to close out.			
Further review in the next audit.			
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:		Date of Closure:	
Cheong, Chun Yuen (Robert)		19/08/2019	
Review of Implementation			
Reviewed on the internal audit results, the cause of noncompliance and date closure has been captured in the report dated 19-20/05/2020 and addressed in management review minute meeting dated 30/06/2020.			
This is sufficient to close the non-conformity.			
Name of Lead Auditor in Training:		Date of Review:	
Chan Shi Lie		14/07/2020	

4.6. 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,	2	MAJOR Non-Conformities
	0	MINOR Non-Conformities

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Non Conformity Number 01			
Indicator # and Description	4.4.4.2 j: Records shall be kept of all accidents and be reviewed periodically at quarterly intervals		
Location:	Mile 45		
Description of Finding / Objective Evidence:			
<p>In year 2019 there are 2 accidents with more 4 days Medical leave. However, during document review there is no documented evidence of JKPP 6 submission.</p> <p>Review on accident records there are 4 cases reported in 2019. However, there is only 3 cases is reported in JKPP 8.</p>			
Classification	<input checked="" type="checkbox"/> Major	<input type="checkbox"/> Minor	
Mode of Audit	<input type="checkbox"/> Remote	<input checked="" type="checkbox"/> Onsite	
Raise by:	Chan Shi Lie	Date Raise:	14/07/2020
Deadline for implementation		13/09/2020	
Root Cause Analysis (by company):			
Reporting to JKPP (JKK 6 and 8) requires basic knowledge or training in occupational safety and health law. We are not familiar with the JKPP 6 and 8 reporting process and it is difficult for us to make the report.			
Correction (by company):			
We have seek advised from DOSH officer and discuss with them on how to solve this issue. We will send the JKPP 6 form and update the JKPP 8 form			
Corrective / Preventive Action (by company)			
After discussion with top management, they have decide to send staff or officer to attend safety and health related training or course conduct by NIOSH or any relevant parties.			
We will include review on JKPP 6 and 8 forms during internal audit to avoid repeated mistake occurred in next audit.			
Review of Correction & Corrective / Preventive Action			
Review on the submitted evidence documents, all 4 accidents in year 2019 have been updated in JKPP 8 form and reported to DOSH on 16/07/2020.			
KCPSB have update the JKPP 6 form and reported to DOSH on 16/07/2020.			
KCPSB has registered person in-charge for safety and health for OSH coordinator training course on 05/08/2020.			
Documented evidences provided are sufficient to close the Major non-conformity and will be verify in the next surveillance audit.			
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 in Training:		Date of Closure:	
Chan Shi Lie		06/08/2020	
Review of Implementation			

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Non Conformity Number 01	
Name of Lead Auditor / Auditor:	Date of Review:

Non Conformity Number 02	
Indicator # and Description	4.6.1.1 Standard operating procedures shall be appropriately documented and consistently implemented and monitored.
Location:	Mile 25 and 45
Description of Finding / Objective Evidence:	
<p>Kam Cheong Plantations Sdn. Bhd. established Covid 19 SOP document number KC/SOP/CPVID-19/0/2020 dated on 01/07/2020. The SOP stated that all outsider and workers from outside must checked on body temperature.</p> <p>However, during interview with security guard at guard house and document reviewed there is no record of body temperature reading capture before enter the estate premise.</p>	
Classification	<input checked="" type="checkbox"/> Major <input type="checkbox"/> Minor
Mode of Audit	<input type="checkbox"/> Remote <input checked="" type="checkbox"/> Onsite
Raise by:	Zul Hairi Bin Abu Hassan
Date Raise:	14/07/2020
Deadline for implementation	13/09/2020
Root Cause Analysis (by company):	
Management weakness in handling the prevention of pandemic COVID-19. We fail to prepare equipment for checking temperature and sanitize visitor and workers prior enter the estate compound.	
Correction (by company):	
The manager provides more equipment for temperature check and hand sanitizers. Update log book format and insert column for body temperature in and out reading include number phone.	
Corrective / Preventive Action (by company)	
Provide all list for SOP and legal laws. Checked any changes for new laws or SOP for every 3 months, report to management in company meeting and to continuous monitor implementation of taking body temperature reading for all visitors or workers before enter the estate compound.	
Review of Correction & Corrective / Preventive Action	
Review on submitted evidence documents, KCPSB update the "Borang Keluar Masuk Kenderaan" by add in body temperature reading (in and out) and number phone for the month of July 2020.	
Evidence provided are sufficient to close the Major non-conformity and implementation will be verify in the next surveillance audit.	
Closed: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Site verification : <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Name of Auditor:	Date of Closure:
Zul Hairi Bin Abu Hassan	21/07/2020
Review of Implementation	

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Non Conformity Number 02

Name of Lead Auditor / Auditor:	Date of Review:
--	------------------------

Nr.	Indicator	Description	Location	Opportunity for Improvement
Onsite audit				
1.	4.5.1.2 (b)	The environmental management plan shall cover the following: b) The aspects and impacts analysis of all operations.	Estate office	Management may consider improve Environment Impact Assessment in Environment Management Plan for estate operation activites.

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5. CONCLUSION

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

There are 2 Major NCs 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.

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:	878.66 Ha
Certified FFBS January to June 2020:	6,034.83 Mt
Projected FFBS July to December 2020	8,515.61 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, 27/08/2020

Chan Shi Lie
TUV NORD (Malaysia) Sdn Bhd
Audit Team Leader - Trainee

Puchong, 27/08/2020

Nur Amanina Zahir
TUV NORD (Malaysia) Sdn Bhd
Certifier / Approver

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7. List of Stakeholders

Table 7-1: List of Interviewed Stakeholders

No.	Organization
1.	Representative from East Malaysia Planters Association
2.	SK Lungmanis, Sandakan
3.	LCH Palm Oil Mill Sdn. Bhd.
4.	Kwan Wong On Transport
5.	Atlantica Palm Oil Mill Sdn. Bhd.
6.	Agri Blossom Sdn. Bhd.

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

This report is sent to the certification body or bodies, 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

- P&C Audit Report / Checklists
- Audit Plan
- Additional annexes, number