

27-12-2018

Dear Sir/Madam,

STAKEHOLDER CONSULTATION ON MSPO ANNUAL SURVEILANCE OF SABAH SOFTWOODS BERHAD – KAPILIT PALM OIL MILL AND ESTATES

Sabh Softwoods Berhad- Kapilit Palm Oil Mill and Estates, is a Malaysia plantation company, has applied to TUV NORD Malaysia Sdn Bhd to carryout certification activities detailed as in below.

| | |
|------------------------|---|
| Contact details | <p>Sabah Softwoods Berhad – Kapilit Palm Oil Mill and Estates Mr. Ram Nathan Senior Manager – Environment & Conservation P.O. Box 60966, 91019 Tawau, Sabah. 089-771333 c-envir@softwoods.com.my / ram@softwoods.com.my</p> |
|------------------------|---|

| Summary information about Applicant |
|---|
| <p>Sabah Softwoods Berhad (SSB) is a subsidiary of Innoprise Corporation Sdn Bhd – ICSB a forestry based company with its head office located at Tawau, Sabah, East Malaysia ventured into palm oil in 1981.</p> <p>Sabah Softwoods Berhad has operates 1 palm oil mill namely Kapilit Palm Oil Mill and owns 8 estates as listed below.</p> <p>Kapilit Palm Oil Mill shall be certified to • Malaysia Sustainable Palm Oil (MSPO) 2530 – 4) and Sabah Softwoods Berhads shall be certified to •Malaysia Sustainable Palm Oil (MSPO) 2530 – 3) for the estates.</p> |

The compliance assessment mention above will be conducted against the below mention standard

| Applicable Standard |
|---|
| <ul style="list-style-type: none"> • MS 2530-3:2013 General Principles For Oil Palm Plantations And Organized Smallholders • MS 2530-4:2013 General Principles For Palm Oil Mills |

The main compliance audit are scheduled on

Actual Audit Date : 28/01/2019
Date End : 01/02/2019
Total Number of days : 5 days
Number of Auditor : 4 auditors

| Name of Palm Oil Mill (POM) | Location Address | GPS reference | | Forecasted Annual output (MT) | |
|-----------------------------|--|---------------|--------------|-------------------------------|-------------|
| | | Longitude (E) | Latitude (N) | CPO | Palm Kernel |
| Kapilit Palm Oil Mill | KM73 Kalabakan Road, Kapilit Estate, Tawau, Sabah. | 117°31'26.5" | 4°30'14.1" | 56,212.07 | 10,200.64 |

ASSOCIATED SUPPLY BASE OF FFB TO THE ABOVE POM TO BE INCLUDED IN THIS ASSESSMENT

| Name of estate | Location Address | GPS reference | | Area Summary (Ha) | | Annual Estimation FFB (MT) |
|--------------------|---------------------------------------|---------------|--------------|---------------------|------------------|----------------------------|
| | | Longitude (E) | Latitude (N) | Total Coverage Area | Planted Area | |
| Dumpas Estate | KM45 Dumpas Estate, Kalum, Sabah | 117°43'145" | 4°30'43.1" | 4,101.41 | 3,423.47 | 66,096.91 |
| Cenderamata Estate | KM43 Cenderamata Estate, Kalum, Sabah | 117°43'145" | 4°30'43.1" | 4,059.29 | 3,482.56 | 73,130.69 |
| Sg. Indit Estate | KM85 Sg. Indit, Kalum, Sabah | 117°41'52.2" | 4°39'38.3" | 2,523.89 | 1,969.17 | 28,600.66 |
| Mawang Estate | KM90 Kalabakan Road, Kalabakan, Sabah | 117°28'58.9" | 4°33'23.2" | 3,891.72 | 3,258.61 | 74,977.60 |
| Bukit Tukok Estate | KM83 Kalabakan Road, Kalabakan, Sabah | 117°29'40.3" | 4°27'37.9" | 3,753.94 | 3,051.18 | 76,018.13 |
| Bukit Batu Estate | KM82 Kalabakan Road, Kalabakan, Sabah | 117°29'31.5" | 4°31'55.8" | 3,809.65 | 3,005.62 | 69,215.78 |
| Kumansi Estate | KM96 Kalabakan Road, Kumansi Estate | 117°26'58.6" | 4°28'42.4" | 3,815.11 | 3,184.78 | 79,521.46 |
| Kapiit Estate | KM74 Kalabakan Road, Kalabakan, Sabah | 117°30'33.6" | 4°31'37.4" | 3,137.07 | 2,471.60 | 69,928.89 |
| Total | | | | 29,092.08 | 23,846.99 | 537,490.12 |

Stakeholder consultation is one of the most important parts in certification process. Here of which, the relevant stakeholder may include but not limited to national, regional as well as local stakeholders to provide their views and opinions as to whether the applicant's certification units comply with the requirements of the applicable standard.

This letter is to invite all stakeholders to take part in this consultation procedure as you contributed to ensure positive certification decision. We ask you to raise any issues, both positive and negative, by sending a response by phone (+603-86004031/4032) , fax or by E-mail (sustainability@tuv-nord.com) to our TUV NORD Malaysia Sdn Bhd office as indicated below.

Stakeholders shall giving complaints or grievances of the management unit concerned by following TUV NORD Malaysia Sdn Bhd procedure (<https://www.tuv-nord.com/my/en/our-services/sustainability/>). All sources of any information provided will be confidential to the CB. Any disclosure of the information provided shall be carried out prior consent of the stakeholder group concerned. A copy of MSPO standard can be obtained from this link (<https://www.mpocc.org.my/>).

Please considered the below point as your guidance:

- Environmental protection.
- Biodiversity conservation.
- Opportunities for employment.
- Provision of housing, sanitation, amenities and educational support.
- Company approach to community development.
- Participation in decision making.
- Any other issue, both positive and negative that you consider may be of relevance to the

- assessment.
- Issues relating to other plantations owned by the company not included in this assessment.

Details on the audit team:

LEAD ASSESSOR

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| Muhammad Norhisham Bin Mohd Salleh (Lead Auditor) |
| He will be leading the audit and will be auditing MSPO for Transparency, Economic and Financial Viability, Best Practices, Conservation & Biodiversity, Social, New Planting, Human Resources. |

SUPPORTING ASSESSORS

| | |
|---------------------------------|--|
| Sheron Pui Ling Wui | He will be auditing for Social. |
| Zul Hairi Bin Abu Hassan | He will be auditing for Environment. |
| Ariff Bin Lokman | He will be auditing for Environment, Good Agriculture Practices. |

Comments received within 30 days from the date of this letter will be considered in this Assessment. Please include the following information should we need to contact you for clarification on any issues raised:

| | |
|---|--|
| Name | |
| Address <i>(Please include name of organization)</i> | |
| Email | |
| Mobile Contact | |

| Summary of Issue |
|------------------|
| |

We thank you for the participation and feedback.

Yours Sincerely,



Terence, Ang
Sustainability Scheme Manager