

MSPO CERTIFICATION SUMMARY REPORT

KRETAM HOLDINGS BERHAD

SILIMPOPON ESTATES

ANNUAL SURVEILLANCE AUDIT 01

Date: 03/01/2020

TUV NORD (Malaysia) Sdn Bhd
No. 9F-1A, 9th Floor, Tower 2 @ PFCC
Jalan Puteri 1/2, Bandar Puteri Puchong
47100 Puchong, Selangor.
Phone: +603 8600 4031/4032
Fax: +603 8600 4550

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
Certifying Unit: Silimpocon Estates
Client Number: 92-049
Audit Type: ASA 01



Table of Contents

1.	INTRODUCTION	4
1.1.	Objective	4
1.2.	Scope	4
1.3.	Appointment and qualification of team members	4
2.	METHODOLOGY	9
3.	ORGANISATION INFORMATION	11
3.1.	Production volume	11
3.2.	Planting Program for Each Estate	11
3.3.	Replanting program for each estate	11
3.4.	Maps of Company Location and Plantations	12
4.	CERTIFICATION ASSESSMENT	14
4.1.	Annual Surveillance Audit (ASA 01)	14
4.2.	Stakeholders' Consultation	14
4.3.	Summary of Assessment	16
4.4.	Status of Non-Conformities Previously Identified	38
4.5.	Detail of Audit Findings in last audit	38
4.6.	Detail of Audit Findings Identified During This Audit	40
5.	CONCLUSION	41
6.	RECOMMENDATION	42
7.	LIST OF INTERVIEWEES	43
	Annex / Enclosures	44

Abbreviations

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

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
Certifying Unit: Silimpopon Estates
Client Number: 92-049
Audit Type: ASA 01



1. INTRODUCTION

Kretam Holdings Berhad has commissioned TUV NORD (Malaysia) Sdn Bhd to conduct annual surveillance audit for its Silimpopon 1 and Silimpopon 2 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 Silimpopon 1 and Silimpopon 2 estates by an independent certification body with the aim for compliance of the standards.

1.2. Scope

The certification is based on the documentation established by the group office and estates.

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 MSPO 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 use as part of the assessment; the compliance of the requirements out of the guidelines applied is checked.

1. Malaysian Sustainable Palm Oil Part 3: General Principles for Oil Palm Plantations and Organised Smallholders audit guidance;

1.3. Appointment and qualification of team members

The audit team appointed consists of one team leader and 3 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: 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 vii) Other relevant related fields	Graduate in Plantation Industry and management

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
 Certifying Unit: Silimpon Estate
 Client Number: 92-049
 Audit Type: ASA 01



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)	7 years working experience in oil palm plantations.
Successfully completed MS 2530 series of standards training	Successfully completed MS2530: 2013 LA Course.
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, conducted more than 3 certification audits with total more than 15 man-days audits.
A good knowledge in handling and evaluating sources of information and data. Able to communicate in Bahasa Malaysia, English and/ or any other local language.	Able to communicate in Bahasa Malaysia and English.
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.
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 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 and Auditor MSPO and RSPO scheme.
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 9001, 14001 and 45001 LA course, Auditor for MSPO and RSPO scheme.

Qualification of Team Members

Requirement	Assessor	Qualification	Compliance
Post-secondary education, college or university diploma / degree in one of the following	Zul Hairi Abu Hassan	Graduate in Plantation and Industry management	Yes
i) Agriculture;	Khairul Anwar bin Ismail	Graduate in Agricultural Science	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpon Estates

Client Number: 92-049

Audit Type: ASA 01



Requirement	Assessor	Qualification	Compliance
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	Mohd Nur Amin bin Mohd Halim	Graduate in Office Management and Technology	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)	Zul Hairi Abu Hassan	9 years working experience in oil palm plantations.	Yes
	Khairul Anwar bin Ismail	5 years working experience in oil palm plantation.	Yes
	Mohd Nur Amin bin Mohd Halim	7 years working experience in oil palm plantation.	Yes
Successfully completed MS 2530 series of standards training	Zul Hairi Abu Hassan	Successfully completed MS2530 series training	Yes
	Khairul Anwar bin Ismail	Successfully completed MS2530 series training	Yes
	Mohd Nur Amin bin Mohd Halim	Successfully completed MS2530 series training	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.	Zul Hairi Abu Hassan	Qualified as auditor, conducted more than 6 on site audits with total more than 20 man days audits.	Yes
	Khairul Anwar bin Ismail	Qualified as auditor, conducted more than 6 on site audits with total more than 20 man days audits.	Yes
	Mohd Nur Amin bin Mohd Halim	Auditor in training.	Yes
A good knowledge in handling and evaluating sources of information and data. Able to communicate in	Zul Hairi Abu Hassan	Bahasa Malaysia and English.	Yes
	Khairul Anwar bin Ismail	Bahasa Malaysia and English.	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpon Estates

Client Number: 92-049

Audit Type: ASA 01



Requirement	Assessor	Qualification	Compliance
Bahasa Malaysia or any other local language.	Mohd Nur Amin bin Mohd Halim	Bahasa Malaysia and English.	Yes
Field working experience in the palm oil sector, or demonstrable equivalent	Zul Hairi Abu Hassan	9 years working experience in oil palm plantations.	Yes
	Khairul Anwar bin Ismail	5 years working experience in oil palm plantation.	Yes
	Mohd Nur Amin bin Mohd Halim	7 years working experience in oil palm plantation.	Yes
Good Agricultural Practices (GAP), and Integrated Pest Management (IPM), pesticide and fertilizer use	Zul Hairi Abu Hassan	9 years working experience in oil palm plantations.	Yes
	Khairul Anwar bin Ismail	5 years working experience in oil palm plantation.	Yes
	Mohd Nur Amin bin Mohd Halim	7 years working experience in oil palm plantation.	Yes
Health and safety auditing on the farm and in processing facilities, for example ISO 45001 or Occupational, Health & Safety Assurance System	Zul Hairi Abu Hassan	Successfully completed ISO 45001 LA course, Auditor for MSPO and RSPO scheme.	Yes
	Khairul Anwar bin Ismail	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
	Mohd Nur Amin bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes
Worker welfare issues and social auditing experience, for example with SA8000 or related social or ethical accountability codes	Zul Hairi Abu Hassan	Successfully completed SA 8000 Basic training and auditor for MSPO schemes	Yes
	Khairul Anwar bin Ismail	Successfully completed SA 8000 Basic training and auditor for MSPO schemes	Yes
	Mohd Nur Amin bin Mohd Halim	Auditor in training	Yes
Environmental and ecological auditing, for example experience with organic agriculture, ISO 14001 or Environmental Management	Zul Hairi Abu Hassan	Successfully completed ISO 14001 LA course, Auditor for MSPO and RSPO scheme.	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpocon Estates

Client Number: 92-049

Audit Type: ASA 01



Requirement	Assessor	Qualification	Compliance
Systems (EMS) or High Conservation Value (HCV)	Khairul Anwar bin Ismail	Successfully completed IMS ISO 9001, 14001, 45001 LA course, Auditor for MSPO scheme.	Yes
	Mohd Nur Amin bin Mohd Halim	Successfully completed IMS ISO 9001, 14001 and 45001 LA course.	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
Certifying Unit: Silimpocon Estates
Client Number: 92-049
Audit Type: ASA 01



2. METHODOLOGY

The audit approach 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;
- 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.

Annual Surveillance Audit (ASA 01):

Annual Surveillance audit was conducted on 14/10/2019 to 16/10/2019 covers the following activities but not limited to below:

- 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

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
Certifying Unit: Silimpocon Estates
Client Number: 92-049
Audit Type: ASA 01



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 annual surveillance audit the selected estates was based on the formula $S = 1.0\sqrt{n}$ where S = sample size and n = number of estates which is in accordance to MSPO certification procedure.

Based on the formula, the sample size for the estate $S = 1.0\sqrt{2} = 1.41$, therefore round up to the next integral of 2 estates. Thus, a total of 2 estates selected for the onsite assessment and inspection as listed in Table 2-1 below:

Table 2-1: List of Estates Selected

Name of Estate	Coordinates
Silimpocon 1 Estate	N : 04°19'44.76" , E : 117°27'32.88
Silimpocon 2 Estate	N : 04°20'58.6" , E : 117°25'28.9"

Non-conformance:

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

Major non-conformance shall be addressed and responded with 60 days from closing date of audit. For minor non-conformances raised and action plan to be submitted within 30 days from closing date of audit for review and acceptance. Implementation of Minor NC will be review and verify in the next audit.

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
 Certifying Unit: Silimpopon Estates
 Client Number: 92-049
 Audit Type: ASA 01



3. ORGANISATION INFORMATION

Silimpopon 1 and Silimpopon 2 estates are owned by Kretam Holdings Berhad located at Kalabakan, Sabah.

The details of the two estates as below:

Name of Estate	Location	Coordinates
Silimpopon 1 Estate	KM 128, Tawau Kalabakan Highway, Mukim Sg. Silimpopon	N : 04°19'44.76" E : 117°27'32.88"
Silimpopon 2 Estate	KM 128, Tawau Kalabakan Highway, Mukim Sg. Silimpopon	N : 04°20'58.6" E : 117°25'28.9"

3.1. Production volume

Name of Estate	Area (Ha)		Projected FFB Production (mt) (Jan 2020 – Dec 2020)
	Total*	Production**	
Silimpopon 1 Estate	3,934.82	2,884.90	61,000
Silimpopon 2 Estate	4,155.18	2,660.49	51,000
Total	8,090.00	5,545.39	112,000

*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	1999	2000	2001	2002	2003	2004	2005	Total
Silimpopon 1	0.00	0.00	1,028.92	823.00	1,013.46	0.00	19.52	2,884.90
Silimpopon 2	705.15	687.09	0.00	458.25	480.20	329.80	0.00	2,660.49
Total Mature	705.15	687.09	1,028.92	1,281.25	1,493.66	329.80	19.52	5,545.39
Total Immature	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Total Oil Palm	705.15	687.09	1,028.92	1,281.25	1,493.66	329.80	19.52	5,545.39

3.3. Replanting program for each estate

Estate / Year of Replanting	Planted area (ha) in each estate		Total area to be replanted (ha)
	2022	2023	
Silimpopon 1 Estate	0.00	0.00	0.00
Silimpopon 2 Estate	345.32	1,047.52	1,392.84
TOTAL	345.32	1,047.52	1,392.84

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

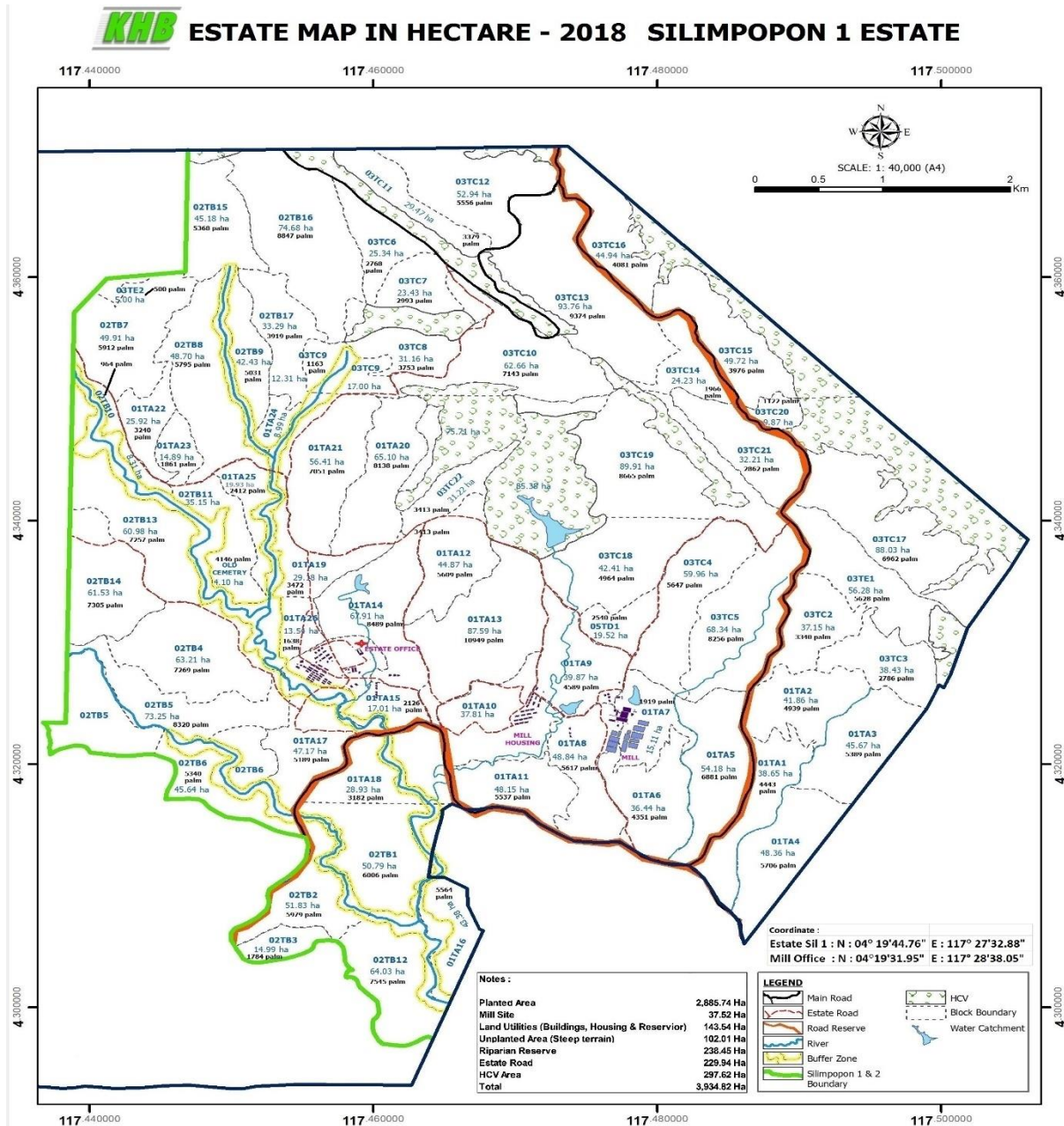
Certifying Unit: Silimpopon Estates

Client Number: 92-049

Audit Type: ASA 01



3.4. Maps of Company Location and Plantations



MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

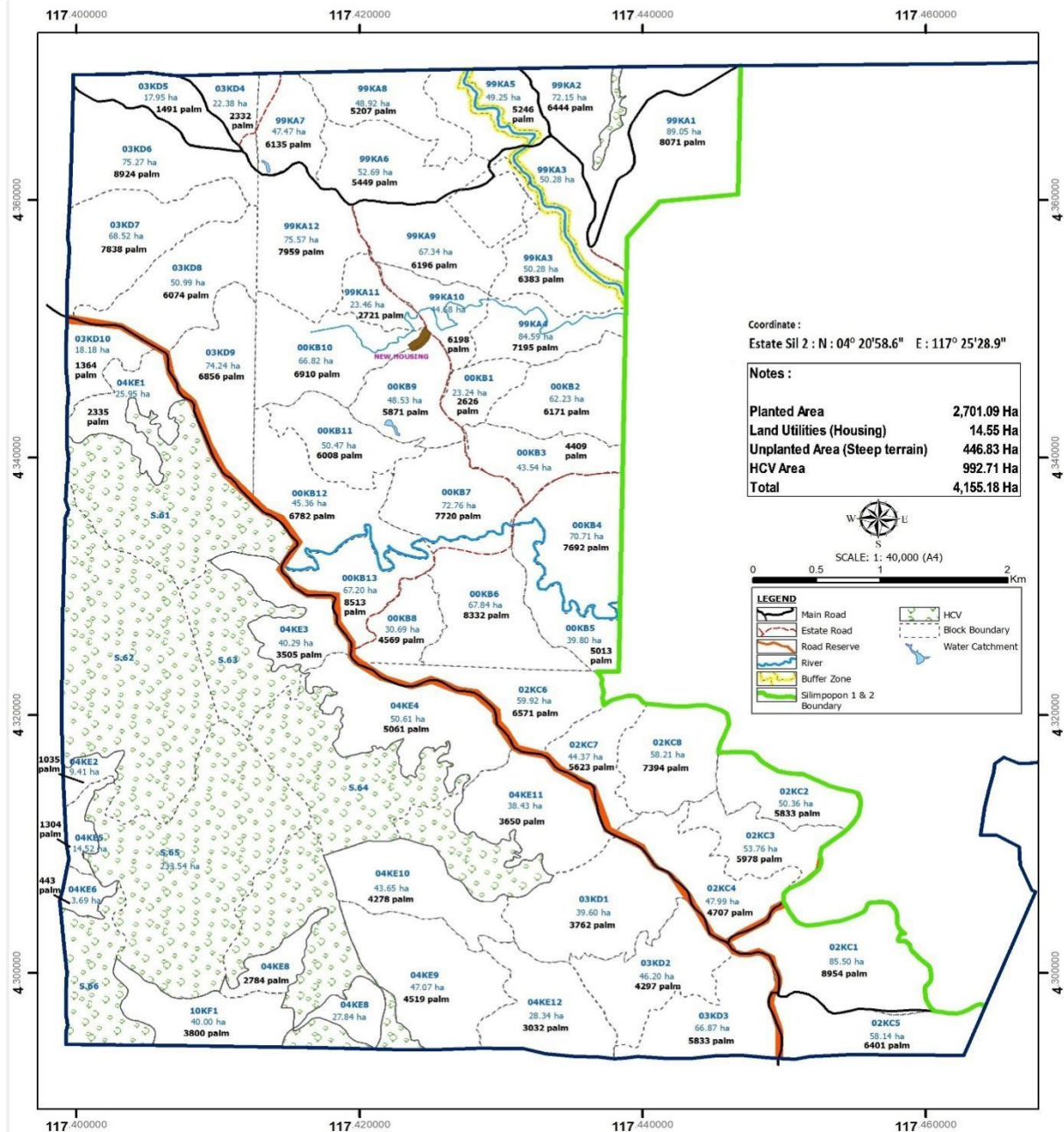
Certifying Unit: Silimpopon Estates

Client Number: 92-049

Audit Type: ASA 01



ESTATE MAP IN HECTARE - 2018 (SILIMPOPON 2 ESTATE)



MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
Certifying Unit: Silimpocon Estates
Client Number: 92-049
Audit Type: ASA 01



4. CERTIFICATION ASSESSMENT

4.1. Annual Surveillance Audit (ASA 01)

The objective of the annual surveillance 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. ASA 01:

The annual surveillance audit is conducted on 14/10/2019 to 16/10/2019 covering 2 selected estates – Silimpocon 1 and Silimpocon 2.

During the Stage II audit, there is 1 Minor and 2 Opportunities for Improvement (OFI) are raised. Action plan is submitted for Minor non-conformance with implementation review during the next audit.

During this audit, the minor non-compliance raised in the last audit, the audit team has review by means of inspection of estates, 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.

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 11/09/2019 as to accommodate stakeholder's consultation meeting for Silimpocon Estates to provide comments. As at audit date on 14/10/2019 there are no comments received.

Invitation letters are sent on 11/09/2019 to invite relevant stakeholders to attend a local stakeholders' consultation on 14/10/2019 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.

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpon Estate

Client Number: 92-049

Audit Type: ASA 01



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

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

3. 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.

4. 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 received information of MSPO audit via invitation letter received.	Positives comment
2	Social issues	Stakeholders are not local communities or government authorities. Therefore, no input of this topic.	No action required.
3	Type of land title – Country Leased, Provisional Leased, Native title	Stakeholders are not local communities. Therefore, no input of this topic.	No action required.
4	Economy / livelihood Is there any impact on livelihood after the introduction of MSPO?	Stakeholders are not local communities. Therefore, no input of this topic.	No action required.
5	Does MSPO largely benefits the local community?	Stakeholders are not local communities. Therefore, no input of this topic.	No action required.
6	Environmental understanding	Stakeholders are not local communities. Therefore, no input of this topic.	No action required.
7	Awareness towards species, habitats, and	Stakeholders are not local communities. Therefore, no input of this topic.	No action required.

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpopon Estates

Client Number: 92-049

Audit Type: ASA 01



Items	Subject discussed	Audit team findings	Company response and proposed action to be taken
	high conservation values		
8	Are there any plantation management practices that affect you?	Stakeholders confirmed there are no management practices affect them as the estate located far from the surrounding villages.	Positives comment
9	Do you consider any management is in conflict with the MSPO principles and criteria?	Stakeholders confirmed that estate has taken effort to meet the MSPO requirements by improving cooperation and communication.	Positives comment
10	Do you have any suggestions for management?	No suggestion.	No action required.

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

Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.1	<p>KHB established Sustainability Policy dated 02/01/2018 signed by Chief Executive Officer.</p> <p>The policy describes:</p> <ul style="list-style-type: none"> a) Commitment to adhere on applicable laws b) Ensure protection and conservation to HCV. c) Ensure protection of RTE in HCV area. d) Promote innovation for product and process enhancement, water conservation, waste management and recycling. e) Transparency and accountability to stakeholders <p>The policy is publicly display at the estate and workers quarters notice boards.</p> <p>Sustainability Policy training conducted on 21/08/2019 to the workers.</p> <p>Site interview workers are aware on MSPO implementation and its importance on oil palm sector.</p>	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpon Estate

Client Number: 92-049

Audit Type: ASA 01



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.1.2	<p>KHB established Sustainability Policy dated 02/01/2018 signed by Chief Executive Officer.</p> <p>The policy describe;</p> <p>KHB Group is committed to strive towards sustainable development whenever practical that will ensure a sustainable future. KHB has adopted best practices from the industry into its daily operations, and throughout the entire operation.</p>	Yes
4.1.2.1	<p>KHB established SOP for internal audit document no KHB/G/SOP-49, revision 03, dated 09/02/2018 signed by Chief Plantation Officer.</p> <p>Frequency of internal audit conducted is once a year.</p> <p>The latest internal audit conducted on 26/08/2019.</p> <p>There is 16 major NCs and 1 minor NC raised in the internal audit.</p> <p>The internal audit address the strong and weak points for future improvements.</p>	Yes
4.1.2.2	<p>KHB established internal audit procedure KHB/G/SOP-49 revision dated 09/02/2018 approved by Chief Plantation Officer.</p> <p>The internal audit findings addressed with corrective action.</p> <p>The non -conformity table has;</p> <p>Issues, root cause, corrective action, action by, dateline, status and remarks.</p> <p>Example:</p> <p>Issue: Social impact assessment</p> <p>Root cause: Estate done on reporting but not review on negative and positive time bound plan</p> <p>Corrective action: Estate will conduct review on the report</p> <p>Action by: Admin clerk</p> <p>Dateline: 30/09/2019</p> <p>Status: Completed</p>	Yes
4.1.2.3	<p>Management review minutes of meeting dated 10/10/2019 is review. Internal audit findings and results are presented.</p>	Yes
4.1.3.1	<p>Management review conducted on 10/10/2019 and once a year after internal audit.</p> <p>Agenda discussed in the management review is on last management review report, internal audit results and other topics.</p> <p>Example:</p> <ol style="list-style-type: none"> 1. Buffer zone area palms to be marked with yellow color. 2. Oil trap monitoring for prevent occurrence of oil. 	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
 Certifying Unit: Silimpocon Estates
 Client Number: 92-049
 Audit Type: ASA 01



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
4.1.4.1	<p>KHB established Continual Improvement Plan for Estates date of review 30/09/2019 and next review will be held on 31/08/2020.</p> <p>Table of contents:</p> <ul style="list-style-type: none"> a) Pesticide b) Environment c) Waste reduction d) Pollution and emission e) Social impact-plantation f) Health and safety issues g) Legal compliance and transparency h) General issues <p>Example on Environment:</p> <p>Improvement action: To conduct oil trap monitoring at diesel skid tank, gen-set room, lubricant store and workshop.</p> <p>Expected outcomes: No spillage of oil from running to the waterway.</p> <p>Timeframe: Jan to Dec 2019.</p> <p>Review and Monitoring: Monthly monitoring of oil trap</p> <p>Responsibility: Estate Assistant Manager</p> <p>Status: Monthly monitoring has implemented in 1st half 2019, to continue 2nd half of 2019.</p> <p>Example on Social:</p> <p>Improvement action: To provide comfortable housing for employees. The estate will build new permanent quarters for employees.</p> <p>Expected outcomes: Improvement of livelihood for Silimpocon Estates employees.</p> <p>Timeframe: 2024</p> <p>Review and Monitoring: Continuous implementation of building master plan</p> <p>Responsibility: Estate management</p> <p>Status: 9 block were constructed in 2019, another 25 block will be constructed from year 2020 to 2024.</p>	Yes
4.1.4.2	<p>KHB established SOP KHB/G/SOP-46 "New Information, Technique, Equipment, revision dated 09/02/2018 approved by Chief Plantation Officer.</p> <p>The SOP states</p> <ul style="list-style-type: none"> a) To train operators in regarding implementation of new technology 	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
 Certifying Unit: Silimpocon Estates
 Client Number: 92-049
 Audit Type: ASA 01



Principle 1: Management Commitment & responsibility		
Indicator	Summary of Assessment	Compliance
	<p>b) Report by estate manager on every 2 weeks for first two months and monthly from three to six month and then evaluation either to continue or stop the implementation.</p> <p>Example: Implementation of new system called (Quarto System) which was used on upgrading and improving estate and mill accounting system.</p> <p>Training on the new system conducted on 18/09/2018 to 20/09/2018. The latest training conducted on 01/10/2019 for further monitoring.</p> <p>The Quarto system is implemented during the audit date.</p> <p>Sighted in the CIP is the improvement action of new technology of Quarto System.</p>	
4.1.4.3	<p>KHB established SOP KHB/G/SOP-46 "New Information, Technique, Equipment, revision dated 09/02/2018 approved by Chief Plantation Officer.</p> <ul style="list-style-type: none"> • The SOP includes a flowchart: The product information • Site selection • Target group • Justification and comparison • Economical viable • SOP and training • Training guidance • Records • Reporting 	Yes

Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.1.1	<p>KHB established list of stakeholders dated 05/05/2017 includes surrounding communities, government authorities, suppliers, contractors and NGOs.</p> <p>External stakeholder meeting conducted on 14/08/2019 with following agenda;</p> <ol style="list-style-type: none"> 1) Company policies & Complaints procedure in line with the MSPO requirement. 2) Positive implementation of MSPO in the aspect of social, safety & environment. 3) Method of communication between company and stakeholders. 4) Regularly communicate with communities, authorities and NGOs. 	Yes
4.2.1.2	<p>KHB established 'List of Documents and Transparency Status' on 29/09/2018.</p> <p>The list is publicly available at notice board.</p>	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpocon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
	<p>Examples of documents:</p> <ul style="list-style-type: none"> - Land title - Crop projection - Water management plan. 	
4.2.2.1	<p>KHB established SOP on Stakeholder Engagement / Negotiation dated 05/05/2017.</p> <p>The procedure states the "Consultation and meeting" specify the process including:</p> <ul style="list-style-type: none"> - To hold periodic consultation with stakeholder on issue pertaining to estate/mill operation, crop quality, health and safety, certification activity, training, road accessibilities etc. <p>The stakeholders are brief on the consultation and communication flowchart during the stakeholders meeting held on 14/08/2019.</p>	Yes
4.2.2.2	<p>KHB established SOP, on Stakeholder Engagement / Negotiation dated on 05/05/2017.</p> <p>Item 3 updating of list, address and contact number, the responsibilities states the estate manager shall be overall in charge of the implementation of the procedure.</p>	Yes
4.2.2.3	<p>KHB established list of stakeholders dated 15/08/2019.</p> <p>The stakeholders list includes government agencies, schools, suppliers, contractors, transporter, NGO, smallholder and FFB supplier.</p> <p>Consultation & Communication flowchart states the timeframe to attend any grievance or complaint received within 30 working days.</p>	Yes
4.2.3.1	<p>KHB established traceability procedure dated on 01/12/2017.</p> <p>The SOP description as below:</p> <ol style="list-style-type: none"> 1. Identification, implementation & monitoring of document; 2. Implementation, monitoring of records by management to ensure the traceability system is implemented 3. Retention of traceability records archive with minimum period of 10 years. 4. Frequency of traceability record by annual internal audit. 5. List of records on crop production that should be available for inspection. 	Yes
4.2.3.2	<p>KHB conducts monthly check on the delivery to Silimpocon kill.</p> <p>The internal audit conducted on 26/08/2019 for Silimpocon 1 Estate and 07/08/2019 for Silimpocon 2 Estate with no findings raised.</p>	Yes
4.2.3.3	<p>KHB appoints the Senior Assistant Manager (SAM) as person in charge for maintaining the traceability system.</p>	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpopon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 2: Transparency		
Indicator	Summary of Assessment	Compliance
4.2.3.4	Records for production and delivery of FFBs documented and maintained. The records of delivery could be traced to the date of harvesting, block number, number of FFB bunches, FFB transport vehicle number, delivery note issued by the estates to the mill and weighbridge ticket issued by mill..	Yes

Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
4.3.1.1	KHB established monitoring records of licenses updates dated 03/10/2019. List of licenses and validity as below: <ul style="list-style-type: none"> a) Silimpopon 1 MPOB license 503884002000 with validity until 31/03/2020. b) Silimpopon 2 MPOB license 508393402000 with validity until 28/02/2020. c) Air compressor license: SB PMT 11251 valid until 26/12/2019. d) Genset license by Suruhanjaya Tenaga valid until 31/05/2020 e) Trading license R43670/12 with validity until 31/12/2019 f) Permit barangan Kawalan Berjadual for Diesel PPDNKK.TWU900-3/1/05-2006(P) valid until 29/11/2019 	Yes
4.3.1.2	KHB established list of related laws, regulations and guidelines updated on 25/09/2019. Example of law applicable; <ul style="list-style-type: none"> 1. Land Ordinance Sabah Cap 68 2. Labour Ordinance Sabah Cap 67 3. Minimum Wage Order amendment 2018 4. Pesticides 1974 (Act 149) 5. Occupational Safety & Health Act 1994 (Act 514) 	Yes
4.3.1.3	KHB list of related laws, regulations and guidelines with latest update on 25/09/2019.	Yes
4.3.1.4	KHB appointed Head of Human Resources and Sustainability as person in charge for Legal Register.	Yes
4.3.2.1	KHB land titles are country lease issued by Director of Lands and Surveys Sabah to Kretam Holdings Berhad. The land title describe land usage is for the purpose of cultivation of an agricultural crop of economic value.	Yes
4.3.2.2	KHB land titles are issued by the Director of Lands and Surveys Sabah to Kretam Holdings Berhad. The activity is for cultivation of an agricultural crop of economic value.	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpoan Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 3: Compliance to legal requirements		
Indicator	Summary of Assessment	Compliance
	The tenure period is 99 years.	
4.3.2.3	KHB land titles have a map with the title number, size in hectare and boundary markers. Boundary stone is inspected during site visit and crosscheck with e map for correctness.	Yes
4.3.2.4	The land titles are issued by Director of Lands and Surveys, Sabah. Therefore, no FPIC and disputes.	Yes
4.3.3.1	KHB land titles are country lease issued by Director of Lands and Surveys, Sabah. There are no native or customary sub-leased land in KHB.	Yes
4.3.3.2	KHB land titles are country lease issued by Director of Lands and Surveys, Sabah. There are no native or customary sub-leased land by KHB.	Yes
4.3.3.3	KHB land titles are country lease issued by Director of Lands and Surveys, Sabah. There are no native or customary sub-leased land in KHB.	Yes

Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
4.4.1.1	KHB established SIA on December 2017 and updated on September 2019. The SIA includes information from survey and meeting feedback from internal and external stakeholders. The SIA has a summary of positive and negative impacts and the timeline to monitor. The action and implementation is the responsibility of the Estate Management. The positive impacts are continuously promoted while negative impacts are mitigated with a timeframe to carry out the action and included in CIP for monitoring. The SIA will be reviewed once a year with feedback from stakeholders.	Yes
4.4.2.1	KHB established Complaint and Grievance procedure, doc no: KHB-PR-P05, revision no 2 effective date 01/08/2018 approved by Director. The procedure is displayed at estate notice boards and available in English and Bahasa Malaysia. The procedure states that any complaint received by the Manager should be resolve within 10 days. If the Manager is not able to resolve it will be forwarded to the group top management to resolve within 30 days. Compliant / Grievance form (KHB-HR-P05/F01) available for stakeholders to lodge complaint.	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 4: Social Responsibility, health, safety and employment conditions			
Indicator	Summary of Assessment		Compliance
	Site interview with field workers for both estates confirmed their understanding on the process to make complaint or grievance when required.		
4.4.2.2	<p>KHB established complaint and grievance form.</p> <p>A flow chart in the SOP describing the process and responsible person, HR Manager or Manager (grievance officer) are in-charge for the complaint and ensure the complaint to be solve 30 working days.</p> <p>Records are review with no complaints lodged in both estates as of audit date.</p> <p>Workers interview confirmed no complaints lodged.</p>		Yes
4.4.2.3	The complaint and grievance form is available at the office that can be access by workers and stakeholders.		Yes
4.4.2.4	<p>KHB conducted briefing to workers on 06/09/2019 and external stakeholders on 30/04/2019 on complaint and grievance procedure.</p> <p>During interview with workers they informed complaint could be lodged at any time.</p>		Yes
4.4.2.5	Review of complaint records confirmed there are no complaints lodged as at audit date.		Yes
4.4.3.1	KHB provides job opportunity to local communities for estate operation and office admin work.		Yes
4.4.4.1	<p>KHB establish Health & Safety Policy dated 01/04/2019 signed by Chief Executive Officer.</p> <p>The policy is available at estate notice board and workers are brief on 11/09/2019 for Silimpon 1 Estate and 08/07/2019 for Silimpon 2 Estate.</p>		Yes
4.4.4.2	a	<p>The policy is display at notice board.</p> <p>Briefing provided to workers on 11/09/2019 for Silimpon 1 Estate and 08/07/2019 for Silimpon 2 Estate</p> <p>Stakeholders consultation conducted on 15/08/2019 include safety & health policy.</p>	Yes
	b	<p>KHB establish HIRARC by work area for each activity.</p> <p>The table describe the activity, hazard, injury, risk rating, control measures, residue risk and reduce risk rating.</p> <p>PIC is the Safety Executive</p> <p>Date of review 28/05/2019 for Silimpon 1 Estate and 12/01/2018 for Silimpon 2 Estate</p>	
	c i	<p>Workers are briefed on company policies on 11/09/2019 for Silimpon 1 Estate and 08/07/2019 for Silimpon 2 Estate.</p> <p>Policies are display at the notice boards. Briefing records are verified.</p>	
	c ii	SDSs for chemicals and fertilisers are available at store and office.	

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpocon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Chemicals and fertilizer are stored appropriately with sufficient ventilation.</p> <p>Original labels are intact to the chemical containers and fertilisers.</p>	
d	<p>The type of PPEs for each activity are identified in accordance to HIRARC and CHRA assessment.</p> <p>Example: Manuring for Silimpocon 1 Estate, Sprayer for Silimpocon 2 Estate</p> <p>PPE: Glove, Goggles, Apron, Face Mask</p>	
e	<p>KHB establish SOP dated on 25/06/2018 for handling of chemical and storage.</p> <p>The handling, storage and precautionary measure state in the SDS is adopted.</p> <p>CHRA conducted on 26/11/2016 for both estates and valid for 5 years.</p>	
f	<p>KHB appoint a health and safety coordinator to oversee the health and safety aspects of all operations activities for both estates.</p>	
g	<p>Quarterly OSH meeting for Silimpocon 1 Estate conducted on 15/03/2019, 03/06/2019 and 08/10/2019. Silimpocon 2 Estate conducted on 09/04/2019, 28/06/2019 and 30/09/2019.</p>	
h	<p>Accident and emergency SOP dated on 03/11/2016 is display at both estates notice boards.</p> <p>Safety Induction for emergency plan procedure conducted to workers on 09/04/2019.</p> <p>Interview with workers confirmed that they are aware of the emergency plan procedure.</p> <p>Emergency contacts details are available at notice board.</p>	
i	<p>Training & Briefing on First Aid Kit conducted on 03/09/2019 for estate managers, assistant managers, staffs and mandores.</p> <p>Mandores are train on basic first aid by the Estate Hospital Attendant.</p> <p>First aid kits available at work site and mandore is PIC.</p>	
j	<p>KHB established records for accidents and injuries.</p> <p>Sighted JKKP submission dated 08/01/2019 for Silimpocon 1 estate and 16/01/2019 for Silimpocon 2 estate for year 2019.</p>	
4.4.5.1	<p>KHB established Code of Conduct & Human Right Policy dated 03/01/2017 signed by CEO.</p> <p>The policy states Respect and protect the fundamental of Human Rights as stated in Universal Declaration of Human Rights of the United Nations, as well as the dignity of the individuals working in all levels of operation including contracted third parties.</p>	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpopon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>The policy is displayed at office notice board, workshop, worker quarters and clinic in English and Bahasa Malaysia.</p> <p>Training of policy conducted on 06/03/2019 for Silimpopon 1 and 04/03/2019 Silimpopon 2 and stakeholders on 14/08/2019.</p> <p>During site interview with workers at both estates, they are aware of the policy.</p>	
4.4.5.2	<p>KHB establish Code of Conduct & Human Right Policy dated 03/01/2017 signed by CEO.</p> <p>Company does not engage in or support discrimination practices and provide equal opportunity regardless race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>The policy is displayed at notice board.</p> <p>SOP Recruitment of Foreign Worker Procedure, rev no: 3. Effective date: 01/04/2019. The hiring process for foreign worker are based on medical fitness and valid passport for working in Malaysia.</p> <p>During interview with workers at both estates they confirmed there is no discrimination practices.</p>	Yes
4.4.5.3	<p>KHB established contract agreement for workers in accordance to Sabah Labour Ordinance.</p> <p>The contract agreement states the pay rate of RM42.30 per day in accordance to the Minimum Wage Order 2018.</p> <p>The pay slip review indicate the worker pay is in line with Minimum Wage Order 2018.</p>	Yes
4.4.5.4	<p>KHB engage contractor for road maintenance and FFB transporter.</p> <p>KHB maintained records of pay slip of contractor workers. Review on pay slip the wages paid are in accordance to Minimum Wage Order 2018.</p>	Yes
4.4.5.5	<p>KHB established list of workers that contain name, gender, date of birth, date joined, job description and nationality.</p> <p>Document review and site interview confirmed all workers are permanent employed.</p>	Yes
4.4.5.6	<p>KHB established worker contract for every worker recruited.</p> <p>The management provide fair contract that has been signed by both parties.</p> <p>The worker is briefed on the working contract terms and conditions, wage, position and copy is provided.</p> <p>During site interview with workers confirmed they are briefed on the contract terms and conditions and received a copy after signing.</p>	Yes
4.4.5.7	<p>KHB established 'Masa Kerja Di Ladang' and displayed at notice board near morning assembly area.</p> <p>The working hours for estate starts from 5:30am to 2:00pm with rest time from 10:30am to 11:00am.</p>	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpopon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Workers reporting for daily work is recoded during the morning muster roll call.</p> <p>Working hours and overtime stated in working contract.</p> <p>Overtime rate according to Sabah Labour Ordinance requirements of 1.5 times daily rate for normal overtime and 2.0 time daily rate for rest day and public holidays.</p> <p>Interview with workers, they are aware on the working hours and overtime rate.</p>	
4.4.5.8	<p>Reviewed on the pay slip, contract and check roll of workers for working hours and OT complied with legal regulations.</p> <p>During field visit workers feedback they understand the working hours and overtime time. Worker confirmed the wage paid is in line with legal requirements.</p>	Yes
4.4.5.9	<p>Pay records are reviewed to crosscheck the wage paid is in line with legal regulations and working contracts.</p> <p>The wages records from September 2019 sighted are according to the Minimum Wage Order 2018.</p> <p>Interview with workers at both estates they understood the wages and overtime paid.</p>	Yes
4.4.5.10	KHB provide benefits to workers such as annual leave, SOCSO, medical treatment and transport.	Yes
4.4.5.11	<p>KHB housing adopts the industry best practices.</p> <p>Site observation on the worker living quarters has basic amenities such as crèche, recreation place, mosque, chapel, shops, water, electricity and gardening area.</p>	Yes
4.4.5.12	<p>KHB established Sexual Harassment Policy dated 15/04/2019.</p> <p>The policy is displayed at notice boards</p> <p>The policy briefing conduct during gender meeting dated 04/10/2019 for Silimpopon 1 and 18/10/2019 for Silimpopon 2.</p> <p>There are no complaints lodged for related issue.</p>	Yes
4.4.5.13	<p>During the interview with workers there are no union form in KHB. However, worker JCC meeting is conducted annually as communication tools between workers and management team.</p> <p>KHB conducted workers JCC meeting dated 09/10/2019 at Silimpopon 1 and 08/10/2019 at Silimpopon 2.</p>	Yes
4.4.5.14	<p>KHB established Social Policy dated 15/04/2019.</p> <p>The policy states Ensure no child or young person under age 18 shall be or permitted to be engaged in any employment other that those allowed by the laws.</p>	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
 Certifying Unit: Silimpon Estates
 Client Number: 92-049
 Audit Type: ASA 01



Principle 4: Social Responsibility, health, safety and employment conditions		
Indicator	Summary of Assessment	Compliance
	<p>Worker personal file and workers master list review indicate no child labour employed by the estates.</p> <p>Onsite observation, no child labour or young person employed by estates. All workers are above 18 years prior joining the estates.</p>	
4.4.6.1	<p>KHB established training program 2019 dated 22/01/2019.</p> <p>Trainings are provided to staff and workers.</p> <p>Example of training conducted:</p> <ul style="list-style-type: none"> • Accident procedure on 01/10/2019 • Chemical handling, surplus chemical handling, fuel & Lubricant handling 02/10/2019 • Hygiene policy 03/10/2019 • Emergency plan procedure 04/10/2019 • Gender policy & sexual harassment policy 07/10/2019 • Foreign workers policy 05/10/2019 • Battery handling & charging 08/10/2019 	Yes
4.4.6.2	<p>KHB established training programme based on job task.</p> <p>Training matrix is establish to identify training needs for each worker.</p>	Yes
4.4.6.3	<p>KHB established annual training plan 2019 dated 22/01/2019 ti ensure workers are regularly briefed safe work practices..</p>	Yes

Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
4.5.1.1	<p>KHB established Environmental Policy dated 02/01/2018 sign by CEO.</p> <p>Environmental Management Plan (EMP) established doc no EAIA Jil.2/2019 dated 20/02/2019.</p> <p>The EMP include the relevant laws and regulations as below list :</p> <ol style="list-style-type: none"> 1. Licensed control as prescribed premises under section 18 2. Environmental Quality Act 1974 3. Environmental Quality (Clean Air) Regulation 2014 4. Occupational Safety and Health Act (Act 514) 5. Environmental Quality (Scheduled Waste) Regulation 2005 <p>KHB conducted training on Environmental Management Plan (EMP) dated 26/09/2019 and 06/09/2019.</p> <p>Site interview workers are aware of environmental management plan.</p>	Yes
4.5.1.2	<p>a KHB established EMP Doc no EAIA Jil.2/2019 dated 20/02/2019.</p>	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
 Certifying Unit: Silimpocon Estates
 Client Number: 92-049
 Audit Type: ASA 01



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>The EMP include the environmental policy and objectives follows.</p> <ol style="list-style-type: none"> 1. To ensure a continuous awareness of the need to check and monitor key environmental components for Kretam Holding Berhad – Tawau Region and take appropriate remedial measures to avoid environmental degradation 2. To protect the environmental of Kretam Holding Berhad –Tawau region from neglect, mismanagement and irresponsible activities in palm oil operation 3. To ensure conformation to all activities are within the law/ Acts and legislation of state and nation 	
	<p>b The environmental aspect and impact table is included in the EMP, listing the aspects and impacts analysis by activity.</p> <p>Example:</p> <p>Activities: Pest Control</p> <p>Environment Aspect: Pesticides Spillage</p> <p>Environment Impacts: Pollution to water courses and land</p> <p>Risk assessment: High</p> <p>Mitigation/improvement plan: Follows SOPs on pesticide handling and application</p> <p>Monitoring plan: Monthly</p> <p>Responsibility: Estate Manager/ Assistant Manager</p>	Yes
4.5.1.3	<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>Fertilizer Application</p> <p>Negative Impact: Leaching losses run off nutrients during application in monsoon season</p> <p>Mitigation plan: Correct timing of fertilizer application and Fertilizer application on the top of fronds stacking in mature palm area</p> <p>Monitoring: Record of fertilizer application</p> <p>Positive Impacts:</p> <p>Fertilizer application is essential for palm growth and crop production and can maintain soil nutrients in balance and replacement for taken up by plants</p> <p>Plan to promote:</p> <p>Fertilizer recommendation by agronomist and fertilizer application training</p> <p>Monitoring: Record of fertilizer application</p>	Yes
4.5.1.4	<p>The programme to promote positive impacts are listed in the environment impact assessment and action plan.</p>	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
 Certifying Unit: Silimpocon Estates
 Client Number: 92-049
 Audit Type: ASA 01



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Example:</p> <p>Fertilizer Application</p> <p>Positive Impacts</p> <p>Fertilizer application is essential for palm growth and crop production and can maintain soil nutrients in balance and replacement for taken up by plants</p> <p>Plan to promote:</p> <p>Fertilizer recommendation by agronomist and Fertilizer application training</p> <p>Monitoring: Record of fertilizer application</p> <p>EMP dated 20/02/2019 include continual improvement to promote the positive impact.</p> <p>Example</p> <ol style="list-style-type: none"> 1. Fertilizer application training 2. Safe fertilizer application 	
4.5.1.5	<p>KHB established training program 2019 dated 20/01/2019.</p> <p>Example of the training related to environmental plan</p> <ol style="list-style-type: none"> 1. Environmental policy dated 26/09/2019. 2. Waste disposal and scheduled waste management dated 06/09/2019. 	Yes
4.5.1.6	<p>The 3rd quarterly environmental meeting conducted on 10/10/2018 between management and environmental committee team.</p> <p>The meeting discussed the environmental concern such as buffer zone and riparian zone monitoring environmental training programmed and scheduled waste monitoring update.</p>	Yes
4.5.2.1	<p>KHB monitor the usage of fossil fuel usage on diesel consumption vs FFB tonnage on annually basis for operation and transporting FFB to mill.</p> <p>Comparison of current usage compared with baseline established. The diesel usage from Jan'19 – Aug'19 are high due to new additional vehicles and usage for construction of 12 unit new labor quarters.</p> <p>Fuel efficiency improvement plan established dated 10/07/2019 stated for the usage of vehicle, workshop, genset, general.</p>	Yes
4.5.2.2	<p>Monthly budget usage of diesel for 2019 is compared with monthly actual usage to monitor the cause for increase or decrease..</p>	Yes
4.5.2.3	<p>Fuel efficiency improvement plan established dated 10/07/2019.</p> <p>The plan state the implementation of solar panel for main gate and weighbridge.</p> <p>Sighted solar panel for lighting at main gate and weighbridge.</p>	Yes
4.5.3.1	<p>Environment Management plan dated 20/02/19 include waste identification and disposal method.</p>	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
 Certifying Unit: Silimpopon Estates
 Client Number: 92-049
 Audit Type: ASA 01



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>The waste identification include source, location and disposal method.</p> <p>Example</p> <p>Waste identification: Used Engine Oil</p> <p>Source: Vehicle, Gear-Box</p> <p>Location: Used Oil Store</p> <p>Disposition method: Disposed by authorized contractor</p> <p>Responsibility: Workshop supervisor</p>	
4.5.3.2	<p>a KHB established Environment Management plan dated 20/02/2019 includes waste and pollution sources, identification and monitoring plan and disposal method</p> <p>Example</p> <p>Waste identification: Disposal of spent Engine Oil/ lubricants</p> <p>Source: Vehicle, Gearbox</p> <p>Monitoring Plan: Proper monitoring, storage and disposal as schedule waste, Constant checks on storage drum for any leakages</p> <p>Responsibility: Workshop supervisor</p> <p>Pollution: Soil Pollution, Water Pollution</p> <p>Used engine oil has been recorded with latest updated on 1/10/2019.</p> <p>b Environment Management plan dated 20/02/2019 include the list of recyclable waste for Silimpopon 1 and Silimpopon 2 Example;</p> <ol style="list-style-type: none"> Source of pollution: Fertilizer bag Type of recycle: Reuse Remarks: Use for loose fruit collection Source of pollution: EFB, Pome, Palm frond Type of recycle: Reused Remarks: Used for mulching, soil conditioner, nutrient enhancement 	Yes
4.5.3.3	<p>KHB established SOP for waste disposal doc no: KHB/G/SOP-08, rev no: 5, effective date: 18/08/2013, revision dated 04/05/2018.</p> <p>The SOP state handling of used engine oil:</p> <ol style="list-style-type: none"> The scheduled waste must be kept in the drum for disposal The scheduled waste must be recorded, labelled and be kept in the store The estate will follow the Environment Quality Act 1974 (Scheduled Waste Regulation 2005) and notify the mill manager on the total of volume of scheduled waste in the store by updating the ESWIS records 	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpocon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Environmental Management plan list all scheduled waste generated from estate operations according to legal requirement.</p> <p>For example</p> <ol style="list-style-type: none"> 1. Used Engine / motor oil (SW 305) 2. Used battery (SW 102) 3. Electrical waste (SW 109) 4. Contamination Soil (SW 408) 5. Clinical Waste (SW 403) <p>The scheduled waste will be collected by DOE authorized collector.</p> <p>Estate established scheduled waste monitoring records to ensure the quantities are not more than 20mt or stored for more than 180 day.</p>	
4.5.3.4	<p>KHB established SOP Empty Container Rinsing, doc no: KHB/G/SOP-19, rev no: 4, effective date: 18/08/2013, revision date 09/02/2018.</p> <p>The SOP states</p> <ol style="list-style-type: none"> 1. All empty chemical container shall be kept in the premixing facilities store 2. The container must be rinsed 3 times before storage 3. The water inside the container to be emptied into premix water tank 4. The rinsed water are reused for chemical premix activities 5. The empty container will be punctured before collected by DOE authorized collector or reused as chemical premix storage <p>KHB established inventory for recycling and reused records of empty chemical containers.</p>	Yes
4.5.3.5	<p>KHB disposed domestic wastes at designated landfills located away from waterways and housing.</p> <p>During site verification at Silimpocon 1 and 2 estate, landfill is located more than 500 meters from housing and waterways. The area is fenced and marked, with opening and closing dates.</p>	Yes
4.5.4.1	<p>KHB established pollution aspects and impacts.</p> <p>The document is attach to EAIA and Environmental Management plan dated 20/02/2019</p> <p>The list of pollutants listed</p> <ol style="list-style-type: none"> 1. EFB 2. GHG 3. Engine Oil 4. Scrap Iron 	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpopon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>The disposal and treatment method for each type of waste as below example :</p> <ol style="list-style-type: none"> 1. Used Engine Oil 2. Disposal Method : Disposed by authorized Contractor 3. Expected outcome: Less pollution <p>GHG source: Example: EFB - Methane (CH₄), Used Engine Oil - Carbon Monoxide (CO)</p>	
4.5.4.2	<p>Fuel efficiency improvement and action plan included the pollution and emission plan for Silimpopon 1 and 2 Example :</p> <p>Vehicle – Farm tractor, lorry & heavy machineries</p> <ul style="list-style-type: none"> • Proper vehicle maintenance schedule <p>Sighted vehicle maintained record for Silimpopon 1 and 2 estate dated on 08/09/2019. All the vehicles are maintains as per programme.</p>	Yes
4.5.5.1	<p>a KHB established water management plan dated 30/09/2019 describe the source and usage.</p> <p>Catchment ponds: For domestic usage and chemical application</p> <p>Rain water: For domestic consumption.</p>	Yes
	<p>b Water quality tests conducted to monitor in and outgoing water by 3rd party laboratory dated 18/03/2019 to meet DOE requirements.</p> <p>Housing water is discharge to the nearest field.</p> <p>KHB conducted water quality test for water catchment pond and water treatment plant by 3rd party laboratory to monitor the drinking water quality meets national drinking water standard.</p> <p>Example: The Certificate of analysis dated on 31/07/2019 shows that the water quality is within the limit of National Standard for drinking water quality.</p>	
	<p>c KHB established water consumption monitoring record to monitor estate and labour quarter water usage</p> <p>The water pumped monitored with installed flow meter and daily usage of water is recorded. The operator is responsible to record the water usage on daily basis and summarized on monthly basis.</p> <p>Piping system found in good order during inspection at housing and facilities area</p>	
	<p>d Silimpopon River flowing through the Silimpopon 1 & 2 estates.</p> <p>Monthly monitoring of riparian zone establish to ensure no activities of chemical and fertilizer application.</p> <p>Appropriate signage installed at buffer / riparian zones</p>	

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpopon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>Workers are brief during buffer zone training on 17/08/2019 for restriction of spraying, manuring and any activities at buffer zone area.</p> <p>e No vegetation removed from riparian zones at Silimpopon 1 and 2 estate as sighted during site visit KHB has planted tree such "Pokok Jati", "Pokok Laran" and "Pokok Batai" with the objective to increase vegetation at riparian area</p> <p>f There are no bore wells constructed to extract ground water. This could be observed during inspection of housing and facilities areas at both Silimpopon 1 and 2 estate</p>	
4.5.5.2	<p>There are no bunds or weirs or dams constructed across rivers. This could be confirm during field visit observation at Silimpopon river.</p>	Yes
4.5.5.3	Rain water harvesting is practice at all housing compound in Silimpopon 1 and 2 estates.	Yes
4.5.6.1	<p>a KHB established HCV Assessment report dated 12/10/2018 prepared by consultants to identify the wildlife & ecosystems and provide HCV management & monitoring recommendation to protect the RTE The identification of the wild life divided into flora and fauna. Example of identified rare, threatened, or endangered species (RTE) are</p> <ol style="list-style-type: none"> 1. Kapur Gumpait (<i>Dyrobalanops keithii</i>) 2. Meranti Tembaga (<i>Shorea Leprosula</i>) 3. Belian (<i>Eusideroxylon Zwageri</i>) 4. Burung Kekek (<i>Anthracoseros Malayanus</i>) 5. Beruk (<i>Macaca Nemestrina</i>) 6. Tenggiling (<i>Manis Javanica</i>) 7. Kelawat (<i>Hylobates Muelleri Funereus</i>) <p>Silimpopon 1 and Silimpopon 2 estates conducted quarterly observation survey with objective is to identify sighted wildlife, changes to ecosystems and ensure no hunting or capturing activities at HCV river area. Sighted monitoring record dated 11/07/2019. Appropriate signage install as information to workers to discourage any illegal or inappropriate hunting, fishing or collecting activities.</p> <p>b The identification of the wild life divided into flora and fauna. Example of identified rare, threatened, or endangered species (RTE) are</p> <ol style="list-style-type: none"> 1. Kapur Gumpait (<i>Dyrobalanops keithii</i>) 2. Meranti Tembaga (<i>Shorea Leprosula</i>) 3. Belian (<i>Eusideroxylon Zwageri</i>) 4. Burung Kekek (<i>Anthracoseros Malayanus</i>) 	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpopon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	<p>5. Beruk (<i>Macaca Nemestrina</i>)</p> <p>6. Tenggiling (<i>Manis Javanica</i>)</p> <p>7. Kelawat (<i>Hylobates Muelleri Funereus</i>)</p> <p>Training for RTE conducted dated 05/09/2019.</p>	
4.5.6.2	<p>a KHB established Sustainability policy dated 02/01/2019 sign by CEO with a statement “ensure protection on Rare, Threatened and Endangered (RTE) species living in the HCV areas”</p> <p>A management plan and monitoring system is establish to monitor protected wildlife and RTE from any illegal or inappropriate hunting, fishing or collecting activities and type of wildlife within the estate.</p> <p>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 of wildlife are permitted.</p> <p>b Appropriate signage install as information to workers to discourage any illegal or inappropriate hunting, fishing or collecting activities.</p> <p>Workers are brief during RTE training dated 05/09/2019 on wildlife within the estate especially monkeys and birds.</p> <p>Interview workers from Silimpopon 1 and 2 estates could confirmed they understand the penalty of hunting, fishing and capturing of wildlife.</p>	Yes
4.5.6.3	A monitoring system is establish to monitor any illegal or inappropriate hunting, fishing or collecting activities and type of wildlife within the estate on a quarterly observation survey at HCV area.	Yes
4.5.7.1	<p>KHB established zero burning policy dated 11/01/2016 sign by CEO.</p> <p>The policy stated there shall be no open burning of any kind except where deemed necessary with prior approval of the relevant authorities. This includes domestic waste, agricultural waste, and biomass or by-products generated by the estate and palm oil mill.</p> <p>There are no burning sighted at landfill and housing area during site verification.</p>	Yes
4.5.7.2	<p>KHB established zero burning policy dated 11/01/2016 sign by CEO.</p> <p>The policy state that there shall be no open burning of any kind except where deemed necessary with prior approval of the relevant authorities. This includes domestic waste, agricultural waste, and biomass or by-products generated by the estate and palm oil mill.</p> <p>There are no serious palm diseases sighted during the field visits that require burning.</p>	Yes
4.5.7.3	<p>KHB established zero burning policy dated 11/01/2016 sign by CEO.</p> <p>The policy state that there shall be no open burning of any kind except where deemed necessary with prior approval of the relevant authorities. This</p>	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpocon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 5: Environment, natural resources, biodiversity and ecosystem services		
Indicator	Summary of Assessment	Compliance
	includes domestic waste, agricultural waste and biomass or by-products generated by the estate and palm oil mill. There are no application documents sighted for controlled burning.	
4.5.7.4	KHB established replanting procedure Doc. No. KHB/G/SOP-07 Revision no 4 dated 09/02/2018. During site verification visit, no replanting and no previous crop felled and chipped or burn observed.	Yes

Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.1.1	KHB established standard operating procedures Example: 1. Scheduled waste management SOP 2. Manuring SOP 3. Chemical spraying SOP 4. Chemical store handling 5. Harvesting SOP Training conducted at Silimpocon 1 Estate: Chemical Spraying on 05/09/2019 Training conducted at Silimpocon 2 Estate: Manuring on 10/09/2019 and Chemical Spraying on 12/10/2019.	Yes
4.6.1.2	KHB established Planting Manual Procedure includes the soil conservation measure. The procedure states 'to prevent erosion, cover plants should be established on slopes as soon as possible after land clearing.' During site visit, sighted Legume Cover Crop (LCC) such as Mucuna Bracteata, Nephrolipies & Vertivar Grass planted along riparian and terracing to retain soil moisture and reduce soil erosion.	Yes
4.6.1.3	KHB maps with the field block numbers identified. This could be confirm during field inspection block signage with the block number according to the assigned block number in the estate maps.	Yes
4.6.2.1	KHB established financial budget for Silimpocon 1 and Silimpocon 2 estates for year 2019 to 2024. The budget includes following: 1. FFB production by division 2. Cost of production	Yes
4.6.2.2	KHB has no replanting program until 2022.	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
 Certifying Unit: Silimpopon Estates
 Client Number: 92-049
 Audit Type: ASA 01



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.6.2.3	<p>KHB established financial budget for Silimpopon 1 and Silimpopon 2 estates for year 2019 to 2024.</p> <p>The financial plan includes:</p> <ul style="list-style-type: none"> a. Planting Material b. Crop projection based on age profile mature c. Cost of production for all divisions in both estates d. Cost per ton of FFB e. Income and expenditure 	Yes
4.6.2.4	KHB established monthly progress report to monitor the income and expenditure, FFB production and price of FFB.	Yes
4.6.3.1	<p>KHB engaged external parties for services on maintenance road & constructed new workers housing.</p> <p>The contract dated 28/08/2019 for Silimpopon 1 Estate and 07/08/2018 for Silimpopon 2 Estate states the rates and terms of payment and duly agreed and signed by both parties.</p>	Yes
4.6.3.2	<p>KHB engaged external parties for services on maintenance road & constructed new workers housing.</p> <p>The rates and terms of payment duly agreed and signed by both parties.</p> <p>Sighted payment voucher paid in timely manner according to the terms and conditions stated in the contract.</p>	Yes
4.6.4.1	<p>KHB engaged external parties for services on road maintenance and construct new workers housing.</p> <p>Contract agreement signed by management and contractors stated that contractors to comply MSPO standard and subjected to be audited by CB.</p> <p>The contractor and workers are briefed on the company MSPO policies and requirements on 04/01/2019 for Silimpopon 1 Estate; and 14/09/2018 for Silimpopon 2 Estate.</p>	Yes
4.6.4.2	KHB establish contract agreements for services on road maintenance and construct new workers housing contractor duly signed by both parties on the agreed rates and terms of payment.	Yes
4.6.4.3	<p>KHB contract agreements has include statement in accordance to company policies and rules.</p> <p>Contract agreement signed by management and contractors stated that contractors has to comply with MSPO requirements and subjected to be audited by CB.</p>	Yes
4.6.4.4	KHB payment to contractors based on progress report monitored and approved by office administrator prior to issue payment.	Yes

Principle 7: Development of new planting

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpopon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
Indicator	Summary of Assessment	Compliance
4.7.1.1	KHB planting statements are review. There are no new planting in Silimpopon 1 and Silimpopon 2 estates. Silimpopon 1 estate 1 st planting in 2001 and the latest planting in 2005. Silimpopon 2 estate 1 st planting in 1999 and the latest planting in 2004.	Yes
4.7.1.2	KHB planting statements are review. There are no new planting within the estate. Replanting program is review with no replanting started	Yes
4.7.2.1	KHB planting statements and maps are review. There are no peat land. Site observation indicates there is no peat land occur within the estates.	Yes
4.7.3.1	KHB planting statements are review and there are no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.2	KHB planting statements are review and there are no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.3	KHB planting statements are review and there are no new planting. Therefore, no SEIA conducted.	Yes
4.7.3.4	There are no smallholder's scheme in KHB certification. Therefore, not applicable.	Yes
4.7.4.1	KHB planting statements are review and there are no new planting. Therefore, no soil map established.	Yes
4.7.4.2	KHB planting statements are review and there are no new planting. Therefore, no topography map established.	Yes
4.7.5.1	KHB planting statements are review and there are no new planting. Therefore, no map established and no permit available.	Yes
4.7.5.2	KHB planting statements are review and there are no new planting. Therefore, no plan established.	Yes
4.7.5.3	KHB planting statements are review and there are no new planting. Therefore, no soil map established.	Yes
4.7.6.1	KHB planting statements are review and there are no new planting. Therefore, no FPIC conducted and no communities affected.	Yes
4.7.6.2	KHB planting statements are review and there are no new planting. There are no sacred sites, therefore no management plan established.	Yes
4.7.6.3	KHB planting statements are review and there are no new planting. Therefore, no SOP established.	Yes
4.7.6.4	KHB planting statements are review and there are no new planting. Therefore, no compensation and agreement established.	Yes
4.7.6.5	KHB planting statements are review and there are no new planting. Therefore, no assessment established.	Yes

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpocon Estates

Client Number: 92-049

Audit Type: ASA 01



Principle 6: Best Practices		
Indicator	Summary of Assessment	Compliance
4.7.6.6	KHB planting statements are review and there are no new planting. Therefore, no system establish for calculating the compensation for distribution.	Yes
4.7.6.7	KHB planting statements are review and there are no new planting. Therefore, no compensation plan established.	Yes
4.7.6.8	KHB planting statements are review and there are no new planting. 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.
<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>	
<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>	

4.5. Detail of Audit Findings in last audit

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

Non Conformity Number < 1 >	
Indicator # and Description:	Indicator: 4.4.4.2 The occupational safety and health plan shall cover the following: (MAJOR) a. A safety and health policy, which is communicated and implemented.
Location:	Silimpocon 1 and Silimpocon 2 estate
Description of Finding / Objective Evidence:	
Estate has established HIRARC for working at slippery area. The SOP for harvesting includes avoid stand too close to cliff at terrace area. There are no accident cases related to fall from hilly or terrace area. However, the risk assessment for harvesting activity shall consider the probability and severity of the accident for working condition at hilly or terrace areas. Base on this justification, a minor non-conformity is raised since there are no incidents occurred	

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
 Certifying Unit: Silimpopon Estates
 Client Number: 92-049
 Audit Type: ASA 01



Non Conformity Number < 1 >			
Classification	<input type="checkbox"/> Major		<input checked="" type="checkbox"/> Minor
Raise by:	Mohamad Norhisham bin Mohd Salleh	Date Raise:	18/10/2019
Deadline for implementation		Next surveillance audit	
Root Cause Analysis (by company):			
SOP Harvester KHB/G/SOP-26/S&H-04 and list of HIRARC was applied for whole group of estates and not specifically for Silimpopon Estates. The management should developing risk assessment for working at terrace because most of Silimpopon Estates area is in hilly area.			
Correction (by company):			
<ol style="list-style-type: none"> 1. Training and risk assessment have been conducting involving workers working at terrace area on 23rd October 2018 for harvesters and 24th October 2018 for sprayers and manururs as one of the criteria to developing HIRARC working at terrace. 2. HIRARC for working at terrace area for three main estates operations such as harvesting, spraying and fertilizing has been done on 25th October 2018. Conducted by Mr. Robert D. Melodia – Estate Manager Silimpopon 1 Estate, Mr. Mustapa Sindring – Senior Assistant Manager In-Charge Silimpopon 2 Estate and assisted by Mr. Hamli Awang – Safety and Health Assistant. 3. SOP Sprayer KHB/G/SOP-26/S&H-09 and SOP Fertilizing Using Machinery Or Manual KHB/G/SOP-26/S&H-26 has been reviewed and implemented on 7th November 2018 with addition avoiding stand too close to cliff on terrace area same as stated in SOP Harvester KHB/G/SOP-26/S&H-04. 			
Corrective / Preventive Action (by company)			
<ol style="list-style-type: none"> 1. The Estates will keep updating and review the HIRARC Working at terrace area (half yearly as attached) 2. Continuous training will be given to employees on quarterly basis to raise awareness about hazards working in the terrace area as stated in the revised SOP. 			
Review of Correction & Corrective / Preventive Action			
Sighted revised HIRARC for harvesting dated 23/10/2018 has incorporate risk assessment for working at terrace area.			
The estates have conducted briefing for working at terrace area on 23/10/2018.			
Further review on effective implementation will be conducted in 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:		Date of Closure:	
Mohamad Norhisham Bin Mohd Salleh		Next surveillance audit	
Review of Implementation			
KHB established HIRARC include assessment working on terrace area.			
Training working on terrace area to the harvesting workers conducted on 03/06/2019.			
Site interview with harvesting workers confirmed they had attend the training working on terrace area and aware of the risk while conducting the harvesting activity.			
The evidence sighted and implementation on field operation is sufficient to close the minor NC.			

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
Certifying Unit: Silimpopon Estates
Client Number: 92-049
Audit Type: ASA 01



Non Conformity Number < 1 >	
Name of Lead Auditor: Muhammad Khairul Anuar bin Azizul Hasan	Date of Review: 14/10/2019

4.6. Detail of Audit Findings Identified During This Audit

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

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

No.	Indicator	Location	Opportunity for Improvement
1.	4.1.2.1	Silimpopon 1 & 2	KHB management could consider improve in identifying the strong and weak points in the internal audit results.
2.	4.1.2.2	Silimpopon 1	KHB management could consider improve in addressing the findings raised in the internal audit.
3.	4.1.2.3	Silimpopon 1	KHB management could consider improve the internal audit results presented in the management review.
4.	4.4.4.2	Silimpopon 1	KHB management could consider improve the frequency of OSH meeting.
5	4.5.1.6	Silimpopon 1 & 2	KHB management could consider in improve providing information to the workers.
6.	4.5.3.3	Silimpopon 1 & 2	KHB management could consider improve the handling and disposal of scheduled wastes.

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
Certifying Unit: Silimpoan Estates
Client Number: 92-049
Audit Type: ASA 01



5. CONCLUSION

Kretam Holdings Berhad 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.

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:	2	
Total certified production area:	5,545.39	Ha
Certified FFBs January to September 2019	65,825.77	Mt
Projection FFBs October to December 2019	32,200	Mt
Projection FFBs January to December 2020	112,000	Mt

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
Certifying Unit: Silimpocon Estates
Client Number: 92-049
Audit Type: ASA 01



6. RECOMMENDATION

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

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

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

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

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

Puchong, 03/01/2019

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

Puchong, 03/01/2019

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

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad

Certifying Unit: Silimpopon Estates

Client Number: 92-049

Audit Type: ASA 01



7. LIST OF INTERVIEWEES

Table 7-1: List of Interviewed Persons and Stakeholders

No.	Name	Organisation / Function
1.	Ulis	Rhylston Park Sdn Bhd
2.	Tan Kee Siong	Aneka Kerjaya Sdn Bhd

MSPO Certification Summary Report

Company Name: Kretam Holdings Berhad
Certifying Unit: Silimpocon Estates
Client Number: 92-049
Audit Type: ASA 01



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 or weaknesses may still exist which were not expressly mentioned by the auditors in the final meeting or in the audit report.

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

Salvo clause:

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

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

Annex / Enclosures

Annex /
corresponding audit documentation

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