

**MALAYSIAN SUSTAINABLE PALM OIL  
ANNUAL SURVEILLANCE ASSESSMENT 4  
Public Summary Report**

| <b>Keresa Plantations Sdn Bhd</b>                                                                                                                                                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Client company Address:<br>Head Office:<br>Level 5, Tun Jugah Tower, 18,<br>Jalan Tunku Abdul Rahman,<br>93100 Kuching,<br>Sarawak, Malaysia                                                    |
| Certification Unit:<br>Keresa Palm Oil Mill, Sujan Estate and Jiba Estate<br><br>Location of Certification Unit:<br>Lot 1, Block 17, Lavang Land District<br>97000 Bintulu<br>Sarawak, Malaysia |

**Report prepared by:**  
**Muhammad Fadzli Masran** (Lead Auditor)

**Report Number: 9673696**

**Assessment Conducted by:**

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| <b>TABLE of CONTENTS</b>                                                              | <b>Page No</b> |
|---------------------------------------------------------------------------------------|----------------|
| Section 1: Executive Summary .....                                                    | 3              |
| 1.1 Organizational Information and Contact Person .....                               | 3              |
| 1.2 Certification Information.....                                                    | 3              |
| 1.3 Location of Certification Unit.....                                               | 4              |
| 1.4 Plantings & Cycle .....                                                           | 4              |
| 1.5 FFB Production (Actual) and Projected (tonnage).....                              | 4              |
| 1.6 Certified CPO / PK Tonnage .....                                                  | 4              |
| 1.7 Certified Area .....                                                              | 5              |
| 1.8 Details of Certification Assessment Scope and Certification Recommendation: ..... | 5              |
| Section 2: Assessment Process .....                                                   | 6              |
| 1. Assessment Program .....                                                           | 7              |
| Section 3: Assessment Findings .....                                                  | 8              |
| 3.1 Details of audit results .....                                                    | 8              |
| 3.2 Details of Nonconformities and Opportunity for improvement.....                   | 8              |
| 3.3 Status of Nonconformities Previously Identified and OFI .....                     | 13             |
| 3.4 Issues Raised by Stakeholders .....                                               | 20             |
| 3.5 Summary of the Nonconformities and Status.....                                    | 21             |
| 3.6 Summary of the findings by Principles and Criteria .....                          | 23             |
| Section 4: Assessment Conclusion and Recommendation .....                             | 126            |
| Appendix A: Assessment Plan.....                                                      | 127            |
| Appendix B: List of Stakeholders Contacted .....                                      | 129            |
| Appendix C: Smallholder Member Details.....                                           | 130            |
| Appendix F: Location and Field Map.....                                               | 131            |
| Appendix G: List of Abbreviations .....                                               | 134            |

## Section 1: Executive Summary

| <b>1.1 Organizational Information and Contact Person</b> |                                                                                                                                                                                                                                                                                     |           |                      |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|----------------------|
| MPOB License                                             | Keresas Mill: 510557004000<br>Jiba & Sujan Estate : 503656102000                                                                                                                                                                                                                    |           |                      |
| Company Name                                             | Keresas Plantations Sdn Bhd                                                                                                                                                                                                                                                         |           |                      |
| Address                                                  | Head office : Level 5, Tun Jugah Tower, 18, Jalan Tunku Abdul Rahman, 93100 Kuching, Sarawak<br>Certification Unit : Postal address : P.O. Box 2607, 97008 Bintulu, Sarawak, Malaysia<br>Location address : Lot 1, Block 17, Lavang Land District, 97000 Bintulu, Sarawak, Malaysia |           |                      |
| Group name if applicable:                                | Not applicable                                                                                                                                                                                                                                                                      |           |                      |
| Subsidiary of (if applicable)                            | Not applicable                                                                                                                                                                                                                                                                      |           |                      |
| Contact Person Name                                      | Thilaganathan s/o Karunakaran                                                                                                                                                                                                                                                       |           |                      |
| Website                                                  | www.keresas.com.my                                                                                                                                                                                                                                                                  | E-mail    | thila@keresas.com.my |
| Telephone                                                | 012-8855870                                                                                                                                                                                                                                                                         | Facsimile | -                    |

| <b>1.2 Certification Information</b>          |                                                                                                                     |                               |             |
|-----------------------------------------------|---------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------|
| Certificate Number                            | Mill: MSPO 644920<br>Plantations: MSPO 644925 (Jiba Estate)<br>: MSPO 644923 (Sujan Estate)                         |                               |             |
| Issue Date                                    | 11/11/2015                                                                                                          | Expiry date                   | 10/11/2020  |
| Scope of Certification                        | Mill: Production of Sustainable Palm Oil and Palm Oil Products<br>Estate: Production of Sustainable Oil Palm Fruits |                               |             |
| Stage 1 Date                                  | N/A (The certification unit is RSPO certified)                                                                      |                               |             |
| Stage 2 / Initial Assessment Visit Date (IAV) | 22-25 July 2015                                                                                                     |                               |             |
| Continuous Assessment Visit Date (CAV) 1      | 05-08 December 2016                                                                                                 |                               |             |
| Continuous Assessment Visit Date (CAV) 2      | 07-10 November 2017                                                                                                 |                               |             |
| Continuous Assessment Visit Date (CAV) 3      | 23-25 October 2018                                                                                                  |                               |             |
| Continuous Assessment Visit Date (CAV) 4      | 17-19 September 2019                                                                                                |                               |             |
| <b>Other Certifications</b>                   |                                                                                                                     |                               |             |
| Certificate Number                            | Standard(s)                                                                                                         | Certificate Issued by         | Expiry Date |
| RSPO 559278                                   | Roundtable Sustainable Palm Oil                                                                                     | BSI Services Malaysia Sdn Bhd | 20/10/2020  |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

|                             |                                          |                               |            |
|-----------------------------|------------------------------------------|-------------------------------|------------|
| MSPO 717982                 | MSPO Supply Chain Certification Standard | BSI Services Malaysia Sdn Bhd | 24/10/2024 |
| EU-ISCC-Cert-DE104-11421901 | ISCC                                     | GUTCert                       | 14/07/2020 |

**1.3 Location of Certification Unit**

| Name of the Certification Unit<br>(Palm Oil Mill/ Estate/ Smallholder/<br>Independent Smallholder) | Site Address                                                            | GPS Reference of the site office |                 |
|----------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|----------------------------------|-----------------|
|                                                                                                    |                                                                         | Longitude                        | Latitude        |
| Keresa Palm Oil Mill                                                                               | Lot 1, Block 17, Lavang Land District, 97000 Bintulu, Sarawak, Malaysia | 113° 35' 59.1" E                 | 03° 09' 49.6" N |
| Sujan Estate                                                                                       | Lot 1, Block 17, Lavang Land District, 97000 Bintulu, Sarawak, Malaysia | 113° 36' 09.0" E                 | 03° 10' 34.3" N |
| Jiba Estate                                                                                        | Lot 1, Block 17, Lavang Land District, 97000 Bintulu, Sarawak, Malaysia | 113° 33' 22.7" E                 | 03° 09' 17.9" N |

**1.4 Plantings & Cycle**

| Estate       | Age (Years) - ha |        |                |                |         |
|--------------|------------------|--------|----------------|----------------|---------|
|              | 0 - 3            | 4 - 10 | 11 - 20        | 21 - 25        | 26 - 30 |
| Jiba Estate  | -                | -      | -              | 2268.82        | -       |
| Sujan Estate | -                | -      | 2697.95        | 380.13         | -       |
| <b>Total</b> | -                | -      | <b>2697.95</b> | <b>2648.95</b> | -       |

**1.5 FFB Production (Actual) and Projected (tonnage)**

| Estate       | Estimated<br>(Oct 2018 – Aug 2019) | Actual<br>(Oct 2018 – Aug 2019) | Forecast<br>(Oct 2019 – Sep 2020) |
|--------------|------------------------------------|---------------------------------|-----------------------------------|
| Jiba Estate  | 68,000.00                          | 36,561.66                       | 37,700.00                         |
| Sujan Estate | 49,000.00                          | 53,349.80                       | 54,500.00                         |
| <b>Total</b> | <b>117,000.00</b>                  | <b>89,911.46</b>                | <b>92,200.00</b>                  |

**1.6 Certified CPO / PK Tonnage**

| Mill                           | Estimated<br>(Oct 2018 – Aug 2019) | Actual<br>(Oct 2018 – Aug 2019) | Forecast<br>(Oct 2019 – Sep 2020) |
|--------------------------------|------------------------------------|---------------------------------|-----------------------------------|
| <b>Keresa POM<br/>30 MT/hr</b> | <b>CPO (OER:20.60%)</b>            | <b>CPO (OER: 20.89%)</b>        | <b>CPO (OER:20.80%)</b>           |
|                                | 24,100.00                          | 18,756.44                       | 19,180.00                         |
|                                | <b>PK (KER:4.20%)</b>              | <b>PK (KER:4.33%)</b>           | <b>PK (KER:4.50%)</b>             |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

|  |          |          |          |
|--|----------|----------|----------|
|  | 4,915.00 | 3,916.59 | 4,150.00 |
|--|----------|----------|----------|

| <b>1.7 Certified Area</b> |                                                           |                     |                                                |                            |                         |
|---------------------------|-----------------------------------------------------------|---------------------|------------------------------------------------|----------------------------|-------------------------|
| <b>Estate</b>             | <b>Total Planted<br/>(Mature +<br/>Immature)<br/>(ha)</b> | <b>HCV<br/>(ha)</b> | <b>Infrastructure<br/>&amp; Other<br/>(ha)</b> | <b>Total Area<br/>(ha)</b> | <b>% of<br/>Planted</b> |
| Jiba Estate               | 2268.82                                                   | -                   | 211.48                                         | 2480.30                    | 91.47                   |
| Sujan Estate              | 3078.08                                                   | -                   | 464.62                                         | 3542.70                    | 86.89                   |
| <b>TOTAL</b>              | <b>5346.90</b>                                            | <b>-</b>            | <b>676.10</b>                                  | <b>6023.00</b>             | <b>88.78%</b>           |

**1.8 Details of Certification Assessment Scope and Certification Recommendation:**

BSI Services Malaysia Sdn Bhd has conducted the annual surveillance Certification Assessment of Keresia Palm Oil Mill, Sujan Estate and Jiba Estate, located in Lot 1, Block 17, Lavang Land District, 97000 Bintulu, Sarawak, Malaysia comprising of two estates and one mill (Sujan, Jiba Estate, Keresia POM) and infrastructure.

The assessment was conducted onsite to assess the compliance of the certification unit against the MS 2530 - 3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills.

The onsite assessment was conducted on 17 -19/09/2019.

Based on the assessment result, Keresia Palm Oil Mill, Sujan Estate and Jiba Estate complies with the MS 2530 - 3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills and recommended for certification.

## Section 2: Assessment Process

### Certification Body:

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### Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 17 -19/09/2019. The audit programme is included as Appendix A. The approach to the audit was to treat the Keresu POM, Sujau Estate and Jiba Estate as a MSP0 Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

The methodology for collection of objective evidence included physical site inspections, observation of tasks and processes, interviews of staff, workers and their families and external stakeholders, review of documentation and monitoring data. MS 2530-3:2013 and MS 2530-4:2013 were used to guide the collection of information to assess compliance. The comments made by external stakeholders were also taken into account in the assessment.

The estates or smallholders sample were determined based on formula  $S = r\sqrt{n}$  where n is the number of estates while when applicable, the smallholders sample were determined following the MSP0 Certification Requirement. The sampling of smallholders were based on the formula  $(r\sqrt{n})$ ; where r is the risk factor (may defers 1, 1.5 and 2 depending on risk), where n is total number of group members. The sampled smallholder listed in Appendix C.

Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSP0 requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

Structured worker interviews with male and female workers and staff were held in private at the workplace in the mill and the estates. Fieldworkers were interviewed informally in small groups in the field. In addition, the wives of workers and staff were interviewed in informal group meetings at their housing. Separate visits were made to each of the local communities to meet with the village head and residents. Company officials were not present at any of the internal or external stakeholder interviews. A list of Stakeholders contacted is included as Appendix B.

All the previous nonconformities are remains closed. The assessment findings for the initial assessment are detailed in Section 4.2.

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

This report is structured to provide a summary of assessment finding as attached in the Section 3. The assessment was based on random samples and therefore nonconformities may exist that have not been identified.

This report was externally reviewed by MSPO approved Peer Reviewer prior to certification decision by BSI.

**The following table would be used to identify the locations to be audited each year in the 5 year cycle**

| <b>1. Assessment Program</b>                                 |                                   |                           |                           |                           |                           |
|--------------------------------------------------------------|-----------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Name<br/>(Mill / Plantation /<br/>Group smallholders)</b> | <b>Year 1<br/>(Certification)</b> | <b>Year 2<br/>(ASA 1)</b> | <b>Year 3<br/>(ASA 2)</b> | <b>Year 4<br/>(ASA 3)</b> | <b>Year 5<br/>(ASA 4)</b> |
| Keresa POM                                                   | √                                 | √                         | √                         | √                         | √                         |
| Jiba Estate                                                  | √                                 | √                         | √                         | √                         | √                         |
| Sujan Estate                                                 | √                                 | √                         | √                         | √                         | √                         |

**Tentative Date of Next Visit: September 21, 2020 - September 25, 2020**

**Total No. of Mandays: 6 Mandays**

**BSI Assessment Team:**

**Muhammad Fadzli Masran - Lead Assessor**

He graduated in Bachelor of Forestry Science at University Putra Malaysia. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Fadzli had accumulated more than 10 years of sustainability implementation experience including workers’ welfare, workers’ occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. He had accumulated auditing experience when he was the internal auditor for ISO9001 and ISO14001 at Kulim Plantations. He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in April 2018, endorsed RSPO Lead Auditor Course in July 2018 and endorsed MSPO Lead Auditor Course in October 2018. During this assessment, he assessed on the aspects of environmental and estate best practise. He is fluent in Bahasa Malaysia and English languages.

**Mohamad Razin Bakal - Team Member**

Graduate in Degree of Accountancy with University Putra Malaysia. Having 17 years of working experience in various field in Malaysia, Africa and Indonesia. Have enough knowledge and experiences in oil palm estate operation inclusive of estate administrative, budget preparation, jungle clearing, new planting, nursery establishment and management, harvesting, field upkeep and maintenance, safety and health, vehicle running and skills in Good Agricultural Practices (GAP) including Integrated Pest Management (IPM). Involved in MSPO auditing since 2018. Qualified as Lead Auditor/Auditor for MSPO 2530:2013, ISO 14001:2015 and ISO 9001:2015 from SIRIM Berhad. Member of BSI MSPO audit team. Able to speak and understand Bahasa Malaysia and English.

### Section 3: Assessment Findings

#### 3.1 Details of audit results

This assessment has been assessed using the following RSPO normative requirements. The assessment details are provided in Appendix A.

- MSPO MS 2530-2:2013 – General Principles for Independent Smallholders
- MSPO MS 2530-3:2013 – General Principles for Oil Palm Plantations and Organized Smallholders
- MSPO MS 2530-4:2013 – General Principles for Palm Oil Mills

#### 3.2 Details of Nonconformities and Opportunity for improvement

The nonconformity is listed below.

During the Certification Assessment there were one (1) Major & five (5) Minor nonconformities raised. The Keresia Plantation Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment. The implementation of the Corrective Actions for the Major Nonconformity(ies) has been verified for its effectiveness and closed accordingly.

| Major Nonconformities:      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                  |
|-----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Ref                         | Area/Process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Clause           |
| 1822366-201904-M1           | Plantations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4.4.5.9 - Part 3 |
| Requirements:               | Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                  |
| Statement of Nonconformity: | Wages on the pay slips was not in line with legal regulation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                  |
| Objective Evidence:         | <p>Verified on the Daily Muster Chit# 28276 for Stapang 3 dated 13/8/2019 found that workers have worked on public holiday on 13.08.2019 (2nd day of Hari Raya Haji). Total 5 harvesters and 2 loader involved. However, reviewed on the Daily FFB Record generated by the i-ECS for August 2019 found that no records of FFB for 13/8/2019 for the harvesters but tonnage for loaders on 13/8/2019 was captured in Daily FFB Despatched by Division August 2019. Interviewed with management confirmed that it is an offer day of work if there is an issuance of Daily Muster Chit and signed by Field Conductor, Assistant Manager and Manager. However, no evidence to show that the workers have been paid twice of the ordinary rate per piece as per Sarawak Labour Ordinance, Section 104, Subsection (6) (b). List of workers as per listed below :</p> <ol style="list-style-type: none"> <li>1. Emp. ID: 10679 (Loader)</li> <li>2. Emp. ID: 11963 (Loader)</li> <li>3. Emp. ID: 11569 (Harvester)</li> <li>4. Emp. ID: 11605 (Harvester)</li> <li>5. Emp. ID: 11701 (Harvester)</li> </ol> |                  |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

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|------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                        | 6. Emp. ID: 12135 (Harvester)<br>7. Emp. ID: 12225 (Harvester)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Corrections:           | The balance wages for the 7 sample workers were paid on 25th September 2019.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Root cause analysis:   | Poor monitoring from the estate management on workers who worked on Public Holiday before keyed-in into iECS system (KPSB's checkroll system).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Corrective Actions:    | No work will be offered by the company on weekday rest and public holidays.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Assessment Conclusion: | <p>Evidence submitted:</p> <ul style="list-style-type: none"> <li>i. Summary of the Month August and Piece Rated Wages Reports</li> <li>ii. Oil Palm Harvester Wages Report and Daily Bunches Report for August 2019</li> <li>iii. Record of payment for balance of salary for working on Public Holiday for 7 Sample Workers done on 25/9/2019</li> <li>iv. Internal Memo from Senior Manager, Sustainability/Estate Operations to Estates Managers on working on Rest day and Public Holidays dated 27/9/2019</li> <li>i. Briefing on working on Rest day and Public Holidays dated 23/9/2019, 27/9/2019 at Sujan Estate and 30/9/2019 at Jiba Estate</li> </ul> <p>The evidence submitted was found to be sufficient. Nonetheless, the effectiveness of implementation of corrective action plan shall be verified in the next assessment. Thus, the major NCR is closed on 11/10/2019.</p> |

| Minor Nonconformities:      |                                                                                                                                                                                                                      |                  |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Ref                         | Area/Process                                                                                                                                                                                                         | Clause           |
| 1822366-201904-N1           | Keresia POM                                                                                                                                                                                                          | 4.4.4.2 - Part 4 |
| Requirements:               | The occupational safety and health plan should cover the following:<br>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.                                                |                  |
| Statement of Nonconformity: | The monitoring of accident records and submission of accident report is not effectively implemented.                                                                                                                 |                  |
| Objective Evidence:         | JKKP 8 was submitted on annually basis. Latest submission for 2018 was submitted on 17/1/2019. However, it was found that the accident record was not include accident occur on 2 May 2018 (Gasifier plant accident) |                  |
| Corrections:                | 1) To appoint person in-charge.<br>2) To resent JKKP 8 KMSB for the year 2018 to DOSH.                                                                                                                               |                  |
| Root cause analysis:        | Mechanism of reviewing not effective and no spell-out in SOP.                                                                                                                                                        |                  |
| Corrective Actions:         | 1) To establish procedures and describe the mechanism of checking.<br>2) To prepare checklist for monitoring purpose.                                                                                                |                  |
| Assessment Conclusion:      | The evidence of the correction and corrective action were adequate to close the NCR. Effectiveness of the implementation shall be verified in the next assessment.                                                   |                  |



**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

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| Corrections:           | 1) Mechanism of monitoring by estate clerk and executive in-charge and verified by the Estate Manager on monthly basis to avoid delays in renewal. The estate personnel involved to coordinate with HR Kuching.<br>2) Revision on company SOP-Renewal procedures of work permit/PLKS. |
| Root cause analysis:   | Mechanism of reviewing is not effective and PIC failed to follow SOP.                                                                                                                                                                                                                 |
| Corrective Actions:    | 1) To prepare a standard internal memorandum format for renewal of work permit by estate and mill clerk.<br>2) Monthly monitoring on expiry date of permit and passport by estate and mill's clerk and these to be coordinated with the HR department.                                |
| Assessment Conclusion: | The evidence of the correction and corrective action were adequate to close the NCR. Effectiveness of the implementation shall be verified in the next assessment.                                                                                                                    |

| <b>Minor Nonconformities:</b> |                                                                                                                                                                                                                                                                                                                                            |                  |
|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Ref                           | Area/Process                                                                                                                                                                                                                                                                                                                               | Clause           |
| 1822366-201904-N4             | Plantations                                                                                                                                                                                                                                                                                                                                | 4.5.3.2 - Part 3 |
| Requirements:                 | A waste management plan shall be developed and implemented, to avoid or reduce pollution.<br>The waste management plan should include measure for:<br>a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.  |                  |
| Statement of Nonconformity:   | The waste management plan is not effectively implemented and monitored.                                                                                                                                                                                                                                                                    |                  |
| Objective Evidence:           | Sujan Estate Noted during document review in the scheduled waste inventory records, the latest SW disposal was done on 11/3/2019.<br>The first generation of SW 305 and 306 was on 1/3/2019 and yet to be disposed until the audit conducted which is more than 180 days without any evidence of notification or approval letter from DOE. |                  |
| Corrections:                  | Proper inventory is now maintained and storage period monitored. The stock of scheduled waste has been dispatch to waste manager.                                                                                                                                                                                                          |                  |
| Root cause analysis:          | The management was ignorant on the fact that they should not exceeded the 180 days storage period and if for any reason there is a need to extend storage period prior permission should be sought from the DOE. There was insufficient stock for the waste manager to collect economically.                                               |                  |
| Corrective Actions:           | Proper inventory will always will be maintained along with monitoring of storage period.                                                                                                                                                                                                                                                   |                  |
| Assessment Conclusion:        | The evidence of the correction and corrective action were adequate to close the NCR. Effectiveness of the implementation shall be verified in the next assessment.                                                                                                                                                                         |                  |

| Minor Nonconformities:      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                  |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|
| Ref                         | Area/Process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Clause           |
| 1822366-201904-N5           | Plantations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 4.3.1.4 - Part 3 |
| Requirements:               | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                  |
| Statement of Nonconformity: | Monitoring compliance and regulatory requirements not effectively monitor.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                  |
| Objective Evidence:         | <p>A. SUJAN Estate</p> <p>i) Deduction of petrol appear in the payslip for following workers;<br/>           1. Jupri bin Sarong AT 855066 – Payslip 31.10.2018 – RM 298.11<br/>           2. Aldi bin Malli AU 048131 – Payslip 31.10.2018 - RM 246.41<br/>           3. Abdul Malik C0215994 – Payslip 31.10.2018 - RM 117.00<br/>           The deduction was made without obtain permission in writing from Director of Labour according to Sarawak Labour Ordinance, Section 114 (4ii) It was observed that, the expiry of PLKS for following foreign worker as follows;</p> <p>Operating Units Name of Workers &amp; Expiry date Date of submission to Imigresen</p> <p>SUJAN ESTATE</p> <ol style="list-style-type: none"> <li>Azis Lahing – 06.09.2019</li> <li>Debrina Halla – 02.10.2019</li> <li>Feri Fadli – 27.07.2019 3rd September 2019</li> <li>Hanapi Situju – 01.03.2019</li> <li>Indah – 08.10.2019</li> </ol> <p>B. JIBA Estate</p> <p>ii) It was observed that, the expiry of PLKS for following foreign worker as follows;</p> <p>Operating Units Name of Workers &amp; Expiry date Date of submission to Imigresen</p> <p>JIBA ESTATE</p> <ol style="list-style-type: none"> <li>Abdul Takose – 13.10.2019</li> <li>Ardan Heri Irfandi – 19.09.2019 3rd September 2019</li> <li>Arif Norianto – 13.09.2019 Based on the SOP Foreign Workers Employment (KERESA Plantations Sdn. Bhd &amp; KERESA MILL SDN. BHD.), under 2.7 Renewal of Work Permit / PLKS a)</li> </ol> <p>The Human Resource Department will apply for the extension three (3) months before the expiry date</p> |                  |
| Corrections:                | <ol style="list-style-type: none"> <li>To apply permit from JTK as per employees request.</li> <li>Mechanism of monitoring by estate clerk and executive in-charge to effective and verified by the Manager on monthly basis to avoid delays in renewal. The estate personnel involved to coordinate with HR Kuching.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                  |
| Root cause analysis:        | <ol style="list-style-type: none"> <li>No permit obtained from the Director General of Labour Sarawak for lawful deduction.</li> <li>Mechanism of reviewing is not effective and PIC failed to follow SOP.</li> </ol>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                  |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

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| Corrective Actions:    | <p>1) No unlawful deduction to be made to the employee prior obtaining permit from JTK.</p> <p>2) To prepare a standard internal memorandum format for renewal of work permit by estate and mill's clerks.</p> <p>3) Monthly monitoring of workers permit and passport on expiry date by estate and mill's clerk and to coordinate with the HR department.</p> |
| Assessment Conclusion: | The evidence of the correction and corrective action were adequate to close the NCR. Effectiveness of the implementation shall be verified in the next assessment.                                                                                                                                                                                             |

**Noteworthy Positive Comments**

|   |                                                              |
|---|--------------------------------------------------------------|
| 1 | Positive comments from all stakeholders interviewed          |
| 2 | All personnel were cooperative during the assessment process |

**3.3 Status of Nonconformities Previously Identified and OFI**

| Major Nonconformities:      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                     |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| Ref                         | Area/Process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Clause              |
| 1700127-201810-M1           | Keresia POM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Part 4: 4.4.4.2 (s) |
| Requirements:               | First Aid equipment should be available at each worksite.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                     |
| Statement of Nonconformity: | The first aid equipment was not effectively inspected and monitored.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                     |
| Objective Evidence:         | <p>First Aid Kits are provided at various work sites at the Mill. Verified on site visit location:</p> <p>Workshop and Laboratory.</p> <p>However, the content of first aid kit was inadequate as per the Guidelines on First Aid in the Workplace (2nd Edition) by DOSH. eq. Missing scissors and expired eye lotion.</p> <p>Not according to the Tatacara Kerja Selamat – Peti Kecemasan (1.3) Ubat-ubatan samaada dalam bentuk tablet, kapsul, suntikan termasuk ubat titis telinga dan mata tidak dibenarkan disimpan di dalam peti kecemasan.</p> <p>No evidence of recent inspection (frequency every 2 months) to confirm that it had been appropriately stocked.</p> |                     |
| Corrections:                | Tatacara Kerja Selamat/ SOP for first aid kit was available for estate only. For Mill, new SOP for first aid kit will be established by referring to Factory and Machinery Act Fourth Schedule (Regulation 38(2)(i) approved eye ointment or eye drops can be kept in the first aid kit box.                                                                                                                                                                                                                                                                                                                                                                                 |                     |
| Root cause analysis:        | First aid kit inspection was not conducted frequently. Inspection was done by Clinic helper once in two months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                     |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

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| Corrective Actions:      | To replace the missing items, establish the new tatacara kerja selamat and do the inspection.                                                                                                                                                                                                                                                                                  |
| Assessment Conclusion:   | Implemented evidences found to be effective thus the major NC was closed on 15/1/19. Continuous implementation will be further verified in the next assessment.                                                                                                                                                                                                                |
| Assessment verification: | <p>Verified the training records during the assessment:</p> <ul style="list-style-type: none"> <li>i. Sighted the Tatacara Kerja Perlabelan Bekas Ubat – Ubatan / Bahan Kimia untuk Tujuan Perubatan dated on 24.04.2019</li> <li>ii. Sighted Senarai Semak Kandungan Peti Kecemasan 2019</li> </ul> <p>The implementation of the CAP was effective. The NC remain closed.</p> |

| Major Nonconformities:      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Ref                         | Area/Process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Clause          |
| 1700127-201810-M2           | Plantations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Part 3: 4.5.3.3 |
| Requirements:               | The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                 |
| Statement of Nonconformity: | Waste management and disposal was not implemented effectively.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |
| Objective Evidence:         | <p>Sujan Estate:<br/> Clinical waste from the clinic was disposed through Bintulu Specialist Hospital Sdn Bhd as the authorized clinical waste collection and disposal contractor appointed by the company. Latest disposal was done on 05/09/2018.<br/> However, it was noted that the Medical Assistant (MA) transports the clinical waste to Bintulu Specialist Hospital for disposal.<br/> The disposal is not according to Guidelines on the Handling and Management of Clinical Waste in Malaysia 2009.<br/> Also not according to the Waste Management Procedure in Keresa Plantations Sdn Bhd &amp; Keresa Mill Sdn Bhd – 3.2.3.11 Clinical waste stored to be collected and disposed by the registered contractor under DOE.<br/> There is no approval from DOE to transport the clinical waste to Bintulu Specialist Hospital.</p> |                 |
| Corrections:                | To discuss the issue (high transportation cost) with DOE and to extend the storage of clinical waste. So economically, the waste will be collected by contractor in time of 6 months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                 |
| Root cause analysis:        | High cost transportation of clinical waste.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                 |
| Corrective Actions:         | Storage of clinical waste in estate can be extended up to 6 months (DOE did not approved the extension). Collection by contractor now can be done biannually to reduce the transportation cost. Collection will be done by contractor. Keresa will also be looking for VMO for alternative for collection and disposal.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |
| Assessment Conclusion:      | Implemented evidences found to be effective thus the major NC was closed on 15/1/19. Continuous implementation will be further verified in the next assessment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

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| Assessment Verification: | <p>Verified the training records during the assessment:</p> <ul style="list-style-type: none"> <li>i. Sighted Delivery &amp; Service Order by TRIENEKENS (Sarawak) Sdn. Bhd. dated on 11.03.2019 for Clinic Waste ( SW 404 )</li> <li>ii. Sighted "PERMOHONAN UNTUK PENSTORAN BUANGAN TERJADUAL MELEBIHI 20 TAN METRIK ATAU 180 HARI ATAU KEDUA – DUANYA DI BAWAH PERATURAN 9, PERATURAN – PERATURAN KUALITI ALAM SEKELILING (BUANGAN TERJADUAL) 2005</li> </ul> <p>The implementation of the CAP was effective. The NC remain closed.</p> |
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| Major Nonconformities:      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |
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| Ref                         | Area/Process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Clause          |
| 1700127-201810-M3           | Plantations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Part 3: 4.5.3.3 |
| Requirements:               | The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |
| Statement of Nonconformity: | Waste management and disposal was not implemented effectively.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |
| Objective Evidence:         | <p>Clinical waste from the clinic was disposed through Bintulu Specialist Hospital Sdn Bhd as the authorized clinical waste collection and disposal contractor appointed by the company. Latest disposal was done on 05/09/2018.</p> <p>However, it was noted that the Medical Assistant (MA) transports the clinical waste to Bintulu Specialist Hospital for disposal.</p> <p>The disposal is not according to Guidelines on the Handling and Management of Clinical Waste in Malaysia 2009.</p> <p>Also not according to the Waste Management Procedure in Keresia Plantations Sdn Bhd &amp; Keresia Mill Sdn Bhd – 3.2.3.11 Clinical waste stored to be collected and disposed by the registered contractor under DOE.</p> <p>There is no approval from DOE to transport the clinical waste to Bintulu Specialist Hospital.</p> |                 |
| Corrections:                | To discuss the issue (high transportation cost) with DOE and to extend the storage of clinical waste. So economically, the waste will be collected by contractor in time of 6 months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |
| Root cause analysis:        | High cost transportation of clinical waste.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |
| Corrective Actions:         | Storage of clinical waste in estate can be extended up to 6 months. Collection by contractor now can be done biannually to reduce the transportation cost. We will also be looking for VMO for alternative.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |
| Assessment Conclusion:      | Implemented evidences found to be effective thus the major NC was closed on 15/1/19. Continuous implementation will be further verified in the next assessment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |
| Assessment Verification:    | <p>Verified the training records during the assessment:</p> <ul style="list-style-type: none"> <li>i. Sighted Delivery &amp; Service Order by TRIENEKENS (Sarawak) Sdn. Bhd. dated on 11.03.2019 for Clinic Waste (SW 404)</li> <li>ii. Sighted "PERMOHONAN UNTUK PENSTORAN BUANGAN TERJADUAL MELEBIHI 20 TAN METRIK ATAU 180 HARI ATAU KEDUA – DUANYA DI BAWAH PERATURAN</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                |                 |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

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|  | <p>9, PERATURAN – PERATURAN KUALITI ALAM SEKELILING (BUANGAN TERJADUAL) 2005</p> <p>The implementation of the CAP was effective. The NC remain closed.</p> |
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| Major Nonconformities:      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| Ref                         | Area/Process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Clause          |
| 1700127-201810-M4           | Keresia POM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Part 4: 4.3.1.4 |
| Requirements:               | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                 |
| Statement of Nonconformity: | The person responsible has not effectively monitored compliance to the Sarawak Labour Ordinance (Cap 67), Section 109 (Payment of wages).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |
| Objective Evidence:         | <p>Salary payment is by cash and paid at mill’s office and paid after 7th of the following month. Checked 3 months payment form July – September 2018:</p> <p>i) September 2018: Cash received on 9/10/18, refer to delivery note# 85353 by Guard and Escort Services (S) Sdn Bhd. Payment is made on 9/10/18 with employees acknowledgement in the check roll report GPR74BMW</p> <p>ii) August 2018: Cash received on 12/9/18, refer to delivery note# 75282 by Guard and Escort Services (S) Sdn Bhd. Payment is made on 9/10/18 with employees acknowledgement in the check roll report GPR74BMW</p> <p>iii) July 2018: Cash received on 10/8/18, refer to delivery note# 84126 by Guard and Escort Services (S) Sdn Bhd. Payment is made on 10/8/18 with employees acknowledgement in the check roll report GPR74BMW</p> |                 |
| Corrections:                | To discuss the issue (high transportation cost) with DOE and to extend the storage of clinical waste. So economically, the waste will be collected by contractor in time of 6 months.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |
| Root cause analysis:        | High cost transportation of clinical waste.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |
| Corrective Actions:         | Storage of clinical waste in estate can be extended up to 6 months. Collection by contractor now can be done biannually to reduce the transportation cost. We will also be looking for VMO for alternative.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |
| Assessment Conclusion:      | Implemented evidences found to be effective thus the major NC was closed on 15/2/19. Continuous implementation will be further verified in the next assessment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |
| Assessment Verification:    | <p>Verified the training records during the assessment:</p> <p>i. Sighted the correspondence between Keresia Plantation and Keresia Mill Sdn. Bhd. with JTK Sarawak regarding of delay of salary payment to Estate and Mill worker</p> <p>ii. Sighted the internal memo from Keresia Plantation and Keresia Mill regard of payment schedule to Estate and Mill worker</p> <p>The implementation of the CAP was effective. The NC remain closed.</p>                                                                                                                                                                                                                                                                                                                                                                           |                 |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Major Nonconformities:      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |
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| Ref                         | Area/Process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Clause          |
| 1700127-201810-M5           | Plantations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Part 3: 4.3.1.4 |
| Requirements:               | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                 |
| Statement of Nonconformity: | The person responsible has not effectively monitored compliance to the Sarawak Labour Ordinance (Cap 67), Section 109 (Payment of wages).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |
| Objective Evidence:         | Salary payment is by cash and paid at estate's office and paid after 7th of the following month. Checked 3 months payment form July – September 2018:<br>i) September 2018: Cash received on 9/10/18, refer to delivery note# 85352 by Guard and Escort Services (S) Sdn Bhd. Payment is made on 9/10/18 with employees acknowledgement in the check roll report GPR74BMW<br>ii) August 2018: Cash received on 12/9/18, refer to delivery note# 75282 by Guard and Escort Services (S) Sdn Bhd. Payment is made on 12/10/18 with employees acknowledgement in the check roll report GPR74BMW<br>iii) July 2018: Cash received on 11/8/18, refer to delivery note# 75389 by Guard and Escort Services (S) Sdn Bhd. Payment is made on 11/8/18 with employees acknowledgement in the check roll report GPR74BMW |                 |
| Corrections:                | 1. To discuss this issue with JTK.<br>2. To notify responsible person to consistently monitored date of salary payment and report the submission progress to management by weekly basis.<br>3. To upgrade system so that PIC in HQ will receive all the data in short time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |
| Root cause analysis:        | To discuss this issue with management. Late payment due to estate.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 |
| Corrective Actions:         | Estate management will rectify this issue. Salary payment must be done 7 days after closing date. Estate management will monitor/follow-up progress of submission with office clerk/admin. All forms and correction must be submitted to main office on first to second day only. On the year 2019, we will be using new system called Lintramax which will fasten the process of salary payment as the data will be keyed in online and PIC in headquarters will receive the data faster.                                                                                                                                                                                                                                                                                                                    |                 |
| Assessment Conclusion:      | Implemented evidences found to be effective thus the major NC was closed on 15/2/19. Continuous implementation will be further verified in the next assessment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |
| Assessment Verification:    | Verified the training records during the assessment:<br>i. Sighted the correspondence between Keresa Plantation and Keresa Mill Sdn. Bhd. with JTK Sarawak regarding of delay of salary payment to Estate and Mill worker<br>ii. Sighted the internal memo from Keresa Plantation and Keresa Mill regard of payment schedule to Estate and Mill worker<br>The implementation of the CAP was effective. The NC remain closed.                                                                                                                                                                                                                                                                                                                                                                                  |                 |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Major Nonconformities:      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |
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| Ref                         | Area/Process                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Clause          |
| 1700127-201810-M6           | Plantations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Part 3: 4.3.1.4 |
| Requirements:               | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                 |
| Statement of Nonconformity: | The person responsible has not effectively monitored compliance to the Sarawak Labour Ordinance (Cap 67), Section 109 (Payment of wages).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |                 |
| Objective Evidence:         | Salary payment is by cash and paid at estate's office and paid after 7th of the following month. Checked 3 months payment form July – September 2018:<br>i) September 2018: Cash received on 9/10/18, refer to delivery note# 85352 by Guard and Escort Services (S) Sdn Bhd. Payment is made on 9/10/18 with employees acknowledgement in the check roll report GPR74BMW<br>ii) August 2018: Cash received on 12/9/18, refer to delivery note# 75282 by Guard and Escort Services (S) Sdn Bhd. Payment is made on 12/10/18 with employees acknowledgement in the check roll report GPR74BMW<br>iii) July 2018: Cash received on 11/8/18, refer to delivery note# 75389 by Guard and Escort Services (S) Sdn Bhd. Payment is made on 11/8/18 with employees acknowledgement in the check roll report GPR74BMW |                 |
| Corrections:                | 1. To discuss this issue with JTK.<br>2. To notify responsible person to consistently monitored date of salary payment and report the submission progress to management by weekly basis.<br>3. To upgrade system so that PIC in HQ will receive all the data in short time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |
| Root cause analysis:        | Submission of 03P, piece rate & daily rate forms including correction by estates were done on first to forth day on first week of every month as the closing date is at the end of every month. Monitoring forms were filled but submission progress not reported to management. Checkroll report will be generated after all data keyed-in then will be emailed to PIC in HQ.                                                                                                                                                                                                                                                                                                                                                                                                                                |                 |
| Corrective Actions:         | Estate management will rectify this issue. Salary payment must be done 7 days after closing date. Estate management will monitor/follow-up progress of submission with office clerk/admin. All forms and correction must be submitted to main office on first to second day only. On the year 2019, we will be using new system called Lintramax which will fasten the process of salary payment as the data will be keyed in online and PIC in headquarters will receive the data faster.                                                                                                                                                                                                                                                                                                                    |                 |
| Assessment Conclusion:      | Implemented evidences found to be effective thus the major NC was closed on 15/2/19. Continuous implementation will be further verified in the next assessment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                 |
| Assessment Verification:    | Verified the training records during the assessment:<br>i. Sighted the correspondence between Keresia Plantation and Keresia Mill Sdn. Bhd. with JTK Sarawak regarding of delay of salary payment to Estate and Mill worker<br>ii. Sighted the internal memo from Keresia Plantation and Keresia Mill regard of payment schedule to Estate and Mill worker<br>The implementation of the CAP was effective. The NC remain closed.                                                                                                                                                                                                                                                                                                                                                                              |                 |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Major Nonconformities:      |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                 |
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| Ref                         | Area/Process                                                                                                                                                                                                                                                                                                                                                                                                                                       | Clause          |
| 1700127-201810-M7           | Plantations                                                                                                                                                                                                                                                                                                                                                                                                                                        | Part 3: 4.4.5.6 |
| Requirements:               | All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.                                                                                                                                                                                                                               |                 |
| Statement of Nonconformity: | Contract signed by both employee and employer has not included rates for piece rated workers                                                                                                                                                                                                                                                                                                                                                       |                 |
| Objective Evidence:         | Details of rates for piece rated worker was not included in the main contract based on the contract sampled:<br>1. Emp. ID:11883 - Contract 14/07/18 – 14/07/20<br>2. Emp. ID:10082 - Contract 23/7/18 – 23/07/19 (contract extension)<br>3. Emp. ID:10176 - Contract 28/12/17 – 28/12/19<br>4. Emp. ID:11159 - Contract 04/10/17 – 04/10/19<br>5. Emp. ID:11990 - Contract 25/07/18 – 25/07/20<br>6. Emp. ID:11883 - Contract 14/07/18 – 14/07/20 |                 |
| Corrections:                | To review and amend contract agreement.                                                                                                                                                                                                                                                                                                                                                                                                            |                 |
| Root cause analysis:        | Contract agreement was not reviewed and amended from time to time.                                                                                                                                                                                                                                                                                                                                                                                 |                 |
| Corrective Actions:         | New contract agreement was amended. All rates (daily & piece-rate) were attached to the new contract agreement. For the long term action, PIC will review the contract agreement from time to time and update the latest rate for any work in the estate                                                                                                                                                                                           |                 |
| Assessment Conclusion:      | Implemented evidences found to be effective thus the major NC was closed on 15/1/19. Continuous implementation will be further verified in the next assessment.                                                                                                                                                                                                                                                                                    |                 |
| Assessment Verification:    | Verified the training records during the assessment:<br>i. Sighted new "KONTRAK DI ANTARA PEKERJA ASING DAN KERESA PLANTATIONS SDN. BHD" with attachment of "Kadar Upah Borong" in the last page<br>The implementation of the CAP was effective. The NC remain closed.                                                                                                                                                                             |                 |

| Major Nonconformities:      |                                                                                                                                                                                                                                                                       |                 |
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| Ref                         | Area/Process                                                                                                                                                                                                                                                          | Clause          |
| 1700127-201810-M8           | Plantations                                                                                                                                                                                                                                                           | Part 3: 4.4.5.6 |
| Requirements:               | All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.                                                  |                 |
| Statement of Nonconformity: | Contract signed by both employee and employer has not included rates for piece rated workers                                                                                                                                                                          |                 |
| Objective Evidence:         | Details of rates for piece rated worker was not included in the main contract based on the contract sampled:<br>1. Emp. ID: 11549 - Contract 12/10/17- 12/10/19<br>2. Emp. ID: 11457 - Contract 12/08/17 -12/8/19<br>3. Emp. ID: 10037 – Contract 24/06/17 - 23/06/19 |                 |
| Corrections:                | To review and amend contract agreement.                                                                                                                                                                                                                               |                 |

|                          |                                                                                                                                                                                                                                                                                                                                  |
|--------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Root cause analysis:     | Contract agreement was not reviewed and amended from time to time.                                                                                                                                                                                                                                                               |
| Corrective Actions:      | New contract agreement was amended. All rates (daily & piece-rate) were attached to the new contract agreement. For the long term action, PIC will review the contract agreement from time to time and update the latest rate for any work in the estate.                                                                        |
| Assessment Conclusion:   | Implemented evidences found to be effective thus the major NC was closed on 15/1/19. Continuous implementation will be further verified in the next assessment.                                                                                                                                                                  |
| Assessment Verification: | <p>Verified the training records during the assessment:</p> <ul style="list-style-type: none"> <li>i. Sighted new "KONTRAK DI ANTARA PEKERJA ASING DAN KERESA PLANTATIONS SDN. BHD" with attachment of "Kadar Upah Borong" in the last page</li> </ul> <p>The implementation of the CAP was effective. The NC remain closed.</p> |

### 3.4 Issues Raised by Stakeholders

| IS # | Description                                                                                                                                                                                                                 |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1    | <p><b>Issues:</b><br/> <b>FFB Supplier</b></p> <p>Confirm that payment is made promptly and no any disputes. Contracts are transparent and legal.</p>                                                                       |
|      | <p><b>Management Responses:</b><br/>           To continues with the good transparency between management and suppliers.</p>                                                                                                |
|      | <p><b>Audit Team Findings:</b><br/>           No further issue.</p>                                                                                                                                                         |
| 2    | <p><b>Issues:</b><br/> <b>POM Worker</b></p> <p>During the interview with worker, it was found that workers are understanding on how the overtime paid and procedure of complaints.</p>                                     |
|      | <p><b>Management Responses:</b><br/>           To continues with the good communication between management workers</p>                                                                                                      |
|      | <p><b>Audit Team Findings:</b><br/>           No further issue.</p>                                                                                                                                                         |
| 3    | <p><b>Issues:</b><br/> <b>Estate Worker</b></p> <p>The workers were satisfied with the management. They were treated equally among all different nationalities. Their salary were paid according to Minimum Wage Order.</p> |
|      | <p><b>Management Responses:</b><br/>           The management will continue to ensure they are comply with legal requirements.</p>                                                                                          |
|      | <p><b>Audit Team Findings:</b><br/>           No further issue.</p>                                                                                                                                                         |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

**3.5 Summary of the Nonconformities and Status**

| CAR Ref.          | CLASS | ISSUED     | STATUS                                                 |
|-------------------|-------|------------|--------------------------------------------------------|
| 1211918M1         | Major | 25/7/2015  | Closed out on 17/9/15                                  |
| 1211918M2         | Major | 25/7/2015  | Closed out on 17/9/15                                  |
| 1211918M3         | Major | 23/7/2015  | Closed out on 17/9/15                                  |
| 1211918M4         | Major | 23/7/2015  | Closed out on 17/9/15                                  |
| 1211918M5         | Major | 23/7/2015  | Closed out on 17/9/15                                  |
| 1211918M6         | Major | 24/7/2015  | Closed out on 17/9/15                                  |
| 1211918M7         | Major | 24/7/2015  | Closed out on 17/9/15                                  |
| 1211918M8         | Major | 24/7/2015  | Closed out on 17/9/15                                  |
| 1415560M1         | Major | 8/12/2016  | Closed out on 7/2/17                                   |
| 1415560M2         | Major | 8/12/2016  | Closed out on 1/2/17                                   |
| 1415560M3         | Major | 8/12/2016  | Closed out on 1/2/17                                   |
| 1415560M4         | Major | 8/12/2016  | Closed out on 1/2/17                                   |
| 1415560M5         | Major | 8/12/2016  | Closed out on 1/2/17                                   |
| 1415560M6         | Major | 8/12/2016  | Closed out on 1/2/17                                   |
| 1552568-201711-M1 | Major | 10/11/2017 | Closed out on 5/1/18                                   |
| 1552568-201711-M2 | Major | 10/11/2017 | Closed out on 5/1/18                                   |
| 1552568-201711-N1 | Minor | 10/11/2017 | Not effectively closed. Upgrade to Major NC            |
| 1552568-201711-N2 | Minor | 10/11/2017 | Not effectively closed. Upgrade to Major NC            |
| 1552568-201711-N3 | Minor | 10/11/2017 | Not effectively closed. Upgrade to Major NC            |
| 1700127-201810-M1 | Major | 25/10/18   | Closed on 15/1/19                                      |
| 1700127-201810-M2 | Major | 25/10/18   | Closed on 15/1/19                                      |
| 1700127-201810-M3 | Major | 25/10/18   | Closed on 15/1/19                                      |
| 1700127-201810-M4 | Major | 25/10/18   | Closed on 15/2/2019 with concession approval (1 Month) |
| 1700127-201810-M5 | Major | 25/10/18   | Closed on 15/2/2019 with concession approval (1 Month) |
| 1700127-201810-M6 | Major | 25/10/18   | Closed on 15/2/2019 with concession approval (1 Month) |
| 1700127-201810-M7 | Major | 25/10/18   | Closed on 15/1/19                                      |

**MSP0 Public Summary Report  
Revision 0 (Aug 2017)**

|                   |       |           |                   |
|-------------------|-------|-----------|-------------------|
| 1700127-201810-M8 | Major | 25/10/18  | Closed on 15/1/19 |
| 1822366-201904-M1 | Major | 19/9/2019 | Closed 11/10/2019 |
| 1822366-201904-N1 | Minor | 19/9/2019 | Open              |
| 1822366-201904-N2 | Minor | 19/9/2019 | Open              |
| 1822366-201904-N3 | Minor | 19/9/2019 | Open              |
| 1822366-201904-N4 | Minor | 19/9/2019 | Open              |

**3.6 Summary of the findings by Principles and Criteria**

**MS 2530-3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for Plantations and Organized Smallholders**

| Criterion / Indicator                                                 | Assessment Findings                                                                                                                                                        | Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>4.1 Principle 1: Management commitment &amp; responsibility</b>    |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |
| <b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b> |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |
| <b>4.1.1.1</b>                                                        | A policy for the implementation of MSPO shall be established.<br><b>- Major compliance -</b>                                                                               | KERESA Plantation Sdn. Bhd. and has initiated the implementations of MSPO requirements. MSPO Policy has been established and signed by Senior Group General Manager dated on April 2015.                                                                                                                                                                                                                                                                  | Complied |
| <b>4.1.1.2</b>                                                        | The policy shall also emphasize commitment to continual improvement.<br><b>- Major compliance -</b>                                                                        | The established policy has emphasized on the commitment to sustainable development and continuous improvement with the objective of improving the estate operation.                                                                                                                                                                                                                                                                                       | Complied |
| <b>Criterion 4.1.2 – Internal Audit</b>                               |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |
| <b>4.1.2.1</b>                                                        | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.<br><b>- Major compliance -</b> | The MSPO Internal Audit Procedure (KERESA/MSPO/QP-10; Rev 1; Effective date: 27 <sup>th</sup> September 2016) was established. The internal audit need to be conducted annual.<br><br>Annual MSPO internal audit was carried out from 10 <sup>th</sup> July 2019 (SUJAN Estate) and 11 <sup>th</sup> July 2019 (JIBA Estate). Summary of NCs as follows;<br><ul style="list-style-type: none"> <li>• JIBA Estate ( 6 Major NC and 2 Minor NC )</li> </ul> | Complied |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                                                                                     | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Compliance |                |        |   |                                                                                                                                         |                                         |   |                                                                        |         |          |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|--------|---|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---|------------------------------------------------------------------------|---------|----------|
|                       |                                                                                                                                                                                                                                                                     | <ul style="list-style-type: none"> <li>SUJAN Estate ( 4 Major NC and 1 Minor NC )</li> </ul> <p>The strong and week points have been address for following scope covering;</p> <p>A. Documentation in estate</p> <p>B. Interview Session with internal stakeholder</p> <p>C. Site Visit at estate</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |            |                |        |   |                                                                                                                                         |                                         |   |                                                                        |         |          |
| <b>4.1.2.2</b>        | <p>The internal audit procedures and audit 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.</p> <p><b>- Major compliance -</b></p> | <p>Internal audit procedure (KERESA/MSPO/QP-10; Rev 1; Effective date: 27<sup>th</sup> September 2016) was established and effectively implemented. The procedure was reviewed by the management to include the competency requirement for MSPO internal auditor.</p> <p>The Internal Audit was lead by Mr. Thilaganarthan (Lead Auditor), Eliza Anak Nojin (Auditor), Nur Atma Binti Ridwan (Auditor), Alicesa Anak Ramba (Auditor) and George Mike (Auditor)</p> <p>A. Finding for JIBA Estate as per tabulated below;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Non Compliance</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>4.4.2.4 – No continues education and awareness programme on complaint, grievances or suggestion procedures for staff/worker/stakeholder</td> <td>Done on<br/>05<sup>th</sup> August 2019</td> </tr> <tr> <td>2</td> <td>4.4.2.5 – The complaint and grievance book that recorded the nature of</td> <td>Done on</td> </tr> </tbody> </table> | No         | Non Compliance | Status | 1 | 4.4.2.4 – No continues education and awareness programme on complaint, grievances or suggestion procedures for staff/worker/stakeholder | Done on<br>05 <sup>th</sup> August 2019 | 2 | 4.4.2.5 – The complaint and grievance book that recorded the nature of | Done on | Complied |
| No                    | Non Compliance                                                                                                                                                                                                                                                      | Status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |                |        |   |                                                                                                                                         |                                         |   |                                                                        |         |          |
| 1                     | 4.4.2.4 – No continues education and awareness programme on complaint, grievances or suggestion procedures for staff/worker/stakeholder                                                                                                                             | Done on<br>05 <sup>th</sup> August 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |            |                |        |   |                                                                                                                                         |                                         |   |                                                                        |         |          |
| 2                     | 4.4.2.5 – The complaint and grievance book that recorded the nature of                                                                                                                                                                                              | Done on                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |            |                |        |   |                                                                                                                                         |                                         |   |                                                                        |         |          |

**MSPO Public Summary Report  
Revision 0 (Aug 2017)**

| Criterion / Indicator |  | Assessment Findings |                                                                                                                                                                                                  | Compliance                                 |
|-----------------------|--|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
|                       |  |                     | complaints and the resolutions had been not maintained due to high turnover.                                                                                                                     | 02 <sup>nd</sup> August 2019               |
|                       |  | 3                   | 4.4.5.6 – Only 15% done updated with latest Kontrak Pengajian                                                                                                                                    | Done on<br>13 <sup>th</sup> September 2019 |
|                       |  | 4                   | 4.4.6.1 – Training were conducted without written report and being documented                                                                                                                    | Done on<br>13 <sup>th</sup> September 2019 |
|                       |  | 5                   | 4.4.6.2 – No written training conducted were documented of different type of jobs                                                                                                                | Done on<br>13 <sup>th</sup> September 2019 |
|                       |  | 6                   | 4.4.6.3 – No continuous training programme available for monitoring                                                                                                                              | Done on<br>05 <sup>th</sup> August 2019    |
|                       |  | 7                   | 4.5.3.1 – Schedule waste and clinical waste record available. However for domestic waste no segregation been done. An effective rubbish collection schedule and monitoring were not well planned | Done on<br>06 <sup>th</sup> August 2019    |
|                       |  | 8                   | 4.5.3.2 – No supporting evidence on rubbish collection schedule                                                                                                                                  | Done on<br>06 <sup>th</sup> September 2019 |

| Criterion / Indicator | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Compliance                                 |                |        |   |                                                                                                                                        |                                         |   |                                                                                                                                                     |                                         |   |                                                    |                                            |   |                                                                                                                                                                                                    |                                         |  |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|----------------|--------|---|----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---|----------------------------------------------------|--------------------------------------------|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--|
|                       | <p>Based on documentation check, estate need to respond the finding within the dateline by 13<sup>th</sup> September 2019</p> <p>B. Finding for SUJAN Estate as per tabulated below;</p> <table border="1" data-bbox="1048 587 1872 1353"> <thead> <tr> <th data-bbox="1048 587 1120 655">No</th> <th data-bbox="1120 587 1597 655">Non Compliance</th> <th data-bbox="1597 587 1872 655">Status</th> </tr> </thead> <tbody> <tr> <td data-bbox="1048 655 1120 818">1</td> <td data-bbox="1120 655 1597 818">4.4.2.4 – No Continues education and awareness programme on complaint, grievance of suggestion procedures for staff/worker/stakeholder</td> <td data-bbox="1597 655 1872 818">Done on<br/>12<sup>th</sup> August 2019</td> </tr> <tr> <td data-bbox="1048 818 1120 1015">2</td> <td data-bbox="1120 818 1597 1015">4.4.2.5 – The complaint and grievances books that recorded the nature of complaint and the resolutions had been not maintained due to high turnover</td> <td data-bbox="1597 818 1872 1015">Done on<br/>12<sup>th</sup> August 2019</td> </tr> <tr> <td data-bbox="1048 1015 1120 1129">3</td> <td data-bbox="1120 1015 1597 1129">Only 15% done update with latest Kontrak Pengajian</td> <td data-bbox="1597 1015 1872 1129">Done on<br/>13<sup>th</sup> September 2019</td> </tr> <tr> <td data-bbox="1048 1129 1120 1353">4</td> <td data-bbox="1120 1129 1597 1353">4.5.3.1 – Scheduled waste and clinical waste record available. However for domestic waste, no segregation been done. An effective rubbish collection schedule and monitoring were not well planned</td> <td data-bbox="1597 1129 1872 1353">Done on<br/>12<sup>th</sup> August 2019</td> </tr> </tbody> </table> | No                                         | Non Compliance | Status | 1 | 4.4.2.4 – No Continues education and awareness programme on complaint, grievance of suggestion procedures for staff/worker/stakeholder | Done on<br>12 <sup>th</sup> August 2019 | 2 | 4.4.2.5 – The complaint and grievances books that recorded the nature of complaint and the resolutions had been not maintained due to high turnover | Done on<br>12 <sup>th</sup> August 2019 | 3 | Only 15% done update with latest Kontrak Pengajian | Done on<br>13 <sup>th</sup> September 2019 | 4 | 4.5.3.1 – Scheduled waste and clinical waste record available. However for domestic waste, no segregation been done. An effective rubbish collection schedule and monitoring were not well planned | Done on<br>12 <sup>th</sup> August 2019 |  |
| No                    | Non Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Status                                     |                |        |   |                                                                                                                                        |                                         |   |                                                                                                                                                     |                                         |   |                                                    |                                            |   |                                                                                                                                                                                                    |                                         |  |
| 1                     | 4.4.2.4 – No Continues education and awareness programme on complaint, grievance of suggestion procedures for staff/worker/stakeholder                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Done on<br>12 <sup>th</sup> August 2019    |                |        |   |                                                                                                                                        |                                         |   |                                                                                                                                                     |                                         |   |                                                    |                                            |   |                                                                                                                                                                                                    |                                         |  |
| 2                     | 4.4.2.5 – The complaint and grievances books that recorded the nature of complaint and the resolutions had been not maintained due to high turnover                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Done on<br>12 <sup>th</sup> August 2019    |                |        |   |                                                                                                                                        |                                         |   |                                                                                                                                                     |                                         |   |                                                    |                                            |   |                                                                                                                                                                                                    |                                         |  |
| 3                     | Only 15% done update with latest Kontrak Pengajian                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Done on<br>13 <sup>th</sup> September 2019 |                |        |   |                                                                                                                                        |                                         |   |                                                                                                                                                     |                                         |   |                                                    |                                            |   |                                                                                                                                                                                                    |                                         |  |
| 4                     | 4.5.3.1 – Scheduled waste and clinical waste record available. However for domestic waste, no segregation been done. An effective rubbish collection schedule and monitoring were not well planned                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Done on<br>12 <sup>th</sup> August 2019    |                |        |   |                                                                                                                                        |                                         |   |                                                                                                                                                     |                                         |   |                                                    |                                            |   |                                                                                                                                                                                                    |                                         |  |

**MSPO Public Summary Report  
Revision 0 (Aug 2017)**

| Criterion / Indicator                          |                                                                                                                                                                                                                                                  | Assessment Findings                                                                                                                                                                                                                                                                                                                                                   |                                                                 | Compliance                              |
|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------|
|                                                |                                                                                                                                                                                                                                                  | 5                                                                                                                                                                                                                                                                                                                                                                     | 4.5.3.2 - No supporting evidence on Rubbish collection schedule | Done on 10 <sup>th</sup> September 2018 |
|                                                |                                                                                                                                                                                                                                                  | Based on documentation check, estate has respond the finding within the dateline by 13 <sup>th</sup> September 2019                                                                                                                                                                                                                                                   |                                                                 |                                         |
| <b>4.1.2.3</b>                                 | Report shall be made available to the management for their review.<br><b>- Major compliance -</b>                                                                                                                                                | Internal audit report dated on 11 <sup>th</sup> July 2019 and 10 <sup>th</sup> August 2019 for JIBA and SUJAN Estate respectively. The report is available for the management review.                                                                                                                                                                                 |                                                                 | Complied                                |
| <b>Criterion 4.1.3 – Management Review</b>     |                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                       |                                                                 |                                         |
| <b>4.1.3.1</b>                                 | The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.<br><b>- Major compliance -</b> | The Management Review Procedure (First Editions; Version 1.0) dated September 2015 was established.<br>MSPO Management Review for JIBA Estate and SUJAN Estate were carried out on 02 <sup>nd</sup> August 2019 at JIBA Estate Office with attendance of 9 persons. All pertinent elements for MSPO implementation has been reviewed and presented to top management. |                                                                 | Complied                                |
| <b>Criterion 4.1.4 – Continual Improvement</b> |                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                       |                                                                 |                                         |
| <b>4.1.4.1</b>                                 | The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.<br><b>- Major compliance -</b>                                                           | TQM has worked with estates to review and update the social and environmental aspects and impacts risk registers and to develop improvement plans 2019 as follows;                                                                                                                                                                                                    |                                                                 | Complied                                |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |  | Assessment Findings |                                                                                                                                                                                                                                                                                                                                                                                      |                                                                           |                                                                          | Compliance |
|-----------------------|--|---------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|--------------------------------------------------------------------------|------------|
|                       |  | No                  | Continues Improvement Plan Activity                                                                                                                                                                                                                                                                                                                                                  | Time Target                                                               | Status                                                                   |            |
|                       |  | 1                   | Economic Value : Key Performance Indicator<br>1. Focus on Mill technical area (conveyors & kernel plant)<br>2. Maintain sufficient worker & monitoring (estate)<br>3. Gasifier<br>4. To increase OER Value                                                                                                                                                                           | Q4 2019<br>Q4 2019<br>Q3 2019<br>Q2 2019                                  | On-going<br>On-going<br>On-going<br>On-going                             |            |
|                       |  | 2                   | Economic Value : Better Management System<br>1. Maintain documentation register & update<br>2. Plantation/mill records register & update<br>3. Monthly managers workplace inspections<br>4. Action request system introduced<br>5. Public records board for Plantation/Mill<br>6. Review of Plantation / Mill records & documentation<br>7. Training needs / assessment pilot system | Q4 2019<br>Q1 2017<br>Q1 2019<br>Q1 2017<br>Q4 2019<br>Q1 2019<br>Q1 2019 | On-going<br>Done<br>On-going<br>Done<br>On-going<br>On-going<br>On-going |            |
|                       |  | 3                   | Social Value : Health & Safety @ workplace                                                                                                                                                                                                                                                                                                                                           |                                                                           |                                                                          |            |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |  | Assessment Findings |                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                              | Compliance                                                                               |  |
|-----------------------|--|---------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------|--|
|                       |  |                     | 1. OSH site audit & workplace assessments<br>2. OSH policy and plan drafted & issued<br>3. List of major infra works to improve OSH compliance<br>4. OSH training for managers : records & workplace assessments<br>5. OSH training : safe use of chemicals<br>6. OSH training : safe harvesting<br>7. OSH training : Emergency Respond Plan<br>8. OSH Improvement plans : worker-staff defined<br>9. Annual OSH audit | Q4 2019<br>2017<br>Q2 2017<br>Q2 2017<br>Q1 2019<br>Q2 2019<br>Q2 2019<br>Q2 2019<br>Q2 2019 | On-going<br>Done<br>Done<br>Done<br>Done<br>On-going<br>On-going<br>On-going<br>On-going |  |
|                       |  | 4                   | Social Values : Core Labor Standards<br>1. Social policies drafted & circulated: grievances procedure, equal rights, OSH, environment, FOA, JCC, sexual harassment, min age<br>2. Establishment & monitoring of consultation mechanisms : JCC, head-villages OSH<br>3. Training on social policies : sexual harassment, OSH, JCC                                                                                       | 2019<br>Q1 2017<br>2019                                                                      | Done<br>Done<br>On-going                                                                 |  |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |  | Assessment Findings |                                                                                                         |         | Compliance |  |
|-----------------------|--|---------------------|---------------------------------------------------------------------------------------------------------|---------|------------|--|
|                       |  |                     | 4. Annual consultation with worker/ staff                                                               | Q1 2019 | On-going   |  |
|                       |  |                     | 5. Annual Audit of social policies, records and procedures                                              | Q1 2019 | On-going   |  |
|                       |  |                     | 6. Monthly meeting with representative workers                                                          | 2019    | On-going   |  |
|                       |  | 5                   | Community : Action Plan                                                                                 |         |            |  |
|                       |  |                     | 1. Improving recording of benefits / investment in community : Estate / Mill                            | 2019    | Done       |  |
|                       |  |                     | 2. Road & Fertilizer subsidy / support mechanism : Mill & Estate                                        | 2019    | Done       |  |
|                       |  | 6                   | Environmental Value : Control of pollution & significant impacts on environmental (Action1)             |         |            |  |
|                       |  |                     | 1. Environment & Biodiversity Review (SUJAN and JIBA)                                                   | Q4 2018 | Done       |  |
|                       |  |                     | 2. Waste management guidelines & implementation                                                         | Q1 2017 | Done       |  |
|                       |  |                     | 3. Buffer zone & riparian demarcation guidelines & implementation                                       | Q1 2017 | Done       |  |
|                       |  |                     | 4. Road programme established with guidelines & implementation                                          | Q2 2017 | Done       |  |
|                       |  |                     | 5. Pilot projects implemented : domestic wastewater, green plan for plantations, mill pollution control | 2019    | On-going   |  |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                                                                    | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                  |      | Compliance |  |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------|------------|--|
|                       |                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 6. Annual environmental audit                                                                                    | 2019 | On-going   |  |
|                       |                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 7. To introduce Reduced, Reused & Recycled Plan & Program                                                        | 2019 | On-going   |  |
|                       |                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 8. CHRA – Sg. Kubud                                                                                              | 2019 | Done       |  |
|                       |                                                                                                                                                                                                                                                    | 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Environmental Value : Control of pollution & significant impacts on environmental (Action2)<br>1. POME Discharge | 2019 | On-going   |  |
| <b>4.1.4.2</b>        | The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.<br><br><b>- Major compliance -</b> | <p>The new technology that will be introduced for 2019 in JIBA and SUJAN Estates are the upgrading the check roll from manual to online which called as iECS.</p> <p>The advantages of iECS is to benefit the company as follows :</p> <ol style="list-style-type: none"> <li>1. Data entries and processing very cast by field staff</li> <li>2. Reduce date entry activity in the office</li> <li>3. No input form ( reduced in paper cost)</li> <li>4. Fast check roll processing of the month end</li> <li>5. Very fast information on tracking system</li> <li>6. Reduce depending on manpower to key in the info</li> </ol> |                                                                                                                  |      | Complied   |  |
| <b>4.1.4.3</b>        | An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.                                                              | <p>Training and briefing about the new implementation of iECS was conducted at JIBA Estate on 1<sup>st</sup> April 2019 to Management staff consist of Senior Manager, Manager, Assistant Manager, Field Staff and Admin Staff. Sighted the attendance and training material kept in the file for reference.</p>                                                                                                                                                                                                                                                                                                                  |                                                                                                                  |      | Complied   |  |

| Criterion / Indicator                                                                     |                                                                                                                                                                                                                                                                                              | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Compliance |
|-------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| - Major compliance -                                                                      |                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |
| <b>4.2 Principle 2: Transparency</b>                                                      |                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |
| Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements |                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |
| <b>4.2.1.1</b>                                                                            | The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.<br><br>- Major compliance - | JIBA dan SUJAN Estates have maintained records of requests and responses, Land titles/user rights, Safety and health plan, Plan and impact assessments relating to environmental and social impact, Plan for pollution prevention , Records of complaints and grievances, Plan for continuous improvement and make available upon request.                                                                                                                                                                                                                                                                                                                    | Complied   |
| <b>4.2.1.2</b>                                                                            | Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.<br><br>- Major compliance -                                                     | JIBA and SUJAN Estates holds copies of each of the management documents that are required to be publicly available. Copies of the document such as Plan and impact assessments relating to environmental and social impact, Plan for pollution prevention, records of complaints and grievances were available on request.<br><br>All these documents were sighted in the estate office. Requests for official documents through the estate office will have to go through the estate manager/assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document. | Complied   |
| <b>Criterion 4.2.2 – Transparent method of communication and consultation</b>             |                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |
| <b>4.2.2.1</b>                                                                            | Procedures shall be established for consultation and                                                                                                                                                                                                                                         | KERESA Plantations Sdn. Bhd. has established Procedures for Communication of Social Policies (Chapter 3, Reference No: SOC 3.1,                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                   | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Compliance |
|-----------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <p>communication with the relevant stakeholders.</p> <p><b>- Major compliance -</b></p> | <p>Date issue : Dec 2009, Version 1) and Complaints &amp; Grievances Procedure (Reference No: SOC 3.2, Version 1) that define the responsibilities and actions required for receiving, recording and responding to enquiries and requests from internal and external stakeholders.</p> <p>The procedure outline the process of communication on the social policies, lodging grievances and monitoring implementation. The Standard Operating Procedure has identified mechanism for consultation and communication with the relevant stakeholders.</p> <p>JIBA and SUJAN estates has implemented the "Communication and Consultation Management guidelines" as evidenced by the maintenance of filing systems for recording written requests for assistance and information. Inspection of a sample of records found that requests for information were received only from Government Departments (DOE, DOSH, MPOB) and complaint form from the local communities. Furthermore, worker &amp; smallholder survey has been conducted from time to time for establishing active communication.</p> <p>Estate has shown a good communication, by publish the flow chart of Procedure "Pengurusan Aduan Pekerja/Stakeholder" at the notice board in front of estate office and housing complex. The feedback can be forward to estate management to Complain box muster ground and office.</p> <p>Interviews with Stakeholders confirmed that both estates has an open approach to communication with staff, workers and local communities.</p> |            |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                 |                                                                                                                                                                                                      | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Compliance |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 4.2.2.2                               | A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.<br><b>- Minor compliance -</b>                                                 | Sighted letter of appointment for the responsible person, MS. Eliza Nojin as person in-charge to maintain the traceability system. The appointment letter dated on 1 <sup>st</sup> January 2017 with job responsibility has been clearly defined.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Complied   |
| 4.2.2.3                               | List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.<br><b>- Major compliance -</b> | Sighted latest stakeholders list updated on 10 <sup>th</sup> September 2019. Stakeholder list include the supplier, contractor, smallholders, external stakeholders plantation, villagers, long house & government agency such as DOSH, MPOB, DOE, Labour department & etc.<br><br>Joint consultative committee (JCC) meeting, internal stakeholder meeting that involve worker representative and chaired by Mr. Thilaganathan, Senior Manager Sustainability & Estate Operations. The latest meeting was conducted on 3 <sup>rd</sup> July 2019. All issued has been discussed with current action plan has been established.<br><br>Request from government agency was made by visit log book such as MPOB, DOE and DOSH. The action has been taken accordingly and recorded. | Complied   |
| <b>Criterion 4.2.3 – Traceability</b> |                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |            |
| 4.2.3.1                               | The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).<br><b>- Major compliance -</b>    | SOP on the traceability of the FFB has established in ISCC Management System guidelines revision 1. Refer to SOP/ISCC/KPSB/EST/04 dated on 25 <sup>th</sup> October 2017.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                    |                                                                                                                                                             | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                         | Compliance |
|----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 4.2.3.2                                                  | The management shall conduct regular inspections on compliance with the established traceability system.<br><b>- Major compliance -</b>                     | Traceability inspection report carried out on monthly basis. The Management team on harvesting holds the responsibility on regular inspection of traceability system.<br><br>The detail of the record includes Block No, FFB Driver Daily Collection (Bunch), Average Bunch Weight, Total Weight and division which show the traceability from field to the POM.<br><br>Sighted report for JIBA Estate and SUJAN Estate dated on 12.09.2019 | Complied   |
| 4.2.3.3                                                  | The management should identify and assign suitable employees to implement and maintain the traceability system.<br><b>- Minor compliance -</b>              | Sighted letter of appointment for the responsible person, MS. Eliza Nojin as person in-charge to maintain the traceability system. The appointment letter dated on 1 <sup>st</sup> January 2017 with job responsibility has been clearly defined.                                                                                                                                                                                           | Complied   |
| 4.2.3.4                                                  | Records of sales, delivery or transportation of FFB shall be maintained.<br><b>- Major compliance -</b>                                                     | Delivery of FFB from JIBA and SUJAN Estate from field to KERESA POM was monitored closely by respective estate management.<br><br>Sighted the records of sales, delivery or transportation of FFB. This record being maintained and the documents are kept by the both site (estate and POM).                                                                                                                                               | Complied   |
| <b>4.3 Principle 3: Compliance to legal requirements</b> |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                             |            |
| <b>Criterion 4.3.1 – Regulatory requirements</b>         |                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                             |            |
| 4.3.1.1                                                  | All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.<br><b>- Major compliance -</b> | KERESA Plantation Sdn. Bhd. has maintained the systems for documentation, checking and assessment of legal compliance with applicable laws and regulations.                                                                                                                                                                                                                                                                                 | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Compliance       |                            |                  |          |   |                 |             |            |   |                        |             |            |   |                        |        |            |   |                                           |   |                            |   |                       |         |            |   |                       |       |            |   |             |        |            |   |              |        |            |   |             |        |            |  |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|----------------------------|------------------|----------|---|-----------------|-------------|------------|---|------------------------|-------------|------------|---|------------------------|--------|------------|---|-------------------------------------------|---|----------------------------|---|-----------------------|---------|------------|---|-----------------------|-------|------------|---|-------------|--------|------------|---|--------------|--------|------------|---|-------------|--------|------------|--|
|                       | <p>Inspection of records showed that the both estates has maintained legal compliance with statutory requirements.</p> <p>Sample of permit and license sighted as listed below :</p> <table border="1" data-bbox="1048 619 1850 1361"> <thead> <tr> <th>No</th> <th>Legal Reference</th> <th>Registration Ref</th> <th>Valid To</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Nursery License</td> <td>51606611000</td> <td>31.10.2019</td> </tr> <tr> <td>2</td> <td>FFB License (FFB) KPSB</td> <td>50365610200</td> <td>29.02.2019</td> </tr> <tr> <td>3</td> <td>Trading Licenses(KPSB)</td> <td>882820</td> <td>27.01.2020</td> </tr> <tr> <td>4</td> <td>Perakuan Perbadanan Syarikat Persendirian</td> <td>-</td> <td>As long as operation exist</td> </tr> <tr> <td>5</td> <td>Diesel License (KPSB)</td> <td>Q007046</td> <td>27.01.2020</td> </tr> <tr> <td>6</td> <td>Petrol License (KSPB)</td> <td>30889</td> <td>31.12.2019</td> </tr> <tr> <td>7</td> <td>RSPO (KPSB)</td> <td>559278</td> <td>20.10.2020</td> </tr> <tr> <td>8</td> <td>MSPO (SUJAN)</td> <td>644923</td> <td>11.10.2020</td> </tr> <tr> <td>9</td> <td>MSPO (JIBA)</td> <td>644925</td> <td>11.10.2020</td> </tr> </tbody> </table> | No               | Legal Reference            | Registration Ref | Valid To | 1 | Nursery License | 51606611000 | 31.10.2019 | 2 | FFB License (FFB) KPSB | 50365610200 | 29.02.2019 | 3 | Trading Licenses(KPSB) | 882820 | 27.01.2020 | 4 | Perakuan Perbadanan Syarikat Persendirian | - | As long as operation exist | 5 | Diesel License (KPSB) | Q007046 | 27.01.2020 | 6 | Petrol License (KSPB) | 30889 | 31.12.2019 | 7 | RSPO (KPSB) | 559278 | 20.10.2020 | 8 | MSPO (SUJAN) | 644923 | 11.10.2020 | 9 | MSPO (JIBA) | 644925 | 11.10.2020 |  |
| No                    | Legal Reference                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Registration Ref | Valid To                   |                  |          |   |                 |             |            |   |                        |             |            |   |                        |        |            |   |                                           |   |                            |   |                       |         |            |   |                       |       |            |   |             |        |            |   |              |        |            |   |             |        |            |  |
| 1                     | Nursery License                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 51606611000      | 31.10.2019                 |                  |          |   |                 |             |            |   |                        |             |            |   |                        |        |            |   |                                           |   |                            |   |                       |         |            |   |                       |       |            |   |             |        |            |   |              |        |            |   |             |        |            |  |
| 2                     | FFB License (FFB) KPSB                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 50365610200      | 29.02.2019                 |                  |          |   |                 |             |            |   |                        |             |            |   |                        |        |            |   |                                           |   |                            |   |                       |         |            |   |                       |       |            |   |             |        |            |   |              |        |            |   |             |        |            |  |
| 3                     | Trading Licenses(KPSB)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 882820           | 27.01.2020                 |                  |          |   |                 |             |            |   |                        |             |            |   |                        |        |            |   |                                           |   |                            |   |                       |         |            |   |                       |       |            |   |             |        |            |   |              |        |            |   |             |        |            |  |
| 4                     | Perakuan Perbadanan Syarikat Persendirian                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | -                | As long as operation exist |                  |          |   |                 |             |            |   |                        |             |            |   |                        |        |            |   |                                           |   |                            |   |                       |         |            |   |                       |       |            |   |             |        |            |   |              |        |            |   |             |        |            |  |
| 5                     | Diesel License (KPSB)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Q007046          | 27.01.2020                 |                  |          |   |                 |             |            |   |                        |             |            |   |                        |        |            |   |                                           |   |                            |   |                       |         |            |   |                       |       |            |   |             |        |            |   |              |        |            |   |             |        |            |  |
| 6                     | Petrol License (KSPB)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 30889            | 31.12.2019                 |                  |          |   |                 |             |            |   |                        |             |            |   |                        |        |            |   |                                           |   |                            |   |                       |         |            |   |                       |       |            |   |             |        |            |   |              |        |            |   |             |        |            |  |
| 7                     | RSPO (KPSB)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 559278           | 20.10.2020                 |                  |          |   |                 |             |            |   |                        |             |            |   |                        |        |            |   |                                           |   |                            |   |                       |         |            |   |                       |       |            |   |             |        |            |   |              |        |            |   |             |        |            |  |
| 8                     | MSPO (SUJAN)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 644923           | 11.10.2020                 |                  |          |   |                 |             |            |   |                        |             |            |   |                        |        |            |   |                                           |   |                            |   |                       |         |            |   |                       |       |            |   |             |        |            |   |              |        |            |   |             |        |            |  |
| 9                     | MSPO (JIBA)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 644925           | 11.10.2020                 |                  |          |   |                 |             |            |   |                        |             |            |   |                        |        |            |   |                                           |   |                            |   |                       |         |            |   |                       |       |            |   |             |        |            |   |              |        |            |   |             |        |            |  |

| Criterion / Indicator |                                                                                                                                               | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |             |                      |            | Compliance |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |
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|                       |                                                                                                                                               | 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Cert SOPPOA | OK 0005              | 31.12.2019 |            |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |
|                       |                                                                                                                                               | 11                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Quit Rent   | 09LCS<br>03701700001 | Jan 2080   |            |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |
|                       |                                                                                                                                               | 12                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Land Title  | -                    | Jan 2080   |            |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |
| <b>4.3.1.2</b>        | <p>The management shall list all laws applicable to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p> | <p>A Legal Compliance procedure has been established (KP 16 Mechanism for ensuring legal compliance dated 15 Mar 2010). All operating units have Legal &amp; Other Requirements Register (LORR) covering all the necessary regulatory requirements. TQM sustainability department have reviewed and updated the LORR at both mil and estates on 26<sup>th</sup> June 2019.</p> <p>All the new legal requirements were include in the legal register accordingly:</p> <table border="1"> <thead> <tr> <th>No</th> <th>ILO Convention</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Protection of Wages Convention 1949</td> </tr> <tr> <td>2</td> <td>Force Labour Convention 1930</td> </tr> <tr> <td>3</td> <td>Right to Organize and Collective Bargaining 1949</td> </tr> <tr> <td>4</td> <td>Minimum Age Convention 1973</td> </tr> <tr> <td>5</td> <td>Discrimination (Employment &amp; Occupation) Convention 1958</td> </tr> <tr> <td>6</td> <td>Worst Forms of Child Labour Convention</td> </tr> <tr> <td>7</td> <td>Weekly Rest (Industry) Convention 1921</td> </tr> </tbody> </table> |             |                      |            | No         | ILO Convention | 1 | Protection of Wages Convention 1949 | 2 | Force Labour Convention 1930 | 3 | Right to Organize and Collective Bargaining 1949 | 4 | Minimum Age Convention 1973 | 5 | Discrimination (Employment & Occupation) Convention 1958 | 6 | Worst Forms of Child Labour Convention | 7 | Weekly Rest (Industry) Convention 1921 | Complied |
| No                    | ILO Convention                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |                      |            |            |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |
| 1                     | Protection of Wages Convention 1949                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |                      |            |            |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |
| 2                     | Force Labour Convention 1930                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |                      |            |            |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |
| 3                     | Right to Organize and Collective Bargaining 1949                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |                      |            |            |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |
| 4                     | Minimum Age Convention 1973                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |                      |            |            |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |
| 5                     | Discrimination (Employment & Occupation) Convention 1958                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |                      |            |            |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |
| 6                     | Worst Forms of Child Labour Convention                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |                      |            |            |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |
| 7                     | Weekly Rest (Industry) Convention 1921                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |             |                      |            |            |                |   |                                     |   |                              |   |                                                  |   |                             |   |                                                          |   |                                        |   |                                        |          |

| Criterion / Indicator |  | Assessment Findings |                                                                              | Compliance |
|-----------------------|--|---------------------|------------------------------------------------------------------------------|------------|
|                       |  | 8                   | Holiday with pay (Agriculture) Convention 1952                               |            |
|                       |  | 9                   | Freedom of Association Policy                                                |            |
|                       |  | 10                  | Minimum Age Convention 1973                                                  |            |
|                       |  | 11                  | Worst Forms of Child Labour Convention 1999                                  |            |
|                       |  | 12                  | Equal Remuneration Convention 1951                                           |            |
|                       |  | 13                  | Laws of Sarawak Land Code Chapter 81                                         |            |
|                       |  | 14                  | Native Customary Right                                                       |            |
|                       |  | 15                  | Schedule Waste                                                               |            |
|                       |  | 16                  | Environmental Impact Aspect & Monitoring                                     |            |
|                       |  | 17                  | OSH Convention 1981                                                          |            |
|                       |  | 18                  | OSH Services Convention 1985                                                 |            |
|                       |  | 19                  | Promotional Framework of OSH Convention 2006                                 |            |
|                       |  | 20                  | OSH Recommendation 2006                                                      |            |
|                       |  | 21                  | Chemical Convention 1990                                                     |            |
|                       |  | 22                  | Chemical Recommendation 1990                                                 |            |
|                       |  | 23                  | Working Environmental (Air, Pollution, Noise, and Vibration) Convention 1977 |            |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                   | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Compliance            |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| 4.3.1.3               | <p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p><b>- Major compliance -</b></p>     | <p>Tracking system available to identify changes in the relevant regulations through head office, website information and the information are communicated from the Group Head Office.</p> <p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented.</p>                                                                                                                                                                                                                                                                                                                                      | Complied              |
| 4.3.1.4               | <p>The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p> | <p>Sighted letter of appointment for the responsible person is, MS. Nur Atma binti Ridwan approved by Mr. Thilaganarthan (Senior Sustainability manager / Estate Operations) dated on 08<sup>th</sup> January 2019</p> <p>However based on the documentation check, the auditor found the following;</p> <p>A. SUJAN Estate</p> <p>1. Deduction of petrol appear in the payslip for following workers;</p> <p>1. EMP ID : 10014 - Payslip 31.10.2018 – RM 298.11</p> <p>2. EMP ID : 10563 - Payslip 31.10.2018 - RM 246.41</p> <p>3. EMP ID : 11885 - Payslip 31.10.2018 - RM 117.00</p> <p>The deduction was made without obtain permission in writing from Director of Labour according to Sarawak Labour Ordinance Section 114 (4)</p> | Minor Non-conformance |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Compliance                      |                                        |                                 |              |                                                                                                                                                                        |                                |             |                                                                                                                            |                                |  |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------|---------------------------------|--------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------|----------------------------------------------------------------------------------------------------------------------------|--------------------------------|--|
|                       | <p>2. It was observed that, the expiry of PLKS for following foreign worker as follows;</p> <table border="1" data-bbox="1050 571 1868 1174"> <thead> <tr> <th data-bbox="1057 576 1207 687">Operating Units</th> <th data-bbox="1207 576 1632 687">Name of ID / Passport No &amp; Expiry date</th> <th data-bbox="1632 576 1861 687">Date of submission to Imigresen</th> </tr> </thead> <tbody> <tr> <td data-bbox="1057 687 1207 932">SUJAN Estate</td> <td data-bbox="1207 687 1632 932">                     1. EMP ID : 11406 – 06.09.2019<br/>                     2. EMP ID : 11580 – 02.10.2019<br/>                     3. EMP ID : 11912 – 27.07.2019<br/>                     4. EMP ID : 10308 – 01.03.2019<br/>                     5. EMP ID : 12001 – 08.10.2019                 </td> <td data-bbox="1632 687 1861 932">3<sup>rd</sup> September 2019</td> </tr> <tr> <td data-bbox="1057 932 1207 1174">JIBA Estate</td> <td data-bbox="1207 932 1632 1174">                     1. Passport No : B0346120 - 13.10.2019<br/>                     2. Passport No : B3236139 - 19.09.2019<br/>                     3. Passport No : AU350434 - 13.09.2019                 </td> <td data-bbox="1632 932 1861 1174">3<sup>rd</sup> September 2019</td> </tr> </tbody> </table> <p>Based on the SOP Foreign Workers Employment (KERESA Plantations Sdn. Bhd. &amp; KERESA MILL SDN. BHD.), under 2.7 Renewal of Work Permit / PLKS</p> <p>a) The Human Resource Department will apply for the extension</p> | Operating Units                 | Name of ID / Passport No & Expiry date | Date of submission to Imigresen | SUJAN Estate | 1. EMP ID : 11406 – 06.09.2019<br>2. EMP ID : 11580 – 02.10.2019<br>3. EMP ID : 11912 – 27.07.2019<br>4. EMP ID : 10308 – 01.03.2019<br>5. EMP ID : 12001 – 08.10.2019 | 3 <sup>rd</sup> September 2019 | JIBA Estate | 1. Passport No : B0346120 - 13.10.2019<br>2. Passport No : B3236139 - 19.09.2019<br>3. Passport No : AU350434 - 13.09.2019 | 3 <sup>rd</sup> September 2019 |  |
| Operating Units       | Name of ID / Passport No & Expiry date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Date of submission to Imigresen |                                        |                                 |              |                                                                                                                                                                        |                                |             |                                                                                                                            |                                |  |
| SUJAN Estate          | 1. EMP ID : 11406 – 06.09.2019<br>2. EMP ID : 11580 – 02.10.2019<br>3. EMP ID : 11912 – 27.07.2019<br>4. EMP ID : 10308 – 01.03.2019<br>5. EMP ID : 12001 – 08.10.2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 3 <sup>rd</sup> September 2019  |                                        |                                 |              |                                                                                                                                                                        |                                |             |                                                                                                                            |                                |  |
| JIBA Estate           | 1. Passport No : B0346120 - 13.10.2019<br>2. Passport No : B3236139 - 19.09.2019<br>3. Passport No : AU350434 - 13.09.2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 3 <sup>rd</sup> September 2019  |                                        |                                 |              |                                                                                                                                                                        |                                |             |                                                                                                                            |                                |  |

**MSPO Public Summary Report  
Revision 0 (Aug 2017)**

| Criterion / Indicator                     |                                                                                                                                                                | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Compliance      |    |                 |       |                  |      |                   |      |               |      |              |      |          |
|-------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----|-----------------|-------|------------------|------|-------------------|------|---------------|------|--------------|------|----------|
|                                           |                                                                                                                                                                | three (3) months before the expiry date<br>Thus, a minor non-conformance was raised.                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                 |    |                 |       |                  |      |                   |      |               |      |              |      |          |
| <b>Criterion 4.3.2 – Lands use rights</b> |                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |    |                 |       |                  |      |                   |      |               |      |              |      |          |
| <b>4.3.2.1</b>                            | The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.<br><b>- Major compliance -</b>      | Based on the results of documentations, site visit and stakeholder consultation, no evidence that the oil palm cultivation activities diminished the land use rights of others.                                                                                                                                                                                                                                                                                                                                                                                 | Complied        |    |                 |       |                  |      |                   |      |               |      |              |      |          |
| <b>4.3.2.2</b>                            | The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.<br><b>- Major compliance -</b> | The land was collaboration between Rh. Anchai and Keresa Plantation Sdn Bhd as per agreement dated April 2009 and land title was available as per below:- <table border="1" data-bbox="1048 932 1552 1359"> <thead> <tr> <th>Agreement/Grant</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>Anchai Ak Sabuk</td> <td>17.78</td> </tr> <tr> <td>Keleman Ak Barak</td> <td>12.0</td> </tr> <tr> <td>Encharang Ak Adon</td> <td>11.6</td> </tr> <tr> <td>Semun Ak Ajan</td> <td>7.44</td> </tr> <tr> <td>Lawa Ak Adon</td> <td>6.84</td> </tr> </tbody> </table> | Agreement/Grant | Ha | Anchai Ak Sabuk | 17.78 | Keleman Ak Barak | 12.0 | Encharang Ak Adon | 11.6 | Semun Ak Ajan | 7.44 | Lawa Ak Adon | 6.84 | Complied |
| Agreement/Grant                           | Ha                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |    |                 |       |                  |      |                   |      |               |      |              |      |          |
| Anchai Ak Sabuk                           | 17.78                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |    |                 |       |                  |      |                   |      |               |      |              |      |          |
| Keleman Ak Barak                          | 12.0                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |    |                 |       |                  |      |                   |      |               |      |              |      |          |
| Encharang Ak Adon                         | 11.6                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |    |                 |       |                  |      |                   |      |               |      |              |      |          |
| Semun Ak Ajan                             | 7.44                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |    |                 |       |                  |      |                   |      |               |      |              |      |          |
| Lawa Ak Adon                              | 6.84                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |    |                 |       |                  |      |                   |      |               |      |              |      |          |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                    | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |         | Compliance |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|------------|
|                       |                                                                                                                                                                                                    | Uki Ak Nguang                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 8.40    |            |
|                       |                                                                                                                                                                                                    | Jetan Ak Empalah                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 1.68    |            |
|                       |                                                                                                                                                                                                    | Baol Ak Adon                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 18.16   |            |
|                       |                                                                                                                                                                                                    | Piliet Ak Encharang                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 10.48   |            |
|                       |                                                                                                                                                                                                    | Lot 1(H16-10 (5.2))                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | 6023.00 |            |
| <b>4.3.2.3</b>        | <p>Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.</p> <p><b>- Major compliance -</b></p>                                    | <p>Estates visited clearly demarcated the legal boundary with pole as sighted during site visit as follows:</p> <p>JE</p> <p>Legal boundary was clearly demarcated with blue color wooden poles. The estate has established the map for boundary markers around the estate. Sighted the boundary marking at J9701 adjacent to Rumah Panjang Lawai land.</p> <p>SE</p> <p>Legal boundary was clearly demarcated with wooden pole. Sighted the boundary marking at 06K1 adjacent to GP Pusaka Sdn. Bhd. (Industrial Tree Plantations).</p> |         | Complied   |
| <b>4.3.2.4</b>        | <p>Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall</p> | <p>There was no land disputes noted during the audit at JIBA and SUJAN Estate as the estate has the legal ownership documents which was under the KERESA Plantation Sdn. Bhd.</p>                                                                                                                                                                                                                                                                                                                                                        |         | Complied   |

| Criterion / Indicator                                                                  |                                                                                                                                                                                        | Assessment Findings                                                                                                                                                                                                               | Compliance |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                                                        | be made available and that these should have been accepted with free prior informed consent (FPIC).<br>- <b>Minor compliance</b> -                                                     |                                                                                                                                                                                                                                   |            |
| <b>Criterion 4.3.3 – Customary rights</b>                                              |                                                                                                                                                                                        |                                                                                                                                                                                                                                   |            |
| <b>4.3.3.1</b>                                                                         | Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.<br>- <b>Major compliance</b> - | There is no customary land in or surrounding all the estates under KERESA Plantation Sdn. Bhd. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership. | Complied   |
| <b>4.3.3.2</b>                                                                         | Maps of an appropriate scale showing extent of recognized customary rights land, if any, should made available.<br>- <b>Minor compliance</b> -                                         | There is no customary land in or surrounding all the estates under KERESA Plantation Sdn. Bhd. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership. | Complied   |
| <b>4.3.3.3</b>                                                                         | Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.<br>- <b>Major compliance</b> -                                                    | There is no customary land in or surrounding all the estates under KERESA Plantation Sdn. Bhd. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership. | Complied   |
| <b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b> |                                                                                                                                                                                        |                                                                                                                                                                                                                                   |            |
| <b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>                                 |                                                                                                                                                                                        |                                                                                                                                                                                                                                   |            |
| <b>4.4.1.1</b>                                                                         | Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.                                                           | TQM department has conduct with the internal Social Impact Assessment (SIA) on the August 2019 using survey that includes the categories as follows;                                                                              | Complied   |

| Criterion / Indicator                             |                                                                                                                             | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Compliance |
|---------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                   | - <b>Minor compliance</b> -                                                                                                 | 1. Work Term & Condition<br>2. Social Provisions<br>3. Environment, Safety & Health<br><br>From the satisfaction survey's, most of workers are satisfied with all the categories. However there is impacts from Canteen which categories under Social Provisions need to improve particularly related to price and quality. A summary report has been compiled and analyzed for reference.                                                                                                                                                                                                             |            |
| <b>Criterion 4.4.2:</b> Complaints and grievances |                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |
| <b>4.4.2.1</b>                                    | A system for dealing with complaints and grievances shall be established and documented.<br><br>- <b>Major compliance</b> - | The estate has established the procedure (Chapter 3: Complaints & Grievance Procedures dated: December 2009) to deal with complaints and grievances by using the complaint form.<br><br>SOP has outlined the <ul style="list-style-type: none"> <li>• request &amp; response,</li> <li>• consultation &amp; communication</li> <li>• complaint &amp; grievance</li> </ul> Sighted Carta Aliran Pengaduan and some of the complaint form at both estates.<br><br>Mechanism in order to handle issues was highlighted to stakeholders through JCC Meeting and Session with Long House Leader@ Tuai Rumah | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                                                                                                                        | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Compliance      |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
|                                                                                                                                                                                              | <p>Seen samples of complaints filed at JIBA Estate dated on 22<sup>nd</sup> August 2019 by Mr. Darpin (Lori Operator) – Complain about “Pemandu motosikal laju keluar dari simpang jalan rambutan terutama masa pekerja turun kerja pada waktu pagi. The complaint has been rectify and resolved on 24.08.2019</p> <p>Seen samples of complaints filed at SUJAN Estate dated on 4<sup>th</sup> February 2019 by Mr. Ricky Melit (Staff) – Complain about “Water pump rumah rosak. Diharap pihak majikan dapat membeli water pump untuk kegunaan semula The complaint has been rectify and resolved on 4<sup>th</sup> February 2019.</p>                                                                                                                                                                                                                                                                                      |                 |
| <p><b>4.4.2.2</b></p> <p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p> <p><b>- Major compliance -</b></p> | <p>Inspection of records at estate indicated that written communications were replied promptly and the correspondence kept in file</p> <p>Complaints forms seen are responded and completed within 1 - 5 working day.</p> <p>Sighted samples of complaints at JIBA Estate as below;<br/>           Tarikh aduan : 22<sup>nd</sup> August 2019 by Mr. Darpin ( Lori Operator )<br/>           Complain : Pemandu motosikal laju keluar dari simpang jalan rambutan terutama masa pekerja turun kerja pada waktu pagi”</p> <p>Tindakan :</p> <ol style="list-style-type: none"> <li>1. Memaklumkan kepada semua pekerja pada morning muster agar berhenti di simpang jalan rambutan sebelum meneruskan perjalanan</li> <li>2. Semua pekerja di laranga menggunakan laluan jalan rambutan. Mesti menggunakan jalan tangki diesel untuk keluar bekerja</li> <li>3. Membina “bump” di persimpangan jalan rambutan agar</li> </ol> | <p>Complied</p> |

| Criterion / Indicator                                                                    |                                                                                                                                                                           | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Compliance |
|------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                                                          |                                                                                                                                                                           | <p>pengguna jalan ini memperlahankan motosikal semasa menggunakan jalan ini</p> <p>Pengesahan kes di tutup : 24<sup>th</sup> August 2019<br/>           Sighted samples of complaints at SUJAN Estate as below;<br/>           Tarikh aduan : 4<sup>th</sup> February 2019 by Mr. Ricky Melit<br/>           Complain : Water pump rumah rosak. Diharap pihak majikan dapat membelikan water pump untuk kegunaan semula”<br/>           Tindakan : Pembelian water pump di luluskan.<br/>           Pengesahan kes ditutup : 4<sup>th</sup> February 2019</p> |            |
| <b>4.4.2.3</b>                                                                           | <p>A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> <p><b>- Minor compliance -</b></p>      | <p>The Estate maintains ‘complaint form’ and ‘maintenance and repairing report’ for receiving and responding to requests and complaints from employees. For Internal Stakeholder, all the complaint and grievances was record accordingly. No external stakeholders were recorded related on complaint and grievances. Review of the registers found there was no outstanding or unresolved grievance.</p>                                                                                                                                                    | Complied   |
| <b>4.4.2.4</b>                                                                           | <p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p><b>- Minor compliance -</b></p>             | <p>Interview with internal stakeholders found that they are aware of the procedure and no pending issues.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Complied   |
| <b>4.4.2.5</b>                                                                           | <p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p><b>- Major compliance -</b></p> | <p>Sighted all internal complaints filled, responded and the records being maintained for the last 24 months and available upon request</p>                                                                                                                                                                                                                                                                                                                                                                                                                   | Complied   |
| <p><b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development</p> |                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |

| Criterion / Indicator                                                                                                                                                                                                                                                                       |                                                                                                                                                            | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Compliance           |                      |                                                                                                                                                                                                                                                                                             |                                                                                                        |  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|--|
| <b>4.4.3.1</b>                                                                                                                                                                                                                                                                              | <p>Growers should contribute to local development in consultation with the local communities.</p> <p><b>- Minor compliance -</b></p>                       | <p>Both estates is committed and have contributed to local development. The contribution made to the internal and external stakeholders. As evidence, the management contributions as follow:-</p> <table border="1"> <thead> <tr> <th>External Stakeholder</th> <th>Internal Stakeholder</th> </tr> </thead> <tbody> <tr> <td> <p>Donation of DCR Stone to to Long House surrounding KERESA Plantation Sdn. Bhd. The tonnage of DCR donation as below;</p> <p>DO No : 04179 – 23,470kg</p> <p>DO No : 04182 – 22,950kg</p> <p>DO No : 04185 – 23,220kg</p> <p>DO No : 04186 – 22,500kg</p> <p>Do No : 04190 – 23,380kg</p> </td> <td> <p>Donation to families affected earthquake at Lombok's Indonesia with total amount of RM 8,596.00</p> </td> </tr> </tbody> </table> | External Stakeholder | Internal Stakeholder | <p>Donation of DCR Stone to to Long House surrounding KERESA Plantation Sdn. Bhd. The tonnage of DCR donation as below;</p> <p>DO No : 04179 – 23,470kg</p> <p>DO No : 04182 – 22,950kg</p> <p>DO No : 04185 – 23,220kg</p> <p>DO No : 04186 – 22,500kg</p> <p>Do No : 04190 – 23,380kg</p> | <p>Donation to families affected earthquake at Lombok's Indonesia with total amount of RM 8,596.00</p> |  |
| External Stakeholder                                                                                                                                                                                                                                                                        | Internal Stakeholder                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                      |                      |                                                                                                                                                                                                                                                                                             |                                                                                                        |  |
| <p>Donation of DCR Stone to to Long House surrounding KERESA Plantation Sdn. Bhd. The tonnage of DCR donation as below;</p> <p>DO No : 04179 – 23,470kg</p> <p>DO No : 04182 – 22,950kg</p> <p>DO No : 04185 – 23,220kg</p> <p>DO No : 04186 – 22,500kg</p> <p>Do No : 04190 – 23,380kg</p> | <p>Donation to families affected earthquake at Lombok's Indonesia with total amount of RM 8,596.00</p>                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                      |                      |                                                                                                                                                                                                                                                                                             |                                                                                                        |  |
| <b>Criterion 4.4.4: Employees safety and health</b>                                                                                                                                                                                                                                         |                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                      |                      |                                                                                                                                                                                                                                                                                             |                                                                                                        |  |
| <b>4.4.4.1</b>                                                                                                                                                                                                                                                                              | <p>An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p> | <p>Keresa Plantation Sdn. Bhd. has established Occupational Safety and Health Policy signed by the Managing Director dated 17/10/2017. In the policy stated the company commitment to ensure and promote the safety work environment for the workers and operations. The policy</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Complied             |                      |                                                                                                                                                                                                                                                                                             |                                                                                                        |  |

| Criterion / Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Compliance      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>was communicated through training, briefing and displayed on notice board.</p> <p>The estates visited has established safety and health plan FY 2019 covering on training, OSH audit, workplace inspection, OSH meeting and etc.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                 |
| <p><b>4.4.4.2</b> The occupational safety and health plan shall cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:               <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation</li> </ul> | <p>Keresa Plantation Sdn. Bhd. has established Occupational Safety and Health Policy signed by the Managing Director dated 17/10/2017. In the policy stated the company commitment to ensure and promote the safety work environment for the workers and operations. The policy was communicated through training, briefing and displayed on notice board.</p> <p>The estates visited assess risk for all operations and documented in the HIRARC register. The HIRARC was reviewed at minimum of once every 2 year or when accident occur. The estates has established HIRARC review committee consist of representative from each estate. The latest HIRARC review was conducted on 12/9/2019 for accident happen in 17/4/2019 in Sujan Estate.</p> <p>Additionally, the estate has reviewed HITARC for other operations/stations such as Van/Cars, General Store, Water Treatment Plant, Workshop/Mechanics and etc.</p> <p>The estates visited has established training program including for pesticides handlers. The training was given by the Manager, Asst. Manager, Supervisor or Chemical/Equipment Supplier with knowledge on chemical handling. Sighted the training records as follows:</p> | <p>Complied</p> |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Compliance |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <p>1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p> | <p>JE</p> <p>i. Sprayer training dated 16/1/2019</p> <p>ii. Correct spraying technique for circle and path spraying training dated 5/5/2019</p> <p>iii. Quality and fertilizer application training dated 8/6/2019</p> <p>iv. Safety briefing, SOP and HIRARC training dated 6/8/2019</p> <p>v. Pesticides handling training and PPE inspection dated 29/8/2019</p> <p>SE</p> <p>i. Safety and PPE awareness for fertilizer application training dated 20/6/2019</p> <p>ii. Safety and PPE awareness for sprayer training dated 23/2/2019</p> <p>The estates visited provided appropriate PPE for all pesticides handlers such as safety eyewear, wellington boot, apron, nitrile gloves and mask. Sighted the weekly PPE condition inspection report and PPE issuance records for the month of June, July, August and September 2019.</p> <p>Keresa Plantations Sdn. Bhd. has established SOP for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000 documented in Safe &amp; Standard Operating Procedure for Oil Palm Plantations (SSOP) dated January 2011. Refer document no. KP2-5 on Estate upkeep, crop evacuation, chemical and</p> |            |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Compliance |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                       | <p>agrochemical management, transportation of workers, utilities management, pest control, highly toxic pesticides, working at height etc.</p> <p>At the estate, there is an appointed OSH Coordinator (TQM Exec) who is responsible for organizing safety training, meetings and investigation and reporting of accidents and Incidents.</p> <p>The estates visited has established Safety and Health committee lead by the Sr. Manager Sustainability/Estate Operation. The committee consist of secretary, employer and employee representative from both estate. The committee conduct meeting on quarterly basis.</p> <p>Latest meeting was conducted on 22/8/2019, 18/7/2019, and 25/4/2019.</p> <p>Keresa Plantations Sdn. Bhd. has established SOP for Emergency Response as follows:</p> <ul style="list-style-type: none"> <li>i. ERP for Fire</li> <li>ii. ERP for Bund Break</li> <li>iii. ERP for Chemical and Fertilizer Spillage</li> <li>iv. ERP for Suicide Attempt and Prevention</li> <li>v. ERP for Bush Fire</li> <li>vi. ERP for injury and illness require Medical attentions</li> <li>vii. ERP for flood</li> <li>ix. ERP for poisoning</li> </ul> |            |

**MSPO Public Summary Report  
Revision 0 (Aug 2017)**

| Criterion / Indicator | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Compliance |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                       | <p>x. ERP for workplace violence.</p> <p>JE</p> <p>Latest ERP/fire drill training was conducted on 11/9/2019.</p> <p>SE</p> <p>Latest ERP/fire drill training was conducted on 5/9/2019.</p> <p>During interview with the sprayers and fertilizer applicator, noted the understanding of emergency response procedure if there any emergency happen at the linesite.</p> <p>First Aid Kits are provided at various work sites at the estates and inspection confirmed these had been appropriately stocked. Noted during interview with the mandores shows the understanding on basic first aid treatment.</p> <p>JE</p> <p>Latest first aid training was conducted on 6/9/2019 and 11/9/2019.</p> <p>SE</p> <p>Latest first aid training was conducted on 27/7/2019, 11/9/2019 and 12/9/2019</p> <p>All accidents are investigated and reported to Head Office. Seen the accident and injury report has been summarized on monthly basis for Keresa Plantation.</p> <p>Both estates visited has submitted accident report to DOSH through MyKKP. JKPP 8 for FY 2018 for both estates was submitted on 17/1/2019</p> |            |

| Criterion / Indicator                         | Assessment Findings                                                                                                                                                                                                                                                                                      | Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                 |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>Criterion 4.4.5:</b> Employment conditions |                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                 |
| <b>4.4.5.1</b>                                | <p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p><b>- Major compliance -</b></p>                                        | <p>The management has established a policy on good social ethics regarding human rights such as Human rights policy dated 30/11/17, Equal Rights Policy dated 1<sup>st</sup> December 2009, Prevention of sexual harassment &amp; domestic violence in the workplace policy dated 1<sup>st</sup> December 2009, freedom of association policy dated 1<sup>st</sup> December 2009, etc. has been signed off by Managing Director of the group.</p> <p>The "KERESA Sustainability Policy" is displayed in notice boards inside the office as well as outside the office. The policy also publicly available through the official website: <a href="http://www.keresacom.my">http://www.keresacom.my</a></p> <p>The policy was communicated by displayed at the strategic location, induction &amp; training, memo and meeting.</p> | <p>Complied</p> |
| <b>4.4.5.2</b>                                | <p>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, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p> | <p>KERESA Plantation Sdn. Bhd. has established Equal Rights Policy, signed by Managing Director dated 1<sup>st</sup> December 2009 to ensure equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. Inspection of a sample of pay records and interviews of staff and workers at the both estates did not identify any issues related to discrimination</p>                                                                                                                                                                                                                                                                                                                                                       | <p>Complied</p> |
| <b>4.4.5.3</b>                                | <p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p>                                | <p>There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are above the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Staff and Workers confirmed this during interview.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                         | <p>Complied</p> |

| Criterion / Indicator |                                                                                                                                                                                                                                                                                                            | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Compliance |             |              |   |               |               |   |               |               |   |                |               |   |               |               |   |               |               |  |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|--------------|---|---------------|---------------|---|---------------|---------------|---|----------------|---------------|---|---------------|---------------|---|---------------|---------------|--|
|                       | - <b>Major compliance</b> -                                                                                                                                                                                                                                                                                | <p>Sampled Workers checked for August 2019 wages for the respective estates;</p> <table border="1"> <thead> <tr> <th>No</th> <th>JIBA Estate</th> <th>SUJAN Estate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Emp. ID:10481</td> <td>Emp. ID:11885</td> </tr> <tr> <td>2</td> <td>Emp. ID:10697</td> <td>Emp. ID:10563</td> </tr> <tr> <td>3</td> <td>Emp. ID: 11920</td> <td>Emp. ID:12045</td> </tr> <tr> <td>4</td> <td>Emp. ID:12143</td> <td>Emp. ID:11918</td> </tr> <tr> <td>5</td> <td>Emp. ID:10085</td> <td>Emp. ID:11406</td> </tr> </tbody> </table> | No         | JIBA Estate | SUJAN Estate | 1 | Emp. ID:10481 | Emp. ID:11885 | 2 | Emp. ID:10697 | Emp. ID:10563 | 3 | Emp. ID: 11920 | Emp. ID:12045 | 4 | Emp. ID:12143 | Emp. ID:11918 | 5 | Emp. ID:10085 | Emp. ID:11406 |  |
| No                    | JIBA Estate                                                                                                                                                                                                                                                                                                | SUJAN Estate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |             |              |   |               |               |   |               |               |   |                |               |   |               |               |   |               |               |  |
| 1                     | Emp. ID:10481                                                                                                                                                                                                                                                                                              | Emp. ID:11885                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |             |              |   |               |               |   |               |               |   |                |               |   |               |               |   |               |               |  |
| 2                     | Emp. ID:10697                                                                                                                                                                                                                                                                                              | Emp. ID:10563                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |             |              |   |               |               |   |               |               |   |                |               |   |               |               |   |               |               |  |
| 3                     | Emp. ID: 11920                                                                                                                                                                                                                                                                                             | Emp. ID:12045                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |             |              |   |               |               |   |               |               |   |                |               |   |               |               |   |               |               |  |
| 4                     | Emp. ID:12143                                                                                                                                                                                                                                                                                              | Emp. ID:11918                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |             |              |   |               |               |   |               |               |   |                |               |   |               |               |   |               |               |  |
| 5                     | Emp. ID:10085                                                                                                                                                                                                                                                                                              | Emp. ID:11406                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |             |              |   |               |               |   |               |               |   |                |               |   |               |               |   |               |               |  |
| <b>4.4.5.4</b>        | <p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p>- <b>Minor compliance</b> -</p>                                                                     | <p>Finance Department for KERESA Plantation Sdn. Bhd. is responsible for arranging contracts for the purchase of goods and services, including those with FFB suppliers. The contract clearly stated that the contractor must strictly follow all applicable national and ratified international laws.</p> <p>Interviews of contractors indicated that they understand their contracts. Further interview with the contractor’s workers found that they were paid at least meeting the minimum wages requirement.</p>                                                 | Complied   |             |              |   |               |               |   |               |               |   |                |               |   |               |               |   |               |               |  |
| <b>4.4.5.5</b>        | <p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> | <p>KERESA Plantation Sdn. Bhd. has a register of all staff and workers at the premise. The detail includes full name, gender, date of birth, date joined, job title. The basic wages, copy of passport and permit etc. were maintained in the employee personnel file.</p>                                                                                                                                                                                                                                                                                            | Complied   |             |              |   |               |               |   |               |               |   |                |               |   |               |               |   |               |               |  |

**MSPO Public Summary Report  
Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                                                                                                                                                                                                         | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Compliance      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <p><b>- Major compliance -</b></p>                                                                                                                                                                                                                                            | <p>Sighted, the registration card being established for all workers. The registration card stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                 |
| <p><b>4.4.5.6</b> All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p> | <p>There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are above the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker for the respective estates;</p> <p>JIBA Estate</p> <ol style="list-style-type: none"> <li>1. Emp. ID:10481 – Contract Expire : 01.12.2019</li> <li>2. Emp. ID:10697 – Contract Expire : 23.02.2020</li> <li>3. EMP.ID: 11920 – Contract Expire : 26.07.2020</li> <li>4. Emp. ID:12143 – Contract Expire : 02.03.2021</li> <li>5. Emp. ID:10085 – Contract Expire : 01.06.2020</li> </ol> <p>SUJAN ESTATE</p> <ol style="list-style-type: none"> <li>1. Emp. ID:11885 – Contract Expire : 19.07.2020</li> <li>2. Emp. ID:10563 – Contract Expire : 26.10.2019</li> <li>3. Emp. ID:12045 – Contract Expire : 21.12.2020</li> <li>4. Emp. ID:11918 – Contract Expire : 10.09.2020</li> <li>5. Emp. ID:11406 – Contract Expire : 13.07.2020</li> </ol> | <p>Complied</p> |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                                                                                                                                                   | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Compliance |             |              |                       |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|--------------|-----------------------|
|                       |                                                                                                                                                                                                                                                                                                                                   | This contract is signed by both employee and employer and accompanied with respective witnesses. Workers employed consisted of local, Indonesian.                                                                                                                                                                                                                                                                                                                                                                                |            |             |              |                       |
| <b>4.4.5.7</b>        | The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.<br><b>- Major compliance -</b>                                                                                                                                                          | Working hours is 8 hours. From Saturday to Thursday. The overtime maximum is 104 hours according to Malaysian Law.<br><br>Both estates are using checkroll book to record the worker attendance at muster ground.                                                                                                                                                                                                                                                                                                                | Complied   |             |              |                       |
| <b>4.4.5.8</b>        | The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.<br><b>- Major compliance -</b> | The working hour and break time has been clearly stated in the Employment Contract.<br><br>Sighted in the Contract Agreement the rate of overtime which agreed by both parties.<br><br>There is no complaint received regarding payment or forced to work on overtime during site interview.                                                                                                                                                                                                                                     | Complied   |             |              |                       |
| <b>4.4.5.9</b>        | Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.<br><b>- Major compliance -</b>                                                                                                                                                                          | Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made.<br><br>Documented payslip was distributed to individual workers on the day of payment.<br><br>Sighted payslip for following workers;<br><table border="1" data-bbox="1048 1305 1823 1367"> <tr> <td></td> <td>JIBA Estate</td> <td>SUJAN Estate</td> </tr> </table> |            | JIBA Estate | SUJAN Estate | Major Non-conformance |
|                       | JIBA Estate                                                                                                                                                                                                                                                                                                                       | SUJAN Estate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |             |              |                       |

**MSPO Public Summary Report  
Revision 0 (Aug 2017)**

| Criterion / Indicator | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |               |               | Compliance |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------|---------------|------------|
|                       | 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Emp. ID:10481 | Emp. ID:11885 |            |
|                       | 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Emp. ID:10697 | Emp. ID:10563 |            |
|                       | 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | EMP.ID: 11920 | Emp. ID:12045 |            |
|                       | 4                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Emp. ID:12143 | Emp. ID:11918 |            |
|                       | 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Emp. ID:10085 | Emp. ID:11406 |            |
|                       | <p>Payment to worker is pay by cash during pay day.</p> <p>During the verified by the auditor on the Daily Muster Chit# 28276 for Stapang 3 dated 13/8/2019 found that workers have worked on public holiday on 13.08.2019 (2<sup>nd</sup> day of Hari Raya Haji). Total 5 harvesters and 2 loader involved.</p> <p>However, reviewed on the Daily FFB Record generated by the i-ECS for August 2019 found that no records of FFB for 13/8/2019 for the harvesters but tonnage for loaders on 13/8/2019 was captured in Daily FFB Despatched by Division August 2019. Interviewed with management confirmed that it is an offer day of work if there is an issuance of Daily Muster Chit and signed by Field Conductor, Assistant Manage and Manager. However, no evidence to show that the workers have been paid twice of the ordinary rate per piece as per Sarawak Labour Ordinance, Section 104, Subsection (6) (b). List of workers as per listed below :</p> <p>1. Emp. ID: 10679 (Loader)</p> |               |               |            |

| Criterion / Indicator                                                                                                                                                                                                                                                                                                    | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Compliance      |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
|                                                                                                                                                                                                                                                                                                                          | <p>2. Emp. ID: 11963 (Loader)<br/>           3. Emp. ID: 11569 ( Harvester )<br/>           4. Emp. ID: 11605 ( Harvester )<br/>           5. Emp. ID: 11701 ( Harvester )<br/>           6. Emp. ID: 12135 ( Harvester )<br/>           7. Emp. ID: 12225 ( Harvester )</p> <p>Thus, a major non-conformance was raised.</p>                                                                                                                                                                                                                                                                                                  |                 |
| <p><b>4.4.5.10</b> Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p><b>- Minor compliance -</b></p>                      | <p>Interviews of local and foreign workers indicated satisfaction with the standard of housing and facilities. Electricity and water are provided without charges. KERESA Plantation Sdn. Bhd. has provided transport from JIBA Estate and KERESA POM for children to school located at JIBA Estate. Health Clinic has been provided for the employees and family members with free treatment.</p> <p>Outturn incentive for daily attendance on the muster and incentive of contract extension for foreign workers if they renew for three year and above. Local employees has yearly bonus based on personal performance.</p> | <p>Complied</p> |
| <p><b>4.4.5.11</b> In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p><b>- Major compliance -</b></p> | <p>Residents at all company housing have access to facilities established by the company, such as health clinic, sports field, crèche, and places of worship.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Complied</p> |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Compliance      |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <p><b>4.4.5.12</b> The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>                                                                                                                                                                                                                                                                                                                                                                                                   | <p>KERESA Plantation Sdn. Bhd. has established prevention of sexual harassment &amp; domestic violence in the workplace policy signed by Managing Director dated 1<sup>st</sup> December 2009 and displayed at strategic location. Interviews of internal and external stakeholders confirmed awareness and understanding of the Policy.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | <p>Complied</p> |
| <p><b>4.4.5.13</b> The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p> | <p>KERESA Plantation Sdn. Bhd. has established Freedom of Association Policy signed by Managing Director dated 1<sup>st</sup> December 2009 and displayed at strategic location. Interviews of internal and external stakeholders confirmed awareness and understanding of the Policy.</p> <p>Interviews of staff and workers confirmed both estates supports freedom of association. At estates there is a local committee made up of workers representatives elected by workers. JCC meeting has been conducted for the internal stakeholder with the company management staffs. The last meeting for all estates were conducted on 3<sup>rd</sup> July 2019 at SUJAN Office, Chaired by En. Thilaganathan, Senior Manager Sustainability &amp; Estate Operations. Interview of Staff and Workers also confirmed their awareness of freedom of association but there was no worker unions being formed at the moment.</p> <p>Session with Long House Leader@ Tuai Rumah and smallholders was carried out on 24<sup>th</sup> July 2019. The purpose of meeting is to discuss about MSPO implementation and problem arise at Long House.</p> | <p>Complied</p> |
| <p><b>4.4.5.14</b> Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education</p>                                                                                                                                                                                                                                                                                                               | <p>Inspection of a sample of personnel files at the estates office confirmed recruits' ages were checked against their Identity Card for Malaysian workers or their passport in the case of foreign workers. Under-age persons were not observed at any of the work locations visited.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <p>Complied</p> |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                           |                                                                                                                                                                                                                                                                                                                  | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Compliance |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                 | <p>programmes. Children shall not exposed to hazardous working conditions.</p> <p><b>- Major compliance -</b></p>                                                                                                                                                                                                | <p>The company has established and implemented minimum age policy and no children below ages of 18 working in the estate and this was proven through checking the list of employees as well as their biodata and through estate visits.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |
| <b>Criterion 4.4.6:</b> Training and competency |                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |
| <b>4.4.6.1</b>                                  | <p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p><b>- Major compliance -</b></p> | <p>The estates visited has established training program for all employee and contractors documented in HSE Training Plan FY 2019 and Annual Safety Training Program 2019.</p> <p>Sighted the training records as follows:</p> <p>JE</p> <ul style="list-style-type: none"> <li>i. Tractors drivers training by Kubota dated 13/9/2019</li> <li>ii. First Aid training dated 11/9/2019</li> <li>iii. Fire drill training dated 10/9/2019</li> <li>iv. 3R campaign and training dated 6/9/2019</li> <li>v. Manuring application and PPE training dated 3/9/2019</li> <li>vi. Basic harvesting for new harvester dated 25/8/2019</li> <li>vii. Integrated Pest Management training dated 24/8/2019</li> <li>ix. Company Policy, SOP, MSPO and RSPO briefing dated 5/8/2019</li> <li>x. Awareness of HCV Habitat and Protection area briefing dated 4/8/2019</li> </ul> | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                       |                                                                                                                                                                                                                                                                               | Assessment Findings                                                                                                                                                                                                                                                                                                             | Compliance |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                                                             |                                                                                                                                                                                                                                                                               | SE<br>i. Integrated Pest Management training dated 30/8/2019<br>ii. Health Talk: Urinary Tract Infection training dated 23/8/2019<br>iii. Triple rinsing, chemical handling and bufferzone training 1/2/2019<br>iv. Manuring application and PPE training dated 13/8/2019<br>v. SOP and HIRARC for harvesting training 8/8/2019 |            |
| <b>4.4.6.2</b>                                                                              | Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.<br><b>- Major compliance -</b> | The estates visited has conducted the training need analysis to determine the training requirement for all the management, workers and contractors. The training need analysis was conducted base on training type and workers job type.                                                                                        | Complied   |
| <b>4.4.6.3</b>                                                                              | A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.<br><b>- Minor compliance -</b>                                  | Continuous training program are planned and implemented covering all employees and contractors as per the documented training procedure.                                                                                                                                                                                        | Complied   |
| <b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b> |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                 |            |
| <b>Criterion 4.5.1: Environmental Management Plan</b>                                       |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                 |            |
| <b>4.5.1.1</b>                                                                              | An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be                                                                                                                                                     | Keresa Plantations Sdn. Bhd. has established Environmental Policy signed by the Managing Director dated 27/12/2016. In the policy                                                                                                                                                                                               | Complied   |

**MSPO Public Summary Report  
Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                     | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Compliance |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                       | developed, effectively communicated and implemented.<br><b>- Major compliance -</b>                                                                                                                 | stated the company commitment to ensure and promote clean environment for all its employee and operations. The policy was communicated to all workers through briefing and displayed on the notice board.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |            |
| <b>4.5.1.2</b>        | The environmental management plan shall cover the following:<br>a) An environmental policy and objectives;<br>b) The aspects and impacts analysis of all operations.<br><b>- Major compliance -</b> | The estates visited has established SOP for aspect and impacts analysis and documented in Procedure Manual for Identification of Environmental Aspects and Evaluations of Environmental Impacts. Refer document no. KPSB 1/2012 dated 01/01/2012. The scoring and evaluation criteria provided in this Manual.<br><br>The estate has conducted the environmental aspects and impacts analysis documented in Significant Environmental Aspects and impacts Register. Latest review was conducted on 1/9/2018. The sampled activities which give significant impacts as follows:<br><br>i. Herbicides Spraying – Mist, Chemical Residue<br>ii. Manuring – Fertiliser Washed Off<br>iii. EFB Mulching and Decanter Cake Application – overflow into watercourse<br>iv. Generator set operation and maintenance – Sulphur Oxide and Nitrogen Oxide gas<br><br>The management plan with mitigation measures has been established for each activities with significant impacts to the environment. | Complied   |
| <b>4.5.1.3</b>        | An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.                                     | The estates visited has documented improvement plan to mitigate negative impacts and promote activities with positive impacts in the                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                                                                                      | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Compliance      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <p><b>- Major compliance -</b></p>                                                                                                                         | <p>Significant Environmental Aspects and impacts Register. Sighted sampled the implementation as follows:</p> <p>JE</p> <ul style="list-style-type: none"> <li>i. Awareness of HCV Habitat and Protection area briefing dated 4/8/2019</li> <li>ii. Correct spraying technique for circle and path spraying at bufferzone area training dated 5/5/2019</li> <li>iii. Records of Recycle waste disposal at Fonsen Enterprise. Refer Purchase bill no 9049 dated 6/9/2019.</li> </ul> <p>SE</p> <ul style="list-style-type: none"> <li>i. EFB was disposed by field application for nutrient recycling. Sighted the EFB application records for the month of June (776.81 mt), July (665.72 mt) and August (107.40 mt)</li> <li>ii. The estate has designated collection center for all recycle waste. Sighted the records of Recycle waste disposal at Fonsen Enterprise. Refer Purchase bill no 9049 dated 6/9/2019.</li> </ul> |                 |
| <p><b>4.5.1.4</b> A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p> | <p>Both estates visited has established program to promote activities with positive impacts and has been included in several management plan. Sighted the sampled implementation of the management plan to promote positive impacts as follows:</p> <ul style="list-style-type: none"> <li>i. Records of Recycle waste disposal at Fonsen Enterprise. Refer Purchase bill no 9049 dated 6/9/2019</li> <li>ii. 3R campaign and training dated 6/9/2019 (JE)</li> </ul>                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Complied</p> |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                        |                                                                                                                                                                                                                                                                                                                                                                               | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                  | Compliance |             |              |     |      |      |     |      |      |          |
|------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------|--------------|-----|------|------|-----|------|------|----------|
|                                                                              |                                                                                                                                                                                                                                                                                                                                                                               | iii. Correct spraying technique for circle and path spraying at bufferzone area training dated 5/5/2019 (JE)<br>iv. Triple rinsing, chemical handling and bufferzone training 1/2/2019 (SE)                                                                                                                                                                                                          |            |             |              |     |      |      |     |      |      |          |
| <b>4.5.1.5</b>                                                               | An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.<br><b>- Major compliance -</b>                                                                                             | Annual training program of the estate includes environmental awareness and compliance related trainings to the executives, staffs and workers.                                                                                                                                                                                                                                                       | Complied   |             |              |     |      |      |     |      |      |          |
| <b>4.5.1.6</b>                                                               | Management shall organize regular meetings with employees where their concerns about environmental quality are discussed.<br><b>- Major compliance -</b>                                                                                                                                                                                                                      | Environmental related matters were discussed during HSE meeting. No issue related to environmental was raised during this meeting. Workers interview reveal that they are encouraged to discuss environmental issues with the management.                                                                                                                                                            | Complied   |             |              |     |      |      |     |      |      |          |
| <b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b> |                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                      |            |             |              |     |      |      |     |      |      |          |
| <b>4.5.2.1</b>                                                               | Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.<br><b>- Major compliance -</b> | The estate monitored the diesel consumption on monthly basis. Sighted the consumption records per FFB produce as follows: <table border="1" data-bbox="1048 1177 1870 1372"> <thead> <tr> <th>Month</th> <th>Jiba Estate</th> <th>Sujan Estate</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>9.23</td> <td>3.22</td> </tr> <tr> <td>Feb</td> <td>7.20</td> <td>3.20</td> </tr> </tbody> </table> | Month      | Jiba Estate | Sujan Estate | Jan | 9.23 | 3.22 | Feb | 7.20 | 3.20 | Complied |
| Month                                                                        | Jiba Estate                                                                                                                                                                                                                                                                                                                                                                   | Sujan Estate                                                                                                                                                                                                                                                                                                                                                                                         |            |             |              |     |      |      |     |      |      |          |
| Jan                                                                          | 9.23                                                                                                                                                                                                                                                                                                                                                                          | 3.22                                                                                                                                                                                                                                                                                                                                                                                                 |            |             |              |     |      |      |     |      |      |          |
| Feb                                                                          | 7.20                                                                                                                                                                                                                                                                                                                                                                          | 3.20                                                                                                                                                                                                                                                                                                                                                                                                 |            |             |              |     |      |      |     |      |      |          |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                 |                                                                                                                                                                                                                                                                                                                                 | Assessment Findings                                                                                                                                                                                                                  |      |      | Compliance |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------|------|------------|
|                                                       |                                                                                                                                                                                                                                                                                                                                 | Mar                                                                                                                                                                                                                                  | 7.99 | 3.61 |            |
|                                                       |                                                                                                                                                                                                                                                                                                                                 | Apr                                                                                                                                                                                                                                  | 8.42 | 2.87 |            |
|                                                       |                                                                                                                                                                                                                                                                                                                                 | May                                                                                                                                                                                                                                  | 7.05 | 2.60 |            |
|                                                       |                                                                                                                                                                                                                                                                                                                                 | Jun                                                                                                                                                                                                                                  | 7.55 | 3.37 |            |
|                                                       |                                                                                                                                                                                                                                                                                                                                 | Jul                                                                                                                                                                                                                                  | 6.88 | 3.38 |            |
|                                                       |                                                                                                                                                                                                                                                                                                                                 | Mitigation plan to optimize the usage of non-renewable energy in the estate documented in the environmental management plan established.                                                                                             |      |      |            |
| <b>4.5.2.2</b>                                        | The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.<br><br>- <b>Major compliance</b> - | The estate visited estimates the usage of diesel for their operations in the annual budget. Mitigation plan to optimize the usage of non-renewable energy in the estate documented in the environmental management plan established. |      |      | Complied   |
| <b>4.5.2.3</b>                                        | The use of renewable energy should be applied where possible.<br><br>- <b>Minor compliance</b> -                                                                                                                                                                                                                                | No renewable energy use at the estates visited.                                                                                                                                                                                      |      |      | Complied   |
| <b>Criterion 4.5.3: Waste management and disposal</b> |                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                      |      |      |            |

| Criterion / Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                       | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <p><b>4.5.3.1</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>All waste products and sources of pollution shall be identified and documented.</p> <p><b>- Major compliance -</b></p>                                                                                                                                                                                                                                                                                                             | <p>The estates visited has identified the waste and its source of pollution and documented in Waste Register and Management. Waste identified as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <li>Estate fields</li> <li>i. Palm biomass</li> <li>ii. Chemical containers</li> <li>iii. Fertiliser bags</li> <li>iv. Plastic Polybags</li> <li>Estate Nursery</li> <li>i. Plastic polybags</li> <li>ii. Bormal bins</li> <li>Store Chemicals</li> <li>i. Chemical containers</li> <li>ii. Cardboard boxes</li> <li>Store fertilizers</li> <li>i. Fertilizers bags</li> <li>Genset room</li> <li>i. Filters</li> <li>ii. Lubricant</li> </ul> </td> <td style="width: 50%; vertical-align: top;"> <ul style="list-style-type: none"> <li>Workshop</li> <li>i. Filters</li> <li>ii. Lubricant</li> <li>iii. Battery</li> <li>iv. Rags and gloves</li> <li>v. Tyres</li> <li>vi. Scrap iron</li> <li>vii. chemical solution and solvents</li> <li>viii. chemical containers</li> <li>Construction sites</li> <li>i. Wood</li> <li>ii. Cement debris</li> <li>Lineste</li> <li>i. Sewage</li> <li>ii. Greywater</li> <li>Clinic</li> </ul> </td> </tr> </table> | <ul style="list-style-type: none"> <li>Estate fields</li> <li>i. Palm biomass</li> <li>ii. Chemical containers</li> <li>iii. Fertiliser bags</li> <li>iv. Plastic Polybags</li> <li>Estate Nursery</li> <li>i. Plastic polybags</li> <li>ii. Bormal bins</li> <li>Store Chemicals</li> <li>i. Chemical containers</li> <li>ii. Cardboard boxes</li> <li>Store fertilizers</li> <li>i. Fertilizers bags</li> <li>Genset room</li> <li>i. Filters</li> <li>ii. Lubricant</li> </ul> | <ul style="list-style-type: none"> <li>Workshop</li> <li>i. Filters</li> <li>ii. Lubricant</li> <li>iii. Battery</li> <li>iv. Rags and gloves</li> <li>v. Tyres</li> <li>vi. Scrap iron</li> <li>vii. chemical solution and solvents</li> <li>viii. chemical containers</li> <li>Construction sites</li> <li>i. Wood</li> <li>ii. Cement debris</li> <li>Lineste</li> <li>i. Sewage</li> <li>ii. Greywater</li> <li>Clinic</li> </ul> | <p>Complied</p> |
| <ul style="list-style-type: none"> <li>Estate fields</li> <li>i. Palm biomass</li> <li>ii. Chemical containers</li> <li>iii. Fertiliser bags</li> <li>iv. Plastic Polybags</li> <li>Estate Nursery</li> <li>i. Plastic polybags</li> <li>ii. Bormal bins</li> <li>Store Chemicals</li> <li>i. Chemical containers</li> <li>ii. Cardboard boxes</li> <li>Store fertilizers</li> <li>i. Fertilizers bags</li> <li>Genset room</li> <li>i. Filters</li> <li>ii. Lubricant</li> </ul> | <ul style="list-style-type: none"> <li>Workshop</li> <li>i. Filters</li> <li>ii. Lubricant</li> <li>iii. Battery</li> <li>iv. Rags and gloves</li> <li>v. Tyres</li> <li>vi. Scrap iron</li> <li>vii. chemical solution and solvents</li> <li>viii. chemical containers</li> <li>Construction sites</li> <li>i. Wood</li> <li>ii. Cement debris</li> <li>Lineste</li> <li>i. Sewage</li> <li>ii. Greywater</li> <li>Clinic</li> </ul> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                       |                 |

| Criterion / Indicator |                                                                                                                                                                                                                                                                                                                                                                                                                         | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                   | Compliance |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|------------|
|                       |                                                                                                                                                                                                                                                                                                                                                                                                                         | iii. Battery<br>iv. Rags and gloves<br>Water treatment plant<br>i. chemical solution and solvents<br>ii. chemical containers                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | i. Clinical waste |            |
| 4.5.3.2               | <p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <p>a) Identifying and monitoring sources of waste and pollution</p> <p>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</p> <p><b>- Major compliance -</b></p> | <p>The estates visited has established waste management plan base on the waste identification conducted and documented in Waste Management procedure in Keresia Plantation Sdn. Bhd. and Keresia Mill Sdn. Bhd. Sighted the implementation of the management plan for both estates visited as follows:</p> <p>JE</p> <p>i. The domestic waste were disposed at designated landfill. The location was away from housing area and natural water source as per Guidelines for Landfill Establishment for Domestic Waste. Noted during site visit, no scheduled waste found in the landfill. Recycle waste was segregated by appointed workers and send to estate collection center. The domestic waste were collected 3 times a week. Sighted the domestic waste collection records for the month of June, July and August 2019.</p> <p>ii. The estate has designated collection center for all recycle waste. Sighted the records of Recycle waste disposal at Fonsen Enterprise. Refer Purchase bill no 9049 dated 6/9/2019.</p> <p>SE</p> |                   | Minor NC   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                                                                                                                                                                                                                                                           | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Compliance      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
|                                                                                                                                                                                                                                                                                                                                 | <p>i. Scheduled Waste Disposal</p> <p>a. 11/3/2019, SW 305, C/N no KRS286B0219001</p> <p>b. 11/3/2019, SW 307, C/N no KRS286B0419001</p> <p>c. 11/3/2019, SW 410, C/N no KRS286B0119001</p> <p>Noted during document review in the scheduled waste inventory records, the latest SW disposal was done on 11/3/2019. The first generation of SW 305 and 306 was on 1/3/2019 and yet to be disposed until the audit date</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                 |
| <p><b>4.5.3.3</b> The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p><b>- Major compliance -</b></p> | <p>SOP for scheduled waste dated 15/10/2009 was established. For scheduled wastes, the handling was done according to the legal requirement where a scheduled waste store was constructed in each operating unit for storage.</p> <p>The estates visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> | <p>Complied</p> |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                       |                                                                                                                                                                                                                                                                                                                                                                                                                       | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Compliance |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>4.5.3.4</b>                                              | <p>Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.</p> <p><b>- Major compliance -</b></p> | <p>In Estates, empty chemical containers were being triple rinsed and spot painted in red before return back to supplier. Visit and records confirmed that no empty chemical containers being disposed other than returned back to supplier.</p>                                                                                                                                                                                                                                                          | Complied   |
| <b>4.5.3.5</b>                                              | <p>Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.</p> <p><b>- Minor compliance -</b></p>                                                                                                                                                                                                                                                        | <p>The domestic waste were disposed at designated landfill. The location was away from housing area and natural water source as per Guidelines for Landfill Establishment for Domestic Waste. Noted during site visit, no scheduled waste found in the landfill. Recycle waste was segregated by appointed workers and send to estate collection center. The domestic waste were collected 3 times a week. Sighted the domestic waste collection records for the month of June, July and August 2019.</p> | Complied   |
| <b>Criterion 4.5.4:</b> Reduction of pollution and emission |                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |            |
| <b>4.5.4.1</b>                                              | <p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>                                                                                                                                                                                                                              | <p>The established environmental management plan has covered the environmental aspects and impacts based on Keresa Plantations &amp; Mill.</p> <p>The Environmental Aspect &amp; Impact assessment has been reviewed. The assessment is conducted according to the Procedure Manual – Identification of Environmental Aspects and Evaluations of Environmental Impacts Ref: KPSB 1/2012 dated 01/01/2012. The scoring and evaluation criteria provided in this Manual.</p>                                | Complied   |

| Criterion / Indicator                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Compliance |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 4.5.4.2                                         | An action plan to reduce identified significant pollutants and emissions shall be established and implemented.<br><br>- <b>Major compliance</b> -                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Environmental improvement plan include assessment of all polluting activities within the estate operation such as waste, air emissions and water discharges.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Complied   |
| <b>Criterion 4.5.5:</b> Natural water resources |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |
| 4.5.5.1                                         | The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:<br><br>a. Assessment of water usage and sources of supply.<br><br>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.<br><br>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).<br><br>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.<br><br>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented. | Keresa Certification Unit has developed its Water Management Plan (WMP) for 2019. It monitored water quality of outgoing waters to identify any adverse effect from the mill and estate activities. The plan takes into account the efficient use of resources, ensure amongst others that the use of water did not impact on other users, avoid contamination of ground and surface water, and appropriate treatment of mill effluent. The WMP also promote to meet water conservation requirements under Sarawak Water Resource Enactment 1998 and Interim National Water Standards for Malaysia.<br><br>The visited estates have maintained their allocated riparian zones in accordance to their established guideline (Riparian/Buffer Zone management Guideline, dated Dec 2016). Based on site visit, it was noted that there was no trace of agrochemical application at the allocated riparian zones. The zones were also clearly demarcated using wooden pegs painted with red & white as sighted at Sg. Sujan riparian zone in field P0501 and P9901 and Sg. Mano riparian zone in Jiba Estate in field P9701.<br><br>Interview with the sprayers showed that the workers understand the restriction and the consequence of agrochemicals application in the riparian zones. | Complied   |

| Criterion / Indicator                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Assessment Findings                                                                                                                                                                                                                                                                                                                                                   | Compliance |
|-------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                                                                       | f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.<br><b>- Major compliance -</b>                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                       |            |
| <b>4.5.5.2</b>                                                                                        | No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.<br><b>- Minor compliance -</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | There were no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.                                                                                                                                                                                                                                                        | Complied   |
| <b>4.5.5.3</b>                                                                                        | Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).<br><b>- Minor compliance -</b>                                                                                                                                                                                                                                                                                                                                                                                                | Water management plan includes rain water harvesting, desilting of road side drains and etc.<br><br>For housing complex, the rain water harvesting was used for cleaning housing compound and etc.                                                                                                                                                                    | Complied   |
| <b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                       |            |
| <b>4.5.6.1</b>                                                                                        | Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:<br>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.<br>b) Conservation status ( <i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat requirements of rare, threatened, or endangered species), | Keresa Plantations has conducted biodiversity assessment and documented in report for Environmental and Biodiversity Review dated May 2010 conducted by Wild Asia. Based on the report, the site-specific short-term and long-term HCV Management Plans.<br><br>There was no HCV and rare, threatened, or endangered species being identified within the estate area. | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                             | Compliance |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                | that could be significantly affected by the grower(s) activities.<br><b>- Major compliance -</b>                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                 |            |
| <b>4.5.6.2</b>                                 | If rare, threatened or endangered species, or high biodiversity value, are present, appropriate measures for management planning and operations should include:<br>a) Ensuring that any legal requirements relating to the protection of the species are met.<br>b) Discouraging any illegal or inappropriate hunting, fishing or collecting activities; and developing responsible measures to resolve human-wildlife conflicts.<br><b>- Major compliance -</b> | There was no HCV and rare, threatened, or endangered species being identified within the estate area.<br><br>Education to workforce generally given through briefing at the muster ground/induction. Signage to restrict hunting was put up at strategic places in the estates such as entrance gates and boundary with local community. Interview with workers showed that they were aware of the restriction. | Complied   |
| <b>4.5.6.3</b>                                 | A management plan to comply with Indicator 1 shall be established and effectively implemented, if required.<br><b>- Major compliance -</b>                                                                                                                                                                                                                                                                                                                       | There was no HCV and rare, threatened, or endangered species being identified within the estate area.                                                                                                                                                                                                                                                                                                           | Complied   |
| <b>Criterion 4.5.7: Zero burning practices</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                 |            |
| <b>4.5.7.1</b>                                 | Use of fire for waste disposal and for preparing land for oil palm cultivation or replanting shall be avoided except in specific situations, as identified in regional best practice.<br><b>- Major compliance -</b>                                                                                                                                                                                                                                             | Keresa Plantations has established and implemented Best Management Practice (KP 2) approach through its standard operations and procedures (KP2-4 SOPs –Field Policy Manual).<br><br>Under its conservation measures chapter entitled Environment Conservation (SOP # 7.iii; version 2 dated 1 Jan 2009), all mitigations measures for plantation activities including land preparation or                      | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                   |                                                                                                                                                                                                                                                            | Assessment Findings                                                                                                                                                                                                                                      | Compliance |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                         |                                                                                                                                                                                                                                                            | <p>replanting shall be in compliance with the approved Environment Impact Assessment (EIA) by Natural Resource and Environmental Board of Sarawak.</p> <p>There was no trace of open burning observed during the site visit.</p>                         |            |
| <b>4.5.7.2</b>                          | <p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p> <p><b>- Major compliance -</b></p> | <p>No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling &amp; chipping, cambering/land forming and path construction.</p> | Complied   |
| <b>4.5.7.3</b>                          | <p>Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.</p> <p><b>- Major compliance -</b></p>                                | <p>No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling &amp; chipping, cambering/land forming and path construction.</p> | Complied   |
| <b>4.5.7.4</b>                          | <p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p><b>- Minor compliance -</b></p>                                                                                            | <p>No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling &amp; chipping, cambering/land forming and path construction.</p> | Complied   |
| <b>4.6 Principle 6: Best Practices</b>  |                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                          |            |
| <b>Criterion 4.6.1: Site Management</b> |                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                          |            |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                         |                                                                                                                                                                                                                                                                                                                                                                                  | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Compliance |
|---------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 4.6.1.1                                                       | Standard operating procedures shall be appropriately documented and consistently implemented and monitored.<br><b>- Major compliance -</b>                                                                                                                                                                                                                                       | For good agriculture practices, management already establish standard procedures such as manuring procedures Sop number 4.viii.effective date 1 Jan 2009 version 2. The procedure gives the guideline on determining nutritional requirements, technics of applying fertilisers, type of fertilisers to be applied, timing to apply, dosage and placement. No changes in SOP. For implementation of SOP, in Belungai Div (Jiba estate) dated 28 Julai 2018 implementation of Mix 13/0/22/1.5B at Field 9804 verified as per recommendation from agronomist and as per Standard procedures. | Complied   |
| 4.6.1.2                                                       | Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.<br><b>- Major compliance -</b> | The management strategy for planting on slopes is addressed in the Keresa Plantations SOP (Section 3.0 Development). Based on the SOP, terrace to be constructed at slopes exceeding 8° gradients. Cover crop shall also be planted to minimize erosion. The implementation of the Procedure was evident during field visit.                                                                                                                                                                                                                                                               | Complied   |
| 4.6.1.3                                                       | A visual identification or reference system shall be established for each field.<br><b>- Major compliance -</b>                                                                                                                                                                                                                                                                  | Both Estates visited had a visual identification/reference system for each established field/block and maps established. Field numbers and hectare were marked on palms and in some areas on concrete slaps.                                                                                                                                                                                                                                                                                                                                                                               | Complied   |
| <b>Criterion 4.6.2: Economic and financial viability plan</b> |                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |            |
| 4.6.2.1                                                       | A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.                                                                                                                                                                                                                | The business plan was available for 2019 until 2023, this include Harvesting, Budgeted major Contract works, Upkeep & Maintenance Detail, estate general charges and others. The POM business plan consists of FFB yield, CPO, OER, and KER, costs of production, etc. In                                                                                                                                                                                                                                                                                                                  | Complied   |

| Criterion / Indicator |                                                                                                                                                                                                                                                                                                                                                                             | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Compliance |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                       | - Major compliance -                                                                                                                                                                                                                                                                                                                                                        | estate, the Program and tight monitoring on use of pesticides while at the same time continue to expand the IPM program and (c) social components (Health and Safety at Workplace and Community program) and also aspect and impact of environment to control in using Diesel usage and other matter. The replanting program also been put in business budget.                                                                                                                                                                                                                                                                             |            |
| 4.6.2.2               | Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5 years.<br><br>- Major compliance -                                                                                                                                                              | The replanting program was available in Jiba estate for 5 year program start from 2019 until 2023. Replanting will be start on 2020. The total hectare will be replant was 458 ha.                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Complied   |
| 4.6.2.3               | The business or management plan may contain:<br>a) Attention to quality of planting materials and FFB<br>b) Crop projection: site yield potential, age profile, FFB yield trends<br>c) Cost of production : cost per tonne of FFB<br>d) Price forecast<br>e) e) Financial indicators : cost benefit, discounted cash flow, return on investment<br><br>- Major compliance - | The business plan was available for 2019 until 2023, this include Harvesting, Budgeted major Contract works, Upkeep & Maintenance Detail, estate general charges and others. The POM business plan consists of FFB yield, CPO, OER, and KER, costs of production, etc. In estate, the Program and tight monitoring on use of pesticides while at the same time continue to expand the IPM program and (c) social components (Health and Safety at Workplace and Community program) and also aspect and impact of environment to control in using Diesel usage and other matter. The replanting programme also been put in business budget. | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                      |                                                                                                                                                                                                             | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Compliance |
|------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>4.6.2.4</b>                                             | The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.<br><br>- <b>Major compliance</b> - | Keresa Plantations monitored the estate performance against the targets. It also recommends changes to the plans if necessary.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Complied   |
| <b>Criterion 4.6.3:</b> Transparent and fair price dealing |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |
| <b>4.6.3.1</b>                                             | Pricing mechanisms for the products and other services shall be documented and effectively implemented.<br><br>- <b>Major compliance</b> -                                                                  | The pricing method has been clearly stated in the contract and contractors are explained on the term of contracts prior to the signing of contract.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Complied   |
| <b>4.6.3.2</b>                                             | All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.<br><br>- <b>Major compliance</b> -                                                                   | Sample contract and payment record verification together with interviews of estates management found that the payments has been made as per contract.<br><br>For JIBA Estate, Sampled Contractor (Ling Brothers Machinery). Refer to tax invoice #I-000219 dated 31 <sup>st</sup> July 2019 amounted RM 11,535.27. Payment has been made on 26 <sup>th</sup> August 2019 via RHB IBG Payment 0885 and for SUJAN Estate, sample contractor (All Planters Tractor (Sarawak Sdn. Bhd). Refer to tax invoice #1908012103 dated 01/8/2019 amounted RM 23,250.00. Payment has been made on 26 <sup>th</sup> August 2019 ( Recipient's Reference RPV0870/19) | Complied   |
| <b>Criterion 4.6.4:</b> Contractor                         |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |
| <b>4.6.4.1</b>                                             | Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required                                                                                                   | KERESA Plantation Sdn. Bhd. has initiated the MSPO awareness to all its contractors. Latest MSPO awareness briefing to contractors was                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                               | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Compliance |        |            |   |      |                                                                                                                                                                                                                              |   |       |                                                       |          |
|-----------------------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------|------------|---|------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---|-------|-------------------------------------------------------|----------|
|                       | documentation and information.<br><b>- Major compliance -</b>                                                 | <p>conducted on 10<sup>th</sup> September 2019 by TQM Team. Interview with the contractors found that they understand on the MSPO requirements.</p> <p>All the contractors aware that estate is certified under MSPO. Therefore, the contractor has been instructed by estate management to follow the MSPO standard requirement.</p> <p>The policies were already communicated through the tender process and once contract sign by both parties. The CONTRACTOR shall be subjected to the management system audits by auditors assigned by the management as and when deemed necessary.</p>                                                                                                                                                                                                                                                                                |            |        |            |   |      |                                                                                                                                                                                                                              |   |       |                                                       |          |
| <b>4.6.4.2</b>        | The management shall provide evidence of agreed contracts with the contractor.<br><b>- Major compliance -</b> | <p>KERESA Plantation Sdn. Bhd. has prepared a standard contract for all the contractors. The signed copy of the contract available at the estate office. Sample of contract agreement as follows;</p> <table border="1" data-bbox="1048 930 1861 1369"> <thead> <tr> <th>No</th> <th>Estate</th> <th>Contractor</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>JIBA</td> <td>                     Contractor : Master Hub Machinery Sdn. Bhd.<br/>                     Work : Removal of Rocks &amp; Stone<br/>                     from Quarry at KERESA Plantation Sdn. Bhd<br/><br/>                     Start Date : 1<sup>st</sup> January 2019<br/>                     Expiry Date : 31<sup>st</sup> December 2022                 </td> </tr> <tr> <td>2</td> <td>SUJAN</td> <td>Contractor : All Planters Tractor (Sarawak) Sdn. Bhd.</td> </tr> </tbody> </table> | No         | Estate | Contractor | 1 | JIBA | Contractor : Master Hub Machinery Sdn. Bhd.<br>Work : Removal of Rocks & Stone<br>from Quarry at KERESA Plantation Sdn. Bhd<br><br>Start Date : 1 <sup>st</sup> January 2019<br>Expiry Date : 31 <sup>st</sup> December 2022 | 2 | SUJAN | Contractor : All Planters Tractor (Sarawak) Sdn. Bhd. | Complied |
| No                    | Estate                                                                                                        | Contractor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |        |            |   |      |                                                                                                                                                                                                                              |   |       |                                                       |          |
| 1                     | JIBA                                                                                                          | Contractor : Master Hub Machinery Sdn. Bhd.<br>Work : Removal of Rocks & Stone<br>from Quarry at KERESA Plantation Sdn. Bhd<br><br>Start Date : 1 <sup>st</sup> January 2019<br>Expiry Date : 31 <sup>st</sup> December 2022                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |            |        |            |   |      |                                                                                                                                                                                                                              |   |       |                                                       |          |
| 2                     | SUJAN                                                                                                         | Contractor : All Planters Tractor (Sarawak) Sdn. Bhd.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |        |            |   |      |                                                                                                                                                                                                                              |   |       |                                                       |          |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                               |                                                                                                                                                                                                                                                                  | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |  |                                                                                                                                                 | Compliance |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|-------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                     |                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  | Work : Rental of Massey Ferguson MF290Xtra<br>4 WD<br>Start Date : 1 <sup>st</sup> January 2019<br>Expiry Date : 31 <sup>st</sup> December 2022 |            |
| <b>4.6.4.3</b>                                      | The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.<br><b>- Minor compliance -</b>                                                                                                               | KERESA Plantation Sdn. Bhd. has no objection to allow BSI auditors to verify the assessment through physical inspection if required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |  |                                                                                                                                                 | Complied   |
| <b>4.6.4.4</b>                                      | The management shall be responsible for the observance of the control points applicable to the taMFMs performed by the contractor, by checking and signing the assessment of the contractor for each taMFM and season contracted.<br><b>- Major compliance -</b> | Sample contract and payment record verification together with interviews of estates management found that the payments has been made as per contract. The management monitored by checking and signing the assessment of the contractor for each task before the payment was made.<br><br>For JIBA Estate, sampled Contractor (Ling Brothers Machinery- FFB Transporter). Refer to tax invoice #I-000172 dated 30 <sup>th</sup> September 2018 and for SUJAN Estate sampled Contractor (All Planters Tractor (Sarawak Sdn. Bhd). Refer to tax invoice #1908012103 dated 1 <sup>st</sup> August 2019. Both invoices has been paid in timely manner. |  |                                                                                                                                                 | Complied   |
| <b>4.7 Principle 7: Development of new planting</b> |                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                                                                                                                                                 |            |
| <b>Criterion 4.7.1:</b> High biodiversity value     |                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |  |                                                                                                                                                 |            |

| Criterion / Indicator                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Assessment Findings                          | Compliance |
|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------|
| <b>4.7.1.1</b>                                                            | Oil palm shall not be planted on land with high biodiversity value unless it is carried out in compliance with the National and/or State Biodiversity Legislation.<br><b>- Major compliance -</b>                                                                                                                                                                                                                                                          | No development of new planting in the estate | NA         |
| <b>4.7.1.2</b>                                                            | No conversion of Environmentally Sensitive Areas (ESAs) to oil palm as required under Peninsular Malaysia’s National Physical Plan (NPP) and the Sabah Forest Management Unit under the Sabah Forest Management License Agreement. For Sabah and Sarawak, new planting or replanting of an area 500ha or more requires an EIA. For areas below 500ha but above 100ha, a Proposal for Mitigation Measures (PMM) is required.<br><b>- Major compliance -</b> | No development of new planting in the estate | NA         |
| <b>Criterion 4.7.2: Peat Land</b>                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                              |            |
| <b>4.7.2.1</b>                                                            | New planting and replanting may be developed and implemented on peat land as per MPOB guidelines on peat land development or industry best practice.<br><b>- Major compliance -</b>                                                                                                                                                                                                                                                                        | No development of new planting in the estate | NA         |
| <b>Criterion 4.7.3: Social and Environmental Impact Assessment (SEIA)</b> |                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                              |            |
| <b>4.7.3.1</b>                                                            | A comprehensive and participatory social and environmental impact assessment shall be conducted prior to establishing new plantings or operations.                                                                                                                                                                                                                                                                                                         | No development of new planting in the estate | NA         |

| Criterion / Indicator                                    |                                                                                                                                                                                                                                                                                                                 | Assessment Findings                          | Compliance |
|----------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------|
|                                                          | - Major compliance -                                                                                                                                                                                                                                                                                            |                                              |            |
| 4.7.3.2                                                  | SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.<br><br>- Major compliance -                                                                                    | No development of new planting in the estate | NA         |
| 4.7.3.3                                                  | The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.<br><br>- Major compliance -                                                                                                                        | No development of new planting in the estate | NA         |
| 4.7.3.4                                                  | Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.<br><br>- Minor compliance - | No development of new planting in the estate | NA         |
| <b>Criterion 4.7.4:</b> Soil and topographic information |                                                                                                                                                                                                                                                                                                                 |                                              |            |
| 4.7.4.1                                                  | Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.<br><br>- Major compliance -                                                                                                                                                            | No development of new planting in the estate | NA         |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                         |                                                                                                                                                                                                                                                                                            | Assessment Findings                          | Compliance |
|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------|
| 4.7.4.2                                                                       | Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.<br><b>- Major compliance -</b>                                                                                                    | No development of new planting in the estate | NA         |
| <b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils |                                                                                                                                                                                                                                                                                            |                                              |            |
| 4.7.5.1                                                                       | Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.<br><b>- Major compliance -</b>                                                                                                                        | No development of new planting in the estate | NA         |
| 4.7.5.2                                                                       | Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased riMFMs (e.g. fire riMFM) in areas outside the plantation.<br><b>- Major compliance -</b> | No development of new planting in the estate | NA         |
| 4.7.5.3                                                                       | Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.<br><b>- Major compliance -</b>                                                                                                                                          | No development of new planting in the estate | NA         |
| <b>Criterion 4.7.6:</b> Customary land                                        |                                                                                                                                                                                                                                                                                            |                                              |            |
| 4.7.6.1                                                                       | No new plantings are established on recognised customary land without the owners' free, prior and informed consent,                                                                                                                                                                        | No development of new planting in the estate | NA         |

| Criterion / Indicator                                                                                                                                                                                                                                        | Assessment Findings                          | Compliance |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------|
| <p>dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions.</p> <p><b>- Major compliance -</b></p>                             |                                              |            |
| <p><b>4.7.6.2</b> Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.</p> <p><b>- Minor compliance -</b></p>                                                                     | No development of new planting in the estate | NA         |
| <p><b>4.7.6.3</b> Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.</p> <p><b>- Major compliance -</b></p> | No development of new planting in the estate | NA         |
| <p><b>4.7.6.4</b> The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.</p> <p><b>- Major compliance -</b></p>   | No development of new planting in the estate | NA         |
| <p><b>4.7.6.5</b> Identification and assessment of legal and recognised customary rights shall be documented.</p> <p><b>- Major compliance -</b></p>                                                                                                         | No development of new planting in the estate | NA         |

| Criterion / Indicator |                                                                                                                                                                                        | Assessment Findings                          | Compliance |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------|
| <b>4.7.6.6</b>        | A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.<br><b>- Major compliance -</b>   | No development of new planting in the estate | NA         |
| <b>4.7.6.7</b>        | The process and outcome of any compensation claims shall be documented and made publicly available.<br><b>- Major compliance -</b>                                                     | No development of new planting in the estate | NA         |
| <b>4.7.6.8</b>        | Communities that have lost access and rights to land for plantation expansion should be given opportunities to benefit from the plantation development.<br><b>- Minor compliance -</b> | No development of new planting in the estate | NA         |

**MS 2530-4:2013 Malaysian Sustainable Palm Oil (MSPO) Part 4: General principles for Palm Oil Mill**

| Criterion / Indicator                                                 | Assessment Findings                                                                                                                                                        | Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>4.1 Principle 1: Management commitment &amp; responsibility</b>    |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |          |
| <b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b> |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |          |
| <b>4.1.1.1</b>                                                        | Policy for the implementation of MSPO shall be established.<br><b>- Major compliance -</b>                                                                                 | KERESA Mill Sdn. Bhd. has initiated the implementations of MSPO requirements. MSPO Policy has been established and signed by Senior Group General Manager dated on April 2015.                                                                                                                                                                                                                                                                                                        | Complied |
| <b>4.1.1.2</b>                                                        | The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation.<br><b>- Major compliance -</b>           | The established policy has emphasized on the commitment to sustainable development and continuous improvement with the objective of improving the milling operation.                                                                                                                                                                                                                                                                                                                  | Complied |
| <b>Criterion 4.1.2 – Internal Audit</b>                               |                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |          |
| <b>4.1.2.1</b>                                                        | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.<br><b>- Major compliance -</b> | The MSPO Internal Audit Procedure (KERESA/MSPO/QP-10; Rev 1; Effective date: 27 <sup>th</sup> September 2016) was established. The internal audit need to be conducted annual.<br><br>Annual MSPO internal audit was carried out from 09 <sup>th</sup> July 2019 in KERESA POM. Summary of NCs as follows;<br><ul style="list-style-type: none"> <li>• KERESA POM ( 5 Major NC and 1 Minor NC )</li> </ul> The strong and week points have been address for following scope covering; | Complied |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                                                                              | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Compliance |                |        |   |                                                                                                                        |                                    |   |                                                              |                                     |   |           |                                      |          |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------|--------|---|------------------------------------------------------------------------------------------------------------------------|------------------------------------|---|--------------------------------------------------------------|-------------------------------------|---|-----------|--------------------------------------|----------|
|                       |                                                                                                                                                                                                                                                              | A. Documentation in POM<br>B. Interview Session with internal stakeholder<br>C. Site Visit at POM                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |            |                |        |   |                                                                                                                        |                                    |   |                                                              |                                     |   |           |                                      |          |
| <b>4.1.2.2</b>        | The internal audit procedures and audit 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.<br><br><b>- Major compliance -</b> | Internal audit procedure (KERESA/MSPO/QP-10; Rev 1; Effective date: 27 <sup>th</sup> September 2016) was established and effectively implemented. The procedure was reviewed by the management to include the competency requirement for MSPO internal auditor.<br><br>The Internal Audit was lead by Mr. Thilaganarthan (Lead Auditor), Eliza Anak Nojin (Auditor), Nur Atma Binti Ridwan (Auditor), Alicesa Anak Ramba (Auditor) and George Mike (Auditor)<br><br>A. Finding for KERESA POM as per tabulated below; <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>No</th> <th>Non Compliance</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>4.4.2.4 – No minutes of meeting / any record on the awareness of grievance and complaints procedure are not documented</td> <td>Done on 19<sup>th</sup> July 2019</td> </tr> <tr> <td>2</td> <td>4.4.2.5 – Netting issue at worker housing area still pending</td> <td>Done on 4<sup>th</sup> August 2019</td> </tr> <tr> <td>3</td> <td>4.4.4.2 –</td> <td>Done on 20<sup>th</sup> August 2019</td> </tr> </tbody> </table> | No         | Non Compliance | Status | 1 | 4.4.2.4 – No minutes of meeting / any record on the awareness of grievance and complaints procedure are not documented | Done on 19 <sup>th</sup> July 2019 | 2 | 4.4.2.5 – Netting issue at worker housing area still pending | Done on 4 <sup>th</sup> August 2019 | 3 | 4.4.4.2 – | Done on 20 <sup>th</sup> August 2019 | Complied |
| No                    | Non Compliance                                                                                                                                                                                                                                               | Status                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |            |                |        |   |                                                                                                                        |                                    |   |                                                              |                                     |   |           |                                      |          |
| 1                     | 4.4.2.4 – No minutes of meeting / any record on the awareness of grievance and complaints procedure are not documented                                                                                                                                       | Done on 19 <sup>th</sup> July 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |            |                |        |   |                                                                                                                        |                                    |   |                                                              |                                     |   |           |                                      |          |
| 2                     | 4.4.2.5 – Netting issue at worker housing area still pending                                                                                                                                                                                                 | Done on 4 <sup>th</sup> August 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |                |        |   |                                                                                                                        |                                    |   |                                                              |                                     |   |           |                                      |          |
| 3                     | 4.4.4.2 –                                                                                                                                                                                                                                                    | Done on 20 <sup>th</sup> August 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |            |                |        |   |                                                                                                                        |                                    |   |                                                              |                                     |   |           |                                      |          |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                      |                                                                                                                                                                                     | Assessment Findings                                                                                                                                                                                                                                                                                    |                                                                                    | Compliance                           |
|--------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|--------------------------------------|
|                                            |                                                                                                                                                                                     | (1) During workplace inspection first aid kit was not available at Boiler compound<br><br>(2) Poor maintenance on all spillage kit at Mill's store. No record on daily cleaning session and it's schedule<br><br>(3) Poor housekeeping and expired fire extinguisher displayed at Boiler compound area |                                                                                    |                                      |
|                                            |                                                                                                                                                                                     | 4                                                                                                                                                                                                                                                                                                      | No latest (2019) briefing record to all contractors with regards of MSPO awareness | Done on 10 <sup>th</sup> August 2019 |
|                                            |                                                                                                                                                                                     | Based on documentation check, POM need to respond the finding within the dateline by 20 <sup>th</sup> September 2019.                                                                                                                                                                                  |                                                                                    |                                      |
| <b>4.1.2.3</b>                             | Reports shall be made available to the management for their review.<br><b>- Major compliance -</b>                                                                                  | Internal audit report dated on 9 <sup>th</sup> July 2019 for KERESA POM. The report is available for the management review.                                                                                                                                                                            |                                                                                    | Complied                             |
| <b>Criterion 4.1.3 – Management Review</b> |                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                        |                                                                                    |                                      |
| <b>4.1.3.1</b>                             | The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, | The Management Review Procedure (First Editions; Version 1.0) dated September 2015 was established.                                                                                                                                                                                                    |                                                                                    | Complied                             |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                          |                                                                                                                                                                                           | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Compliance |                                     |             |        |   |                                            |  |  |  |                                                            |         |          |  |                                                     |         |          |  |             |         |          |  |                          |         |          |   |                                           |  |  |  |                                             |         |          |          |
|------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-------------------------------------|-------------|--------|---|--------------------------------------------|--|--|--|------------------------------------------------------------|---------|----------|--|-----------------------------------------------------|---------|----------|--|-------------|---------|----------|--|--------------------------|---------|----------|---|-------------------------------------------|--|--|--|---------------------------------------------|---------|----------|----------|
|                                                | improvement and modification.<br><b>- Major compliance -</b>                                                                                                                              | MSPO Management Review for KERESA POM was carried out on 02 <sup>nd</sup> August 2019 at JIBA Estate Office with attendance of 9 persons. All pertinent elements for MSPO implementation has been reviewed and presented to top management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |                                     |             |        |   |                                            |  |  |  |                                                            |         |          |  |                                                     |         |          |  |             |         |          |  |                          |         |          |   |                                           |  |  |  |                                             |         |          |          |
| <b>Criterion 4.1.4 – Continual Improvement</b> |                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |                                     |             |        |   |                                            |  |  |  |                                                            |         |          |  |                                                     |         |          |  |             |         |          |  |                          |         |          |   |                                           |  |  |  |                                             |         |          |          |
| <b>4.1.4.1</b>                                 | The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.<br><b>- Major compliance -</b> | <p>TQM has worked with POM to review and update the social and environmental aspects and impacts risk registers and to develop improvement plans 2019 as follows;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Continues Improvement Plan Activity</th> <th>Time Target</th> <th>Status</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Economic Value : Key Performance Indicator</td> <td></td> <td></td> </tr> <tr> <td></td> <td>1. Focus on Mill technical area (conveyors &amp; kernel plant)</td> <td>Q4 2019</td> <td>On-going</td> </tr> <tr> <td></td> <td>2. Maintain sufficient worker &amp; monitoring (estate)</td> <td>Q4 2019</td> <td>On-going</td> </tr> <tr> <td></td> <td>3. Gasifier</td> <td>Q3 2019</td> <td>On-going</td> </tr> <tr> <td></td> <td>4. To increase OER Value</td> <td>Q2 2019</td> <td>On-going</td> </tr> <tr> <td>2</td> <td>Economic Value : Better Management System</td> <td></td> <td></td> </tr> <tr> <td></td> <td>1. Maintain documentation register &amp; update</td> <td>Q4 2019</td> <td>On-going</td> </tr> </tbody> </table> | No         | Continues Improvement Plan Activity | Time Target | Status | 1 | Economic Value : Key Performance Indicator |  |  |  | 1. Focus on Mill technical area (conveyors & kernel plant) | Q4 2019 | On-going |  | 2. Maintain sufficient worker & monitoring (estate) | Q4 2019 | On-going |  | 3. Gasifier | Q3 2019 | On-going |  | 4. To increase OER Value | Q2 2019 | On-going | 2 | Economic Value : Better Management System |  |  |  | 1. Maintain documentation register & update | Q4 2019 | On-going | Complied |
| No                                             | Continues Improvement Plan Activity                                                                                                                                                       | Time Target                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Status     |                                     |             |        |   |                                            |  |  |  |                                                            |         |          |  |                                                     |         |          |  |             |         |          |  |                          |         |          |   |                                           |  |  |  |                                             |         |          |          |
| 1                                              | Economic Value : Key Performance Indicator                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |                                     |             |        |   |                                            |  |  |  |                                                            |         |          |  |                                                     |         |          |  |             |         |          |  |                          |         |          |   |                                           |  |  |  |                                             |         |          |          |
|                                                | 1. Focus on Mill technical area (conveyors & kernel plant)                                                                                                                                | Q4 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | On-going   |                                     |             |        |   |                                            |  |  |  |                                                            |         |          |  |                                                     |         |          |  |             |         |          |  |                          |         |          |   |                                           |  |  |  |                                             |         |          |          |
|                                                | 2. Maintain sufficient worker & monitoring (estate)                                                                                                                                       | Q4 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | On-going   |                                     |             |        |   |                                            |  |  |  |                                                            |         |          |  |                                                     |         |          |  |             |         |          |  |                          |         |          |   |                                           |  |  |  |                                             |         |          |          |
|                                                | 3. Gasifier                                                                                                                                                                               | Q3 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | On-going   |                                     |             |        |   |                                            |  |  |  |                                                            |         |          |  |                                                     |         |          |  |             |         |          |  |                          |         |          |   |                                           |  |  |  |                                             |         |          |          |
|                                                | 4. To increase OER Value                                                                                                                                                                  | Q2 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | On-going   |                                     |             |        |   |                                            |  |  |  |                                                            |         |          |  |                                                     |         |          |  |             |         |          |  |                          |         |          |   |                                           |  |  |  |                                             |         |          |          |
| 2                                              | Economic Value : Better Management System                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |                                     |             |        |   |                                            |  |  |  |                                                            |         |          |  |                                                     |         |          |  |             |         |          |  |                          |         |          |   |                                           |  |  |  |                                             |         |          |          |
|                                                | 1. Maintain documentation register & update                                                                                                                                               | Q4 2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | On-going   |                                     |             |        |   |                                            |  |  |  |                                                            |         |          |  |                                                     |         |          |  |             |         |          |  |                          |         |          |   |                                           |  |  |  |                                             |         |          |          |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |  | Assessment Findings |                                                                |         | Compliance |  |
|-----------------------|--|---------------------|----------------------------------------------------------------|---------|------------|--|
|                       |  |                     | 2. Plantation/mill records register & update                   | Q1 2017 | Done       |  |
|                       |  |                     | 3. Monthly managers workplace inspections                      | Q1 2019 | On-going   |  |
|                       |  |                     | 4. Action request system introduced                            | Q1 2017 | Done       |  |
|                       |  |                     | 5. Public records board for Plantation/Mill                    | Q4 2019 | On-going   |  |
|                       |  |                     | 6. Review of Plantation / Mill records & documentation         | Q1 2019 | On-going   |  |
|                       |  |                     | 7. Training needs / assessment pilot system                    | Q1 2019 | On-going   |  |
|                       |  | 3                   | Social Value : Health & Safety @ workplace                     |         |            |  |
|                       |  |                     | 1. OSH site audit & workplace assessments                      | Q4 2019 | On-going   |  |
|                       |  |                     | 2. OSH policy and plan drafted & issued                        | 2017    | Done       |  |
|                       |  |                     | 3. List of major infra works to improve OSH compliance         | Q2 2017 | Done       |  |
|                       |  |                     | 4. OSH training for managers : records & workplace assessments | Q2 2017 | Done       |  |
|                       |  |                     | 5. OSH training : safe use of chemicals                        | Q1 2019 | Done       |  |
|                       |  |                     | 6. OSH training : safe harvesting                              | Q2 2019 | On-going   |  |
|                       |  |                     | 7. OSH training : Emergency Respond Plan                       | Q2 2019 | On-going   |  |
|                       |  |                     | 8. OSH Improvement plans : worker-staff defined                | Q2 2019 | On-going   |  |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |  | Assessment Findings |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                           | Compliance                                                                       |  |
|-----------------------|--|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|----------------------------------------------------------------------------------|--|
|                       |  |                     | 9. Annual OSH audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Q2 2019                                                                   | On-going                                                                         |  |
|                       |  | 4                   | Social Values : Core Labor Standards<br>1. Social policies drafted & circulated: grievances procedure, equal rights, OSH, environment, FOA, JCC, sexual harassment, min age<br>2. Establishment & monitoring of consultation mechanisms : JCC, head-villages OSH<br>3. Training on social policies : sexual harassment, OSH, JCC<br>4. Annual consultation with worker/staff<br>5. Annual Audit of social policies, records and procedures<br>6. Monthly meeting with representative workers | 2019<br><br>Q1 2017<br><br>2019<br><br>Q1 2019<br><br>Q1 2019<br><br>2019 | Done<br><br>Done<br><br>On-going<br><br>On-going<br><br>On-going<br><br>On-going |  |
|                       |  | 5                   | Community : Action Plan<br>1. Improving recording of benefits / investment in community : Estate / Mill<br>2. Road & Fertilizer subsidy / support mechanism : Mill & Estate                                                                                                                                                                                                                                                                                                                  | 2019<br><br>2019                                                          | Done<br><br>Done                                                                 |  |
|                       |  | 6                   | Environmental Value : Control of pollution & significant impacts on environmental (Action1)                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                           |                                                                                  |  |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                             | Assessment Findings                                                                                                                                                                                                                                                                                                                                    |                                                                                                         |         |          | Compliance |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------|---------|----------|------------|
|                       |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                        | 1. Environment & Biodiversity Review (SUJAN and JIBA)                                                   | Q4 2018 | Done     |            |
|                       |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                        | 2. Waste management guidelines & implementation                                                         | Q1 2017 | Done     |            |
|                       |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                        | 3. Buffer zone & riparian demarcation guidelines & implementation                                       | Q1 2017 | Done     |            |
|                       |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                        | 4. Road programme established with guidelines & implementation                                          | Q2 2017 | Done     |            |
|                       |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                        | 5. Pilot projects implemented : domestic wastewater, green plan for plantations, mill pollution control | 2019    | On-going |            |
|                       |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                        | 6. Annual environmental audit                                                                           | 2019    | On-going |            |
|                       |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                        | 7. To introduce Reduced, Reused & Recycled Plan & Program                                               | 2019    | On-going |            |
|                       |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                        | 8. CHRA – Sg. Kubud                                                                                     | 2019    | Done     |            |
|                       |                                                                                                                                                                                                             | 7                                                                                                                                                                                                                                                                                                                                                      | Environmental Value : Control of pollution & significant impacts on environmental (Action2)             | 2019    | On-going |            |
|                       |                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                        | 1. POME Discharge                                                                                       |         |          |            |
| <b>4.1.4.2</b>        | The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.<br><br><b>- Major compliance -</b> | The new technology that will be introduced for 2019 in KERESA POM are :<br>1. Electrostatic Precipitor (ESP) fix at boiler chimney. The new technology is a devise that remove fiber particle like dust and smoke from a flowing gas using the force the induce electrostatic charge.<br>2. Geotube at Effluent Treatment. The new technology used for |                                                                                                         |         |          | Complied   |

| Criterion / Indicator                                                                     |                                                                                                                                                                                                                                                     | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Compliance |
|-------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                                                           |                                                                                                                                                                                                                                                     | sludge diverting and removes solid which can be disposed at the landfill                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |            |
| <b>4.2 Principle 2: Transparency</b>                                                      |                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |
| Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements |                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |
| <b>4.2.1.1</b>                                                                            | The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.<br><br>- <b>Major compliance</b> -                      | KERESA POM have maintained records of requests and responses, Land titles/user rights, Safety and health plan, Plan and impact assessments relating to environmental and social impact, Plan for pollution prevention , Records of complaints and grievances, Plan for continuous improvement and make available upon request.                                                                                                                                                                                                                                                                                                           | Complied   |
| <b>4.2.1.2</b>                                                                            | The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.<br><br>- <b>Major compliance</b> - | KERESA POM holds copies of each of the management documents that are required to be publicly available. Copies of the document such as Plan and impact assessments relating to environmental and social impact, Plan for pollution prevention, records of complaints and grievances were available on request.<br><br>All these documents were sighted in the POM office. Requests for official documents through the POM office will have to go through the POM manager/assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document. | Complied   |
| <b>Criterion 4.2.2 – Transparent method of communication and consultation</b>             |                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |            |
| <b>4.2.2.1</b>                                                                            | Procedures shall be established for consultation and communication with the relevant stakeholders.                                                                                                                                                  | KERESA Mill Sdn. Bhd. has established Procedures for Communication of Social Policies (Chapter 3, Reference No: SOC 3.1, Date issue : Dec 2009, Version 1) and Complaints & Grievances                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                 | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Compliance |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                       | - Major compliance -                                                                                                            | <p>Procedure (Reference No: SOC 3.2, Version 1) that define the responsibilities and actions required for receiving, recording and responding to enquiries and requests from internal and external stakeholders.</p> <p>The procedure outline the process of communication on the social policies, lodging grievances and monitoring implementation. The Standard Operating Procedure has identified mechanism for consultation and communication with the relevant stakeholders.</p> <p>KERESA POM implemented the "Communication and Consultation Management guidelines" as evidenced by the maintenance of filing systems for recording written requests for assistance and information. Inspection of a sample of records found that requests for information were received only from Government Departments (DOE, DOSH, MPOB) and complaint form from the local communities. Furthermore, worker &amp; smallholder survey has been conducted from time to time for establishing active communication.</p> <p>POM has shown a good communication, by publish the flow chart of Procedure "Pengurusan Aduan Pekerja/Stakeholder" at the notice board in front of POM office and housing complex. The feedback can be forward to POM management to Complain box muster ground and office.</p> <p>Interviews with Stakeholders confirmed that POM has an open approach to communication with staff, workers and local communities.</p> |            |
| 4.2.2.2               | The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i> . | Sighted letter of appointment for the responsible person, MS. Eliza Nojin as person in-charge to maintain the traceability system. The                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                 |                                                                                                                                                                                                            | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Compliance |
|---------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                       | - <b>Minor compliance</b> -                                                                                                                                                                                | appointment letter dated on 1 <sup>st</sup> January 2017 with job responsibility has been clearly defined                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |
| <b>4.2.2.3</b>                        | A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.<br><br>- <b>Major compliance</b> -  | Sighted latest stakeholders list updated on 10 <sup>th</sup> September 2019. Stakeholder list include the supplier, contractor, smallholders, external stakeholders plantation, villagers, long house & government agency such as DOSH, MPOB, DOE, Labour department & etc.<br><br>Joint consultative committee (JCC) meeting, internal stakeholder meeting that involve worker representative and chaired by Mr. Thilaganathan, Senior Manager Sustainability & Estate Operations. The latest meeting was conducted on 3 <sup>rd</sup> July 2019. All issued has been discussed with current action plan has been established.<br><br>Request from government agency was made by visit log book such as MPOB, DOE and DOSH. The action has been taken accordingly and recorded. | Complied   |
| <b>Criterion 4.2.3 – Traceability</b> |                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |            |
| <b>4.2.3.1</b>                        | The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.<br><br>- <b>Major compliance</b> - | SOP on the traceability of the FFB has established in ISCC Management System guidelines revision 1. Refer to SOP/ISCC/KPSB/EST/04 dated on 25 <sup>th</sup> October 2017.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Complied   |
| <b>4.2.3.2</b>                        | The management shall conduct regular inspections on compliance with the established traceability system.<br><br>- <b>Major compliance</b> -                                                                | Traceability inspection report carried out on monthly basis. The Management team have the responsibility on regular inspection of traceability system. Refer to report dated 30 <sup>th</sup> August 2019 for                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Complied   |

| Criterion / Indicator                                    |                                                                                                                                             | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Compliance |
|----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                          |                                                                                                                                             | KERESA POM Sdn. Bhd. The details of the record includes delivery of CPO to BEO and SOP refinery                                                                                                                                                                                                                                                                                                                                                                                              |            |
| 4.2.3.3                                                  | The management shall identified and assign suitable employees to implement and maintain traceability system.<br>- <b>Minor compliance</b> - | Sighted letter of appointment for the responsible person, MS. Eliza Nojin as person in-charge to maintain the traceability system. The appointment letter dated on 1 <sup>st</sup> January 2017 with job responsibility has been clearly defined.                                                                                                                                                                                                                                            | Complied   |
| 4.2.3.4                                                  | Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.<br>- <b>Major compliance</b> - | Delivery of CPO to BOE and SOP Refinery are monitored by KEERSA POM closely<br><br>Sighted the records of sales, delivery or transportation of CPO. This record being maintained and the documents are kept by the POM.<br><br>Sighted the CPO delivery note as follows;<br><br>1. Ticket Number : 008884<br>Refinery : BEO<br>POM Weight : 40.11MT<br>Borang MPOB L3 No : D781015<br><br>2. Ticket Number : 008882<br>Refinery : BEO<br>POM Weight : 40.17MT<br>Borang MPOB L3 No : D780976 | Complied   |
| <b>4.3 Principle 3: Compliance to legal requirements</b> |                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |            |

| Criterion / Indicator                            | Assessment Findings                                                                                                                                                     | Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                 |
|--------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>Criterion 4.3.1 – Regulatory requirements</b> |                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                 |
| <b>4.3.1.1</b>                                   | <p>All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p> | <p>KERESA POM Sdn. Bhd. has maintained the systems for documentation, checking and assessment of legal compliance with applicable laws and regulations.</p> <p>Inspection of records showed that the POM has maintained legal compliance with statutory requirements.</p> <p>Sample of permit and license sighted as listed below :</p> <ul style="list-style-type: none"> <li>i. MPOB License, 510557004000 for processing 275000 MT of FFB, valid from 1/4/2019 – 31/3/2020</li> <li>ii. Trading license, 926426, valid from 30/1/2019 – 13/2/2020</li> <li>iii. Diesel license, BTU.P02/2010(D) for purchasing and storage of 28135L diesel, valid from 1/10/2018 – 9/10/2019</li> <li>iv. Fire certificate, JBPM:SK/7/89/2019, valid from 3/4/2019 – 2/4/2020</li> <li>v. Boiler Fitness Certificate, PMD-SW/19 36747, valid from 27/6/2019 – 26/9/2020</li> <li>vi. Boiler Fitness Certificate, PMD-SW/19 34214, valid from 10/4/2019 – 9/7/2020</li> </ul> <p>Competent Person</p> <ul style="list-style-type: none"> <li>i. Steam Engineer (grade 1), 144/2008</li> <li>ii. Steam Engineer (grade 2, 050/2019</li> </ul> | <p>Complied</p> |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                               | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Compliance |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                       |                                                                                                                                                                               | <p>iii. CepSWaM, CepSWaM/198529, valid from 30/9/2019 – 29/9/2020</p> <p>iv. CePPOME, AS(S)91/110/600/024, valid from 30/9/2019 – 29/9/2020</p>                                                                                                                                                                                                                                                                                                                                                                       |            |
| <b>4.3.1.2</b>        | <p>The management shall list all relevant laws related to their operations in a legal requirements register.</p> <p><b>- Major compliance -</b></p>                           | <p>Keresa Mill Sdn. Bhd. has established procedure to ensure Legal Compliance documented in Mechanism for ensuring legal compliance dated 15/3/2010. Refer document no. KP 16. All operating units have Legal &amp; Other Requirements Register (LORR) covering all the necessary regulatory requirements. TQM department reviewed and updated the LORR on quarterly basis. Latest review was conducted on 1/3/2019 and 1/7/2019.</p>                                                                                 | Complied   |
| <b>4.3.1.3</b>        | <p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p><b>- Major compliance -</b></p> | <p>The HR Department will update the operating units on regarding any new amendments or any new regulations coming into force through email. The person responsible will update the Legal Register as per advised.</p>                                                                                                                                                                                                                                                                                                | Complied   |
| <b>4.3.1.4</b>        | <p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p><b>- Minor compliance -</b></p> | <p>The mill has appointed the Production Clerk as Person Responsible for monitoring the Compliance to Legal Requirement as per letter dated 1/6/2018.</p> <p>The HR Department will update the operating units on regarding any new amendments or any new regulations coming into force through email. The person responsible will update the Legal Register as per advised.</p> <p>Sighted letter of appointment for the responsible person is, Ms. Nur Atma binti Ridwan approved by Mr. Thilaganarthan (Senior</p> | Minor NC   |

| Criterion / Indicator                            | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Compliance                      |                                        |                                 |            |                                                                                                                                                                 |                                |  |
|--------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|----------------------------------------|---------------------------------|------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|--|
|                                                  | <p>Sustainability manager / Estate Operations) dated on 08<sup>th</sup> January 2019</p> <p>It was observed that, the expiry of PLKS for following foreign worker as follows;</p> <table border="1" data-bbox="1088 655 1841 1077"> <thead> <tr> <th data-bbox="1088 655 1234 767">Operating Units</th> <th data-bbox="1234 655 1626 767">Name of ID / Passport No &amp; Expiry date</th> <th data-bbox="1626 655 1841 767">Date of submission to Imigresen</th> </tr> </thead> <tbody> <tr> <td data-bbox="1088 767 1234 1077">KERESA POM</td> <td data-bbox="1234 767 1626 1077">                     1. Fidarlus – 10.10.2019<br/>                     2. Umar Sahid Zarkasih – 10.10.2019<br/>                     3. Uray Rezeki – 10.10.2019<br/>                     4. Hajimi Jono – 10.10.2019<br/>                     5. Hermanto Yanto – 01.10.2019                 </td> <td data-bbox="1626 767 1841 1077">4<sup>th</sup> September 2019</td> </tr> </tbody> </table> <p>Based on the SOP Foreign Workers Employment (KERESA Plantations Sdn. Bhd &amp; KERESA MILL SDN. BHD.), under 2.7 Renewal of Work Permit / PLKS</p> <p>a) The Human Resource Department will apply for the extension three (3) months before the expiry date</p> <p>Thus, a minor non-conformance was raised.</p> | Operating Units                 | Name of ID / Passport No & Expiry date | Date of submission to Imigresen | KERESA POM | 1. Fidarlus – 10.10.2019<br>2. Umar Sahid Zarkasih – 10.10.2019<br>3. Uray Rezeki – 10.10.2019<br>4. Hajimi Jono – 10.10.2019<br>5. Hermanto Yanto – 01.10.2019 | 4 <sup>th</sup> September 2019 |  |
| Operating Units                                  | Name of ID / Passport No & Expiry date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Date of submission to Imigresen |                                        |                                 |            |                                                                                                                                                                 |                                |  |
| KERESA POM                                       | 1. Fidarlus – 10.10.2019<br>2. Umar Sahid Zarkasih – 10.10.2019<br>3. Uray Rezeki – 10.10.2019<br>4. Hajimi Jono – 10.10.2019<br>5. Hermanto Yanto – 01.10.2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | 4 <sup>th</sup> September 2019  |                                        |                                 |            |                                                                                                                                                                 |                                |  |
| <p><b>Criterion 4.3.2 – Lands use rights</b></p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                 |                                        |                                 |            |                                                                                                                                                                 |                                |  |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                                                                                                                                       | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                      | Compliance |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| 4.3.2.1               | The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.<br><b>- Major compliance -</b>                                                                                                                                                                 | Keresas Mill operation is on lease land. There are documents in place showing legal ownership or lease and a history of land tenure. As reported during the last assessment, estate was developed on State Lease Land, issued by Department of Land and Survey; Bintulu Division dated 28 December 1996 for 99 years (between 01 January 1981 and 01 January 2080) over an area of 6,023 ha in Lot No. 1 Block 17 Lavang Land District, Bintulu Sarawak. | Complied   |
| 4.3.2.2               | The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.<br><b>- Major compliance -</b>                                                                                                                                                  | Keresas Mill operation is on lease land. There are documents in place showing legal ownership or lease and a history of land tenure. As reported during the last assessment, estate was developed on State Lease Land, issued by Department of Land and Survey; Bintulu Division dated 28 December 1996 for 99 years (between 01 January 1981 and 01 January 2080) over an area of 6,023 ha in Lot No. 1 Block 17 Lavang Land District, Bintulu Sarawak. | Complied   |
| 4.3.2.3               | Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.<br><b>- Major compliance -</b>                                                                                                                                                                  | Keresas mill was within the perimeter of Sujans estate. The boundary between the mill and the estate was clearly separated using the perimeter fencing.                                                                                                                                                                                                                                                                                                  | Complied   |
| 4.3.2.4               | Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC).<br><b>- Minor compliance -</b> | There was no land disputes noted during the audit at Keresas Mill as the mill has the legal ownership documents which was under the Keresas Mill Sdn. Bhd.                                                                                                                                                                                                                                                                                               | Complied   |

| Criterion / Indicator                                                                  | Assessment Findings                                                                                                                                                                    | Compliance                                                                                                                                                                                                                                                                                                     |          |
|----------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>Criterion 4.3.3 – Customary rights</b>                                              |                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                |          |
| <b>4.3.3.1</b>                                                                         | Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.<br><b>- Major compliance -</b> | The POM was built under JIBA land titles area. There is no customary land within or surrounding the POM. There are also no land disputes or claims involving the POM. The company has proper legal land titles for the land ownership.                                                                         | Complied |
| <b>4.3.3.2</b>                                                                         | Maps of an appropriate scale showing extent of recognized customary rights shall be made available.<br><b>- Minor compliance -</b>                                                     | The POM was built under JIBA land titles area. There is no customary land within or surrounding the POM. There are also no land disputes or claims involving the POM. The company has proper legal land titles for the land ownership.                                                                         | Complied |
| <b>4.3.3.3</b>                                                                         | Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.<br><b>- Major compliance -</b>                                                  | The POM was built under JIBA land titles area. There is no customary land within or surrounding the POM. There are also no land disputes or claims involving the POM. The company has proper legal land titles for the land ownership.                                                                         | Complied |
| <b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b> |                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                |          |
| <b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>                                 |                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                |          |
| <b>4.4.1.1</b>                                                                         | Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.<br><b>- Minor compliance -</b>                     | TQM department has conduct with the internal Social Impact Assessment (SIA) on the August 2019 using survey that includes the categories as follows; <ol style="list-style-type: none"> <li>1. Work Term &amp; Condition</li> <li>2. Social Provisions</li> <li>3. Environment, Safety &amp; Health</li> </ol> | Complied |

| Criterion / Indicator                             |                                                                                                                                    | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Compliance |
|---------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                   |                                                                                                                                    | From the satisfaction survey's, most of workers are satisfied with all the categories. However there is impacts from Canteen which categories under Social Provisions need to improve particularly related to price and quality. A summary report has been compiled and analyzed for reference.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |
| <b>Criterion 4.4.2:</b> Complaints and grievances |                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |            |
| <b>4.4.2.1</b>                                    | <p>A system for dealing with complaints and grievances shall be established and documented.</p> <p><b>- Major compliance -</b></p> | <p>The KERESA Mill Sdn. Bhd. has established the procedure (Chapter 3: Complaints &amp; Grievance Procedures dated: December 2009) to deal with complaints and grievances by using the complaint form.</p> <p>SOP has outlined the</p> <ul style="list-style-type: none"> <li>• request &amp; response,</li> <li>• consultation &amp; communication</li> <li>• complaint &amp; grievance</li> </ul> <p>Mechanism in order to handle issues was highlighted to stakeholders through JCC Meeting and Session with Long House Leader@ Tuai Rumah</p> <p>Sighted Carta Aliran Pengaduan and some of the complaint form at POM</p> <p>Seen samples of complaints dated 02/07/19 by Mr. Jumarni – House Number Block B, Bilik No. 1 "Lampu panjang rosak" The lamp has been replace by POM Management on 02.07.2019</p> | Complied   |

| Criterion / Indicator |                                                                                                                                                                            | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                | Compliance |
|-----------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                       |                                                                                                                                                                            | Seen samples of complaints dated 12/04/19 by Mr. Jamaluddin – House Number Block A, Bilik No. 2 “Plug Rosak” The plug has been replace by POM Management on 12.04.2019                                                                                                                                                                                                                                                                                             |            |
| <b>4.4.2.2</b>        | The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.<br><br>- <b>Major compliance</b> -           | Inspection of records at POM indicated that written communications were replied promptly and the correspondence kept in file<br><br>Complaints forms seen are responded and completed within 1 - 5 working day.<br><br>Sighted samples of complaints at KERESA POM as below;<br>Tarikh aduan : 2.07.2019 by Mr. Jumarni ( POM Worker )<br><br>Complain : Lampu panjang rosak<br><br>Tindakan :The lamp has been replace<br><br>Pengesahan kes di tutup : 2.07.2019 | Complied   |
| <b>4.4.2.3</b>        | A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.<br><br>- <b>Minor compliance</b> -               | The KERESA POM maintains ‘complaint form’ and ‘maintenance and repairing report’ for receiving and responding to requests and complaints from employees. For Internal Stakeholder, all the complaint and grievances was record accordingly. No external stakeholders were recorded related on complaint and grievances. Review of the registers found there was no outstanding or unresolved grievance.                                                            | Complied   |
| <b>4.4.2.4</b>        | Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.<br><br>- <b>Minor compliance</b> - | Interview with internal stakeholders found that they are aware of the procedure and no pending issues.                                                                                                                                                                                                                                                                                                                                                             | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                                                                         |                                                                                                                                                                                                                                                                                                            | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Compliance           |                                                                                                                                               |          |
|-----------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|----------|
| 4.4.2.5                                                                                                                                       | Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.<br><br>- <b>Major compliance</b> -                                                                                                                                     | Sighted all internal complaints filled, responded and the records being maintained for the last 24 months and available upon request                                                                                                                                                                                                                                                                                                                                                                     | Complied             |                                                                                                                                               |          |
| <b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development                                                             |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                                                                                                                               |          |
| 4.4.3.1                                                                                                                                       | Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.<br><br>- <b>Minor compliance</b> - | <p>KERESA POM is committed and have contributed to local development. The contribution made to the internal and external stakeholders. As evidence, the management contributions as follow:-</p> <table border="1" data-bbox="1086 850 1839 1031"> <tr> <td>External Stakeholder</td> </tr> <tr> <td>Donation of 4 unit of Water Tank (400 gallon ) to Long House Tr. Ticho amounted RM 2,400 dated on 05.07.2019 as part of CSR activity for 2019</td> </tr> </table>                                   | External Stakeholder | Donation of 4 unit of Water Tank (400 gallon ) to Long House Tr. Ticho amounted RM 2,400 dated on 05.07.2019 as part of CSR activity for 2019 | Complied |
| External Stakeholder                                                                                                                          |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                                                                                                                               |          |
| Donation of 4 unit of Water Tank (400 gallon ) to Long House Tr. Ticho amounted RM 2,400 dated on 05.07.2019 as part of CSR activity for 2019 |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                                                                                                                               |          |
| <b>Criterion 4.4.4:</b> Employees safety and health                                                                                           |                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                      |                                                                                                                                               |          |
| 4.4.4.1                                                                                                                                       | An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.<br><br>- <b>Major compliance</b> -                                           | <p>Keressa Plantation Sdn. Bhd. has established Occupational Safety and Health Policy signed by the Managing Director dated 17/10/2017. In the policy stated the company commitment to ensure and promote the safety work environment for the workers and operations. The policy was communicated through training, briefing and displayed on notice board.</p> <p>The mill has established the Safety, Health and Environment plan FY 2019. The plan cover housing inspection, OSH audit, training,</p> | Complied             |                                                                                                                                               |          |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Compliance      |
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|                       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | workplace inspection, OSH meeting, medical surveillance, audiometric test, LEV etc.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |
| <p><b>4.4.4.2</b></p> | <p>The occupational safety and health plan should cover the following:</p> <ul style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risk of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:               <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> </li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> </ul> | <p>Keresa Plantation Sdn. Bhd. has established Occupational Safety and Health Policy signed by the Managing Director dated 17/10/2017. In the policy stated the company commitment to ensure and promote the safety work environment for the workers and operations. The policy was communicated through training, briefing and displayed on notice board.</p> <p>The estates visited assess risk for all operations and documented in the HIRARC register. The HIRARC was reviewed at minimum of once every 2 year or when accident occur. The mill has established HIRARC review committee. The latest HIRARC review was conducted on 11/7/2019. Risk assessment sampled were at Reception of FFB and grading by Graders, operation of vertical Sterilizer, Boiler and Combustion Engines, Oil clarification station, sampling of CPO, treated water at WTP and effluent discharge, CPO dispatch bay, Kernel Silo and Workshop activities, etc.</p> <p>The estate has provided the training and appropriate PPE for employee expose to chemicals. Latest training was conducted on 12/4/2019.</p> <p>Keresa Mill Sdn. Bhd. has established SOP for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000</p> | <p>Minor NC</p> |

| Criterion / Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Compliance |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept and the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p> | <p>documented in Safe &amp; Standard Operating Procedure for Oil Palm Mill (SSOP) dated January 2011. Refer document no. KP2-5 on Estate upkeep, crop evacuation, chemical and agrochemical management, transportation of workers, utilities management, pest control, highly toxic pesticides, working at height etc.</p> <p>The mill has established Safety and Health Committee lead by the Mill Manager as Committee Chairman. The Chairman has appointed committee member consist of secretary, employer representative and employee representative as per letter signed by the Mill Manager. The committee conducted meeting to discuss on safety and health issue in the estate on monthly basis. Sighted the minutes meeting conducted on 25/7/2019, 28/6/2019 and 29/5/2019. In the meeting discuss on OSH Sharing/Accident report, HSE needs, JKPP 8 review, Workplace inspection, Training and other matters related to OSH.</p> <p>First aid was provided at strategic station in the mill. The item provided in the first aid box as per Prosedur kerja Selamat (1.0): Peti Kecemasan dated 30/11/2018. Latest training was conducted 6/9/2019. Noted during site visit, the first aid box at boiler room, workshop and gasifier plant was adequate. The first aid box inspection was conducted on weekly basis. Sighted the sampled first aid box inspection records for lab, boiler and workshop dated 6/9/2019, 30/8/2019, 24/8/2019 and 17/8/2019.</p> <p>The mill reviewed all accident cases on quarterly basis during safety committee meeting. All accident report was submitted to DOSH i.e JKPP 6 and 7 through MyKKP.</p> |            |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                         |                                                                                                                                                                                                                                                                                                          | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Compliance |
|-----------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                               |                                                                                                                                                                                                                                                                                                          | JKKP 8 was submitted on annually basis. Latest submission for 2018 was submitted on 17/1/2019. However, it was found that the accident record was not include accident occur on 2 May 2018 (Gasifier plant accident).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |            |
| <b>Criterion 4.4.5:</b> Employment conditions |                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |            |
| <b>4.4.5.1</b>                                | <p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p><b>- Major compliance -</b></p>                                                   | <p>The management has established a policy on good social ethics regarding human rights such as Human rights policy dated 30/11/17, Equal Rights Policy dated 1<sup>st</sup> December 2009, Prevention of sexual harassment &amp; domestic violence in the workplace policy dated 1<sup>st</sup> December 2009, freedom of association policy dated 1<sup>st</sup> December 2009, etc. has been signed off by Managing Director of the group.</p> <p>The "KERESA Sustainability Policy" is displayed in notice boards inside the office as well as outside the office. The policy also publicly available through the official website: <a href="http://www.keresacom.my">http://www.keresacom.my</a></p> <p>The policy was communicated by displayed at the strategic location, induction &amp; training, memo and meeting.</p> | Complied   |
| <b>4.4.5.2</b>                                | <p>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, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p> | <p>KERESA Mill Sdn. Bhd. has established Equal Rights Policy, signed by Managing Director dated 1<sup>st</sup> December 2009 to ensure equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics. Inspection of a sample of pay records and interviews of staff and workers at the POM did not identify any issues related to discrimination</p>                                                                                                                                                                                                                                                                                                                                                                      | Complied   |

| Criterion / Indicator                                                                                                                                                                                                                                                                                            | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | Compliance      |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <p><b>4.4.5.3</b> Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p> | <p>There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are above the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. Staff and Workers confirmed this during interview.</p> <p>Sampled Workers checked for August 2019 wages as follows;</p> <ol style="list-style-type: none"> <li>1. Emp. ID:E0691</li> <li>2. Emp. ID:E0675</li> <li>3. Emp. ID:E0830</li> <li>4. Emp. ID:E0825</li> <li>5. Emp. ID:E0826</li> </ol> | <p>Complied</p> |
| <p><b>4.4.5.4</b> Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>                                                            | <p>Finance Department for KERESA Mill Sdn. Bhd. is responsible for arranging contracts for the purchase of goods and services, including those with FFB suppliers. The contract clearly stated that the contractor must strictly follow all applicable national and ratified international laws.</p> <p>Interviews of contractors indicated that they understand their contracts. Further interview with the contractor’s workers found that they were paid at least meeting the minimum wages requirement.</p>                                                                                                      | <p>Complied</p> |
| <p><b>4.4.5.5</b> The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain</p>                                                                                               | <p>KERESA POM has a register of all staff and workers at the premise. The detail includes full name, gender, date of birth, date joined, job</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | <p>Complied</p> |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                                                                                           | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Compliance |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                       | <p>full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>                                                                                                                         | <p>title. The basic wages, copy of passport and permit etc. were maintained in the employee personnel file.</p> <p>Sighted, the registration card being established for all workers. The registration card stated the offered position, wages implied, working hours, OT, allowances, rest day, working on holiday etc.</p>                                                                                                                                                                                                                                                                                                                                                |            |
| <b>4.4.5.6</b>        | <p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p> | <p>There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are above the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker for followings,</p> <ol style="list-style-type: none"> <li>1. Emp. ID:E0691 – Contract Expire : 09.07.2020</li> <li>2. Emp. ID:E0675 – Contract Expire : 09.04.2020</li> <li>3. Emp. ID:E0830 – Contract Expire : 02.07.2021</li> <li>4. Emp. ID:E0825 – Contract Expire : 23.07.2021</li> <li>5. Emp. ID:E0826 – Contract Expire : 23.07.2021</li> </ol> | Complied   |
| <b>4.4.5.7</b>        | <p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p><b>- Major compliance -</b></p>                                                                                  | <p>Working hours is 8 hours. From Saturday to Thursday. KERESA POM has obtained approval from JTK (Sarawak) to increase the overtime maximum 120 hours</p> <p>POM IS using time recoding to record the worker attendance</p>                                                                                                                                                                                                                                                                                                                                                                                                                                               | Complied   |
| <b>4.4.5.8</b>        | <p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p>                        | <p>The working hour and break time has been clearly stated in the Employment Contract.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Complied   |

| Criterion / Indicator |                                                                                                                                                              | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Compliance |        |               |   |               |    |   |               |    |   |               |    |   |               |    |   |               |    |          |
|-----------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------|---------------|---|---------------|----|---|---------------|----|---|---------------|----|---|---------------|----|---|---------------|----|----------|
|                       | - <b>Major compliance</b> -                                                                                                                                  | Sighted in the Contract Agreement the rate of overtime which agreed by both parties.<br><br>There is no complaint received regarding payment or forced to work on overtime during site interview                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |            |        |               |   |               |    |   |               |    |   |               |    |   |               |    |   |               |    |          |
| <b>4.4.5.9</b>        | Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.<br><br>- <b>Major compliance</b> - | Salary slips clearly shows the calculations of gross salary, all deductions and net salary of a worker. Workers interviewed confirmed that they are being paid more than the stipulated minimum wage and that they understand all the deductions being made.<br><br>Documented payslip was distributed to individual workers on the day of payment.<br><br>Sighted payslip for following workers;<br><table border="1" data-bbox="1086 928 1641 1230"> <thead> <tr> <th>No</th> <th>EMP ID</th> <th>Overtime Hour</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Emp. ID:E0691</td> <td>21</td> </tr> <tr> <td>2</td> <td>Emp. ID:E0675</td> <td>27</td> </tr> <tr> <td>3</td> <td>Emp. ID:E0830</td> <td>35</td> </tr> <tr> <td>4</td> <td>Emp. ID:E0825</td> <td>10</td> </tr> <tr> <td>5</td> <td>Emp. ID:E0826</td> <td>30</td> </tr> </tbody> </table><br>Payment to worker is pay by cash during pay day. | No         | EMP ID | Overtime Hour | 1 | Emp. ID:E0691 | 21 | 2 | Emp. ID:E0675 | 27 | 3 | Emp. ID:E0830 | 35 | 4 | Emp. ID:E0825 | 10 | 5 | Emp. ID:E0826 | 30 | Complied |
| No                    | EMP ID                                                                                                                                                       | Overtime Hour                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |            |        |               |   |               |    |   |               |    |   |               |    |   |               |    |   |               |    |          |
| 1                     | Emp. ID:E0691                                                                                                                                                | 21                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |        |               |   |               |    |   |               |    |   |               |    |   |               |    |   |               |    |          |
| 2                     | Emp. ID:E0675                                                                                                                                                | 27                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |        |               |   |               |    |   |               |    |   |               |    |   |               |    |   |               |    |          |
| 3                     | Emp. ID:E0830                                                                                                                                                | 35                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |        |               |   |               |    |   |               |    |   |               |    |   |               |    |   |               |    |          |
| 4                     | Emp. ID:E0825                                                                                                                                                | 10                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |        |               |   |               |    |   |               |    |   |               |    |   |               |    |   |               |    |          |
| 5                     | Emp. ID:E0826                                                                                                                                                | 30                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |        |               |   |               |    |   |               |    |   |               |    |   |               |    |   |               |    |          |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | Compliance      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <p><b>4.4.5.10</b> Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p><b>- Minor compliance -</b></p>                                                                                                                                                                                                                  | <p>Interviews of local and foreign workers indicated satisfaction with the standard of housing and facilities. Electricity and water are provided without charges. Health Clinic has been provided for the employees and family members with free treatment.</p> <p>Outturn incentive for daily attendance on the muster and incentive of contract extension for foreign workers if they renew for three year and above. Local employees has yearly bonus based on personal performance</p> | <p>Complied</p> |
| <p><b>4.4.5.11</b> In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.</p> <p><b>- Major compliance -</b></p>                                                                                                                                                                                                                                                                                                                                                               | <p>Residents at all company housing have access to facilities established by the company, such as health clinic, sports field, crèche, and places of worship.</p>                                                                                                                                                                                                                                                                                                                           | <p>Complied</p> |
| <p><b>4.4.5.12</b> The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>                                                                                                                                                                                                                                                                                                                                                                              | <p>KERESA Mill Sdn. Bhd. has established prevention of sexual harassment &amp; domestic violence in the workplace policy signed by Managing Director dated 1<sup>st</sup> December 2009 and displayed at strategic location. Interviews of internal and external stakeholders confirmed awareness and understanding of the Policy.</p>                                                                                                                                                      | <p>Complied</p> |
| <p><b>4.4.5.13</b> The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> | <p>KERESA Mill Sdn. Bhd. has established Freedom of Association Policy signed by Managing Director dated 1<sup>st</sup> December 2009 and displayed at strategic location. Interviews of internal and external stakeholders confirmed awareness and understanding of the Policy.</p> <p>Interviews of staff and workers confirmed both POM supports freedom of association. At POM there is a local committee made up of workers representatives elected by workers. JCC meeting has</p>    | <p>Complied</p> |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                           |                                                                                                                                                                                                                            | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Compliance |
|-------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                 | - Major compliance -                                                                                                                                                                                                       | <p>been conducted for the internal stakeholder with the company management staffs. The last meeting for were conducted on 3<sup>rd</sup> July 2019 at SUJAN Office, Chaired by En. Thilaganathan, Senior Manager Sustainability &amp; Estate Operations. Interview of Staff and Workers also confirmed their awareness of freedom of association but there was no worker unions being formed at the moment.</p> <p>Session with Long House Leader@ Tuai Rumah and smallholders was carried out on 24<sup>th</sup> July 2019. The purpose of meeting is to discuss about MSPO implementation and problem arise at Long House.</p> |            |
| 4.4.5.14                                        | <p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p>- Major compliance -</p>                                                 | <p>Inspection of a sample of personnel files at the POM office confirmed recruits' ages were checked against their Identity Card for Malaysian workers or their passport in the case of foreign workers. Under-age persons were not observed at any of the work locations visited.</p> <p>The company has established and implemented minimum age policy and no children below ages of 18 working in the POM and this was proven through checking the list of employees as well as their biodata and through POM visits</p>                                                                                                      | Complied   |
| <b>Criterion 4.4.6: Training and competency</b> |                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |            |
| 4.4.6.1                                         | <p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p>- Major compliance -</p> | <p>The mill has established training program for all management, workers and contractors base on the training need analysis conducted ad documented in Annual Training Schedule for Keresa Mill FY 2019. Sighted the sampled training conducted as follows:</p>                                                                                                                                                                                                                                                                                                                                                                  | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                       |                                                                                                                                                                                                                                                                               | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Compliance |
|---------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                                                             |                                                                                                                                                                                                                                                                               | i. 1 <sup>st</sup> Aid training dated 6/9/2019<br>ii. SOP for shovel loader training dated 15/8/2019<br>iii. SOP for dispatch station training dated 13/8/2019<br>iv. RSPO and MSPO briefing dated 13/8/2019<br>v. SOP and HIRARC for boiler station training dated 2/7/2019<br>vi. Safety work procedure for boiler training dated 18/5/2019<br>vii. SOP and HIRARC for EFB press station training dated 2/7/2019<br>viii. SOP and HIRARC for oil room training dated 2/7/2019<br>ix. SOP for water treatment plant training dated 22/4/2019 |            |
| <b>4.4.6.2</b>                                                                              | Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.<br><b>- Major compliance -</b> | The mill has conducted the training need analysis to determine the training requirement for all the management, workers and contractors. The training need analysis was conducted base on training type and workers job type. From the analysis, 19 training was determined and programmed throughout the year.                                                                                                                                                                                                                               | Complied   |
| <b>4.4.6.3</b>                                                                              | A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.<br><b>- Minor compliance -</b>                                    | Continuous training program is planned and implemented covering all employees and contractors as per the documented training procedure.                                                                                                                                                                                                                                                                                                                                                                                                       | Complied   |
| <b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b> |                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |            |

| Criterion / Indicator                                 | Assessment Findings                                                                                                                                                                                                | Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |          |
|-------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>Criterion 4.5.1:</b> Environmental Management Plan |                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |          |
| <b>4.5.1.1</b>                                        | An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.<br><b>- Major compliance -</b> | Keresa Mill Sdn. Bhd. has established Environmental Policy signed by the Managing Director dated 27/12/2016. In the policy stated the company commitment to ensure and promote clean environment for all its employee and operations. The policy was communicated to all workers through briefing and displayed on the notice board.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Complied |
| <b>4.5.1.2</b>                                        | The environmental management plan shall cover the following:<br>a) An environmental policy and objectives;<br>b) The aspects and impacts analysis of all operations<br><b>- Major compliance -</b>                 | The mill has conducted the aspects and impacts analysis of all operations and documented in Risk Assessment control and Environmental Aspect/Impact. Latest review was conducted on 9/2/2018 to include the gasifier plant operation.<br><br>The mill has established the environmental management plan and documented in Significant Impact Register List and Environmental Management Plan 2019. Sighted the implementation of the management plan as follows:<br><br>i. Sighted during site visit at the perimeter drain, oil trap was install at every final discharge. Sighted the Oil trap no. 1 and 3, there no evidence of contaminated water been discharge into the field drain.<br><br>ii. River water analysis was conducted on monthly basis and the report was submitted to DOE on quarterly basis through Quarterly Return Form. Sighted the report for first and second quarter of 2019. | Complied |

**MSPO Public Summary Report  
Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                                                       | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                        | Compliance |
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| <b>4.5.1.3</b>        | An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.<br><b>- Major compliance -</b>                                                    | The mill has established the environmental management plan and documented in Significant Impact Register List and Environmental Management Plan 2019.                                                                                                                                                                                                                                      | Complied   |
| <b>4.5.1.4</b>        | A programme to promote the positive impacts should be included in the continual improvement plan.<br><b>- Minor compliance -</b>                                                                                                      | The mill has established program to promote the positive impacts and documented in Environmental Budgeting FY 2019. Sampled program to promote positive impact as follows:<br>i. Air pollution control system – maintenance and upgrade<br>a. stack and environmental testing<br>b. CEMS<br>ii. Effluent treatment system<br>a. testing effluent system<br>b. ESP System<br>c. PM Analyzer | Complied   |
| <b>4.5.1.5</b>        | An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.<br><b>- Major compliance -</b> | The mill continuously provided awareness training to all employee on environmental policy, objectives and management plan as per training plan established.                                                                                                                                                                                                                                | Complied   |
| <b>4.5.1.6</b>        | The management shall organize regular meetings with workers where concerns of workers about the environmental quality are                                                                                                             | The mill has established the Environmental Regulatory Compliance Monitoring Committee. The committee conducted meeting to                                                                                                                                                                                                                                                                  | Complied   |

| Criterion / Indicator                                                        |                                                                                                                                                                                                                                                                                                                                                         | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Compliance |              |     |      |     |      |     |      |     |      |     |      |     |      |     |      |          |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|--------------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|------|----------|
|                                                                              | discussed.<br>- <b>Major compliance</b> -                                                                                                                                                                                                                                                                                                               | discuss matters related to the environmental issue on quarterly basis. Sighted the minutes for meeting conducted on 26/5/2019 and 14/2/2019.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |            |              |     |      |     |      |     |      |     |      |     |      |     |      |     |      |          |
| <b>Criterion 4.5.2:</b> Efficiency of energy use and use of renewable energy |                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |              |     |      |     |      |     |      |     |      |     |      |     |      |     |      |          |
| <b>4.5.2.1</b>                                                               | Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period<br><br>- <b>Major compliance</b> - | <p>The Mill maintains records of energy usage, which is recorded monthly. The use of the steam turbine for electricity generation has been optimized in order to reduce the dependence on diesel fossil fuel. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the sampled monitoring records for diesel usage/MT FFB processed FY 2019 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Diesel Usage</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>0.43</td> </tr> <tr> <td>Feb</td> <td>0.75</td> </tr> <tr> <td>Mar</td> <td>0.48</td> </tr> <tr> <td>Apr</td> <td>0.43</td> </tr> <tr> <td>May</td> <td>0.19</td> </tr> <tr> <td>Jun</td> <td>0.45</td> </tr> <tr> <td>Jul</td> <td>0.31</td> </tr> </tbody> </table> | Month      | Diesel Usage | Jan | 0.43 | Feb | 0.75 | Mar | 0.48 | Apr | 0.43 | May | 0.19 | Jun | 0.45 | Jul | 0.31 | Complied |
| Month                                                                        | Diesel Usage                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |              |     |      |     |      |     |      |     |      |     |      |     |      |     |      |          |
| Jan                                                                          | 0.43                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |              |     |      |     |      |     |      |     |      |     |      |     |      |     |      |          |
| Feb                                                                          | 0.75                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |              |     |      |     |      |     |      |     |      |     |      |     |      |     |      |          |
| Mar                                                                          | 0.48                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |              |     |      |     |      |     |      |     |      |     |      |     |      |     |      |          |
| Apr                                                                          | 0.43                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |              |     |      |     |      |     |      |     |      |     |      |     |      |     |      |          |
| May                                                                          | 0.19                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |              |     |      |     |      |     |      |     |      |     |      |     |      |     |      |          |
| Jun                                                                          | 0.45                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |              |     |      |     |      |     |      |     |      |     |      |     |      |     |      |          |
| Jul                                                                          | 0.31                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |            |              |     |      |     |      |     |      |     |      |     |      |     |      |     |      |          |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                                                                                                                                             | Assessment Findings                                                                                                                                              |                             | Compliance |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|------------|
|                       |                                                                                                                                                                                                                                                                                                                             | Aug                                                                                                                                                              | 0.24                        |            |
|                       |                                                                                                                                                                                                                                                                                                                             | Average diesel consumption FY 2018 recorded at 0.62 L/ton FFB processed.                                                                                         |                             |            |
| <b>4.5.2.2</b>        | The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.<br><b>- Major compliance -</b> | The mill estimate the usage of non-renewable energy (diesel) for genset and mobile machineries in annual budget as sighted in Keresa Mill Annual Budget FY 2019. |                             | Complied   |
| <b>4.5.2.3</b>        | The use of renewable energy should be applied where possible.<br><b>- Minor compliance -</b>                                                                                                                                                                                                                                | The mill use the shell and fiber as boiler fuel. Sighted the records of renewable energy usage FY 2019 as follows:                                               |                             | Complied   |
|                       |                                                                                                                                                                                                                                                                                                                             | Month                                                                                                                                                            | Fiber and Shell Consumption |            |
|                       |                                                                                                                                                                                                                                                                                                                             | Jan                                                                                                                                                              | 4196.15                     |            |
|                       |                                                                                                                                                                                                                                                                                                                             | Feb                                                                                                                                                              | 3775.30                     |            |
|                       |                                                                                                                                                                                                                                                                                                                             | Mar                                                                                                                                                              | 3493.66                     |            |
|                       |                                                                                                                                                                                                                                                                                                                             | Apr                                                                                                                                                              | 4606.94                     |            |
|                       |                                                                                                                                                                                                                                                                                                                             | May                                                                                                                                                              | 4529.92                     |            |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                                                                                                |                                                                                                                                                                                     | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |          | Compliance                                                                                                                                                           |                                                                                                                                                                                     |          |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
|                                                                                                                                                                      |                                                                                                                                                                                     | Jun                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 3995.74  |                                                                                                                                                                      |                                                                                                                                                                                     |          |
|                                                                                                                                                                      |                                                                                                                                                                                     | Jul                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 4404.03  |                                                                                                                                                                      |                                                                                                                                                                                     |          |
|                                                                                                                                                                      |                                                                                                                                                                                     | Aug                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 5352..17 |                                                                                                                                                                      |                                                                                                                                                                                     |          |
| <b>Criterion 4.5.3: Waste management and disposal</b>                                                                                                                |                                                                                                                                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                      |                                                                                                                                                                                     |          |
| <b>4.5.3.1</b>                                                                                                                                                       | All waste products and sources of pollution shall be identified and documented.<br><br>- <b>Major compliance</b> -                                                                  | <p>The mill has identified the waste products and source pollution documented in Waste Register and Management. Waste Management Plan has been established as per waste identified. The waste has been identified as follows</p> <table border="1"> <tr> <td>                     Mill Plant<br/>                     i. EFB<br/>                     ii. Shell<br/>                     iii. Fibre<br/>                     iv. Decanter solid<br/>                     v. Boiler Ash<br/>                     vi. Waste oils, lubricants<br/>                     Mill Chemical labs<br/>                     i. Chemical containers                 </td> <td>                     Water treatment plant<br/>                     i. chemical solution and solvents<br/>                     ii. chemical containers<br/>                     Workshop<br/>                     i. Filters<br/>                     ii. Lubricant<br/>                     iii. Battery<br/>                     iv. Rags and gloves<br/>                     v. Tyres                 </td> </tr> </table> |          | Mill Plant<br>i. EFB<br>ii. Shell<br>iii. Fibre<br>iv. Decanter solid<br>v. Boiler Ash<br>vi. Waste oils, lubricants<br>Mill Chemical labs<br>i. Chemical containers | Water treatment plant<br>i. chemical solution and solvents<br>ii. chemical containers<br>Workshop<br>i. Filters<br>ii. Lubricant<br>iii. Battery<br>iv. Rags and gloves<br>v. Tyres | Complied |
| Mill Plant<br>i. EFB<br>ii. Shell<br>iii. Fibre<br>iv. Decanter solid<br>v. Boiler Ash<br>vi. Waste oils, lubricants<br>Mill Chemical labs<br>i. Chemical containers | Water treatment plant<br>i. chemical solution and solvents<br>ii. chemical containers<br>Workshop<br>i. Filters<br>ii. Lubricant<br>iii. Battery<br>iv. Rags and gloves<br>v. Tyres |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |          |                                                                                                                                                                      |                                                                                                                                                                                     |          |

| Criterion / Indicator |                                                                                                                                                                                                                                                                                                                                                                                             | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                     |                                                                                                                                                                                                                  | Compliance |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                       |                                                                                                                                                                                                                                                                                                                                                                                             | ii. chemical solution and solvents<br>Store Chemicals<br>i. Chemical containers<br>ii. Cardboard boxes<br>Store fertilizers<br>i. Fertilizers bags<br>Genset room<br>i. Filters<br>ii. Lubricant<br>iii. Battery<br>iv. Rags and gloves                                                                                                                                                 | vi. Scrap iron<br>vii. chemical solution and solvents<br>viii. chemical containers<br>Construction sites<br>i. Wood<br>ii. Cement debris<br>Lineste<br>i. Sewage<br>ii. Greywater<br>Clinic<br>i. Clinical waste |            |
| <b>4.5.3.2</b>        | <p>A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <p>a) Identifying and monitoring sources of waste and pollution.</p> <p>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</p> <p><b>- Major compliance -</b></p> | <p>The mill has established waste management plan documented in Baseline Pollution Identification base on the waste and source of pollution identified.</p> <p>Sighted the sample of implementation of the management plan as follows:</p> <p>i. Scheduled Waste Disposal</p> <p>a. 11/3/2019, SW 430, C/N no 2019031316N635ED</p> <p>b. 11/3/2019, SW 306, C/N no 2019031316W24HM7</p> |                                                                                                                                                                                                                  | Minor NC   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                                                                                                                                                                                                                                                                                                                                                                                                                       | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Compliance      |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
|                                                                                                                                                                                                                                                                                                                                                                                                                                                             | <p>c. 11/3/2019, SW 410, C/N no 20190313162YFP1J</p> <p>Noted during document review in the scheduled waste inventory records, the latest SW disposal was done on 11/3/2019. The first generation of SW 305 was on 17/3/2019 and yet to be disposed until the audit conducted which is more than 180 days without any evidence of notification or approval letter from DOE.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                 |
| <p><b>4.5.3.3</b> The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></p> | <p>SOP for scheduled waste dated 15/10/2009 was established. For scheduled wastes, the handling was done according to the legal requirement where a scheduled waste store was constructed in each operating unit for storage.</p> <p>The mill also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Observed during workers interview with storekeeper shows the understanding the proper disposal for waste as all used lubricant and contaminated spill kit will be collected as Scheduled Waste and stored in designated storage area.</p> <p>All the records were found adequate as per required by EQ (Scheduled Waste) Regulations 2005.</p> | <p>Complied</p> |
| <p><b>4.5.3.4</b> Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.</p> <p><b>- Minor compliance -</b></p>                                                                                                                                                                                                                                                                                | <p>Method of handling the domestic/general wastes are segregation at the collection point from offices and housing area before being disposed through Sujan estate landfill.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | <p>Complied</p> |

| Criterion / Indicator                                       | Assessment Findings                                                                                                                                                                                                      | Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                 |
|-------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|
| <b>Criterion 4.5.4:</b> Reduction of pollution and emission |                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                 |
| <b>4.5.4.1</b>                                              | <p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p> | <p>Based on the assessment of all polluting activities as of the Environment Aspect and Impact assessment (KM 4-1 Baseline Waste ID), identified source was boiler chimney. Current monitoring was through online boiler smoke density and alarm and six-monthly boiler stack monitoring of dust particulate.</p> <p>Sampled stack sampling conducted as follows:</p> <p>1<sup>st</sup> Quarter 2019<br/>           Report date: 23/1/2019<br/>           Report ref. no.: KMSB/ST-B2/2019/1<br/>           Result: 373 mg/m<sup>3</sup> vs 150 mg/m<sup>3</sup> (contradiction licensed has been approved by DOE)</p> <p>2<sup>nd</sup> Quarter 2018<br/>           Report date: 21/8/2018<br/>           Report ref. no.: KMSB/ST-B1&amp;2/2018/2<br/>           Result: 357 mg/m<sup>3</sup> vs 400 mg/m<sup>3</sup> (B1) &amp; 359 mg/m<sup>3</sup> vs 400 mg/m<sup>3</sup> (B2)</p> <p>1<sup>st</sup> Quarter 2018<br/>           Report date: 4/4/2018<br/>           Report ref. no.: KMSB/ST-B1/2018/01<br/>           Result: 390 mg/m<sup>3</sup> vs 400 mg/m<sup>3</sup> (B1)</p> | <p>Complied</p> |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator |                                                                                                                                                                                                                                                                                                                                                                     | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Compliance |     |     |     |    |      |      |      |     |       |       |       |          |       |       |       |          |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----|-----|-----|----|------|------|------|-----|-------|-------|-------|----------|-------|-------|-------|----------|
| 4.5.4.2               | <p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p><b>- Major compliance -</b></p>                                                                                                                                                                                                            | <p>Based on KM 4-1 Baseline Waste ID, main source of significant pollutants and greenhouse gas (GHG) identified was methane (CH4) emission through POME treatment. The company are in process of obtaining proposals to construct methane capture facilities in POME treatment pond.</p> <p>Other less significant GHG emissions identified including COx, Sox and NOx from various sources including fossil fuel, chemical and fertilizer consumptions.</p>                                                                                                                                                                                                                                                     | Complied   |     |     |     |    |      |      |      |     |       |       |       |          |       |       |       |          |
| 4.5.4.3               | <p>Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p><b>- Major compliance -</b></p> | <p>Treated POME discharge was regularly monitored as prescribed under "Jadual Pematuhan". Limit of Biochemical Oxygen Demand (BOD) discharge is 20 mg/l. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.</p> <p>Sighted the quarterly return form as follows:</p> <p>1<sup>st</sup> quater</p> <table border="1"> <thead> <tr> <th></th> <th>Jan</th> <th>Feb</th> <th>Mar</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>8.40</td> <td>8.50</td> <td>8.40</td> </tr> <tr> <td>BOD</td> <td>20.00</td> <td>24.00</td> <td>20.00</td> </tr> <tr> <td>S. Solid</td> <td>22.00</td> <td>36.00</td> <td>22.00</td> </tr> </tbody> </table> |            | Jan | Feb | Mar | pH | 8.40 | 8.50 | 8.40 | BOD | 20.00 | 24.00 | 20.00 | S. Solid | 22.00 | 36.00 | 22.00 | Complied |
|                       | Jan                                                                                                                                                                                                                                                                                                                                                                 | Feb                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Mar        |     |     |     |    |      |      |      |     |       |       |       |          |       |       |       |          |
| pH                    | 8.40                                                                                                                                                                                                                                                                                                                                                                | 8.50                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 8.40       |     |     |     |    |      |      |      |     |       |       |       |          |       |       |       |          |
| BOD                   | 20.00                                                                                                                                                                                                                                                                                                                                                               | 24.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 20.00      |     |     |     |    |      |      |      |     |       |       |       |          |       |       |       |          |
| S. Solid              | 22.00                                                                                                                                                                                                                                                                                                                                                               | 36.00                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 22.00      |     |     |     |    |      |      |      |     |       |       |       |          |       |       |       |          |

| Criterion / Indicator                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                   |       |       | Compliance |
|-------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------|-------|------------|
|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 2 <sup>nd</sup> quarter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                   |       |       |            |
|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Apr               | May   | Jun   |            |
|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | pH                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 8.60              | 8.40  | 8.50  |            |
|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | BOD                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | 12.00             | 16.00 | 16.00 |            |
|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | S. Solid                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | 32.00             | 13.00 | 22.00 |            |
| <b>Criterion 4.5.5:</b> Natural water resources |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                   |       |       |            |
| <b>4.5.5.1</b>                                  | <p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> <ul style="list-style-type: none"> <li>a) Assessment of water usage and sources.</li> <li>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</li> <li>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</li> </ul> <p><b>- Major compliance -</b></p> | <p>Keresa Plantations Sdn Bhd has established and documented the water management plan in Keresa Mill Sdn Bhd Water Management Plan (WMP) dated 20/07/2017. The management plan include specific parameters for WMP to promote efficient use of water and meet water conservation requirements under Sarawak Water Resource Enactment 1998 and Interim National Water Standards for Malaysia.</p> <p>Water consumption for firefighting, housing, boiler and mill was monitored monthly basis. Sighted the Water consumption FY 2019 as follows:</p> | Complied          |       |       |            |
|                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Month                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | Water Consumption |       |       |            |

| Criterion / Indicator |  | Assessment Findings                                                                                                                               |              |                |              | Compliance     |              |                |
|-----------------------|--|---------------------------------------------------------------------------------------------------------------------------------------------------|--------------|----------------|--------------|----------------|--------------|----------------|
|                       |  | Jan                                                                                                                                               | 1.35         |                |              |                |              |                |
|                       |  | Feb                                                                                                                                               | 1.60         |                |              |                |              |                |
|                       |  | Mar                                                                                                                                               | 1.80         |                |              |                |              |                |
|                       |  | Apr                                                                                                                                               | 1.49         |                |              |                |              |                |
|                       |  | May                                                                                                                                               | 1.65         |                |              |                |              |                |
|                       |  | Jun                                                                                                                                               | 1.61         |                |              |                |              |                |
|                       |  | Jul                                                                                                                                               | 1.59         |                |              |                |              |                |
|                       |  | Aug                                                                                                                                               | 1.54         |                |              |                |              |                |
|                       |  | <p>The mill monitored water quality at Sg. Sujan on monthly basis by conducting water analysis. Sighted the water analysis record as follows:</p> |              |                |              |                |              |                |
|                       |  |                                                                                                                                                   | pH           |                | BOD          |                | COD          |                |
|                       |  |                                                                                                                                                   | Upstre<br>am | Downs<br>tream | Upstre<br>am | Downs<br>tream | Upstre<br>am | Downs<br>tream |
|                       |  | Jun                                                                                                                                               | 7.2          | 5.3            | 3.2          | 2.0            | 25           | 10             |

| Criterion / Indicator                   |                                                                                                                                                                                                                 | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |     |     |      |     |    | Compliance |  |
|-----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|-----|------|-----|----|------------|--|
|                                         |                                                                                                                                                                                                                 | Jul                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 5.9 | 8.5 | <2.0 | 4.3 | 8  | 100        |  |
|                                         |                                                                                                                                                                                                                 | Aug                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 6.6 | 8.4 | <2.0 | 7.0 | 10 | 170        |  |
| <b>4.5.5.2</b>                          | Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.<br><br>- <b>Major compliance</b> - | Treated POME discharge was regularly monitored as prescribed under "Jadual Pematuhan". Limit of Biochemical Oxygen Demand (BOD) discharge is 20 mg/l. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.                                                                                                                                                                                                                                                    |     |     |      |     |    | Complied   |  |
| <b>4.6 Principle 6: Best Practices</b>  |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |     |      |     |    |            |  |
| <b>Criterion 4.6.1: Mill Management</b> |                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |     |     |      |     |    |            |  |
| <b>4.6.1.1</b>                          | Standard operating procedures shall be appropriately documented and consistently implemented and monitored.<br><br>- <b>Major compliance</b> -                                                                  | Kerasa Mill has established a system for monitoring and control of best practice implementation. This includes the programme of regular internal audits by Mill Advisory, TQM and Inspectors for maintaining and improving the production.<br><br>SOP for Kerasa Plantation – January 2011(KP 2-5) & Safe Working Procedure for mill operation – established 17/10/12, rev1/2012. Consist of:<br><br>i. FFB Reception Station<br><br>ii. Steriliser Station<br><br>iii. Press Station<br><br>iv. CPO & PK despatch<br><br>v. ETP |     |     |      |     |    | Complied   |  |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                         |                                                                                                                                                                                                  | Assessment Findings                                                                                                                                                                                                                                                                                                                                                                                                          | Compliance |
|---------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
|                                                               |                                                                                                                                                                                                  | vi. EFB management<br>vii. Security and safety<br>viii. Store and offices<br>ix. Workshop<br>x. Boiler Station<br>xi. Tractor/shovel and forklift<br>xii. Hydrant pump<br>xiii. Electrical work                                                                                                                                                                                                                              |            |
| <b>4.6.1.2</b>                                                | All palm oil mills shall implement best practices.<br>- <b>Major compliance</b> -                                                                                                                | External Mill Advisor and TQM department inspect and report on the operations on annual basis. The on-site managers develop Action Plans from the Advisory Reports for improvement of the operations. Review of Advisory Reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs. This to ensure that performance is on track and best practices being consistently implemented.   | Complied   |
| <b>Criterion 4.6.2:</b> Economic and financial viability plan |                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                              |            |
| <b>4.6.2.1</b>                                                | A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.<br>- <b>Major compliance</b> - | Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. The business plan contains FFB yield, CPO, OER, and KER, costs of production, milling utilization, FFB pricing etc. It also includes environment, social (workers and staffs welfare), and health and safety component and associated capital expenditure for improvement of smallholder schemes. | Complied   |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Criterion / Indicator                                      | Assessment Findings                                                                                                                                                                           | Compliance                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |
|------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|
| <b>Criterion 4.6.3:</b> Transparent and fair price dealing |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          |
| <b>4.6.3.1</b>                                             | Pricing mechanisms for the products and other services shall be documented and effectively implemented.<br><b>- Major compliance -</b>                                                        | The pricing method has been clearly stated in the contract and contractors are explained on the term of contracts prior to the signing of contract.<br><br>Sample contract and payment record verification together with interviews of POM management found that the payments has been made as per contract.                                                                                                                                    | Complied |
| <b>4.6.3.2</b>                                             | All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.<br><b>- Major compliance -</b>                                                         | Sample contract and payment record verification together with interviews of POM management found that the payments has been made as per contract.<br><br>For KERESA POM, Sampled Contractor (Y.L.L Co. Sdn. Bhd). Refer to tax invoice; No : LSI-KER310719 dated on 31 July 2019. Payment has been made on 10 <sup>th</sup> September 2019 through RHB IBG RPV 0588/19                                                                          | Complied |
| <b>Criterion 4.6.4:</b> Contractor                         |                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                 |          |
| <b>4.6.4.1</b>                                             | In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information.<br><b>- Major compliance -</b> | KERESA POM has initiated the MSPO awareness to all its contractors. Latest MSPO awareness briefing to contractors was conducted on 10 <sup>th</sup> September 2019 by TQM Team. Interview with the contractors found that they understand on the MSPO requirements.<br><br>All the contractors aware that POM is certified under MSPO. Therefore, the contractor has been instructed by POM management to follow the MSPO standard requirement. | Complied |



**Section 4: Assessment Conclusion and Recommendation**

**Section 4: Assessment Conclusion and Recommendation**

| <b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| Based on the findings during the assessment Keresas Palm Oil Mill, Sujan Estate and Jiba Estate Certification Unit complies with the MS 2530 - 3:2013 Malaysian Sustainable Palm Oil (MSPO) Part 3: General principles for oil palm plantations and organized smallholder, MS 2530-4:2013 Part 4: General principles for palm oil mills. It is recommended that the certification of Keresas Palm Oil Mill, Sujan Estate and Jiba Estate Certification Unit is approved and/or continued. |                                                                                                           |
| <b>Acknowledgement of Assessment Findings</b>                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Report Prepared by</b>                                                                                 |
| <b>Name:</b><br>Thilaganathan A/L Karunakaran                                                                                                                                                                                                                                                                                                                                                                                                                                             | <b>Name:</b><br>Muhammad Fadzli Masran                                                                    |
| <b>Company name:</b><br>Keresas Plantations Sdn Bhd                                                                                                                                                                                                                                                                                                                                                                                                                                       | <b>Company name:</b><br>BSI Services Malaysia Sdn. Bhd.                                                   |
| <b>Title:</b><br>Assistant General Manager-Operations & Sustainability                                                                                                                                                                                                                                                                                                                                                                                                                    | <b>Title:</b><br>Client Manager                                                                           |
| <b>Signature:</b><br>                                                                                                                                                                                                                                                                                                                                                                                  | <b>Signature:</b><br> |
| <b>Date:</b> 13/11/2019                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Date:</b> 12/11/2019                                                                                   |

**Appendix A: Assessment Plan**

| Date                    | Time          | Subjects                                                                                                                                                                                                                                                                                                                                                                                                     | MFM | RB |
|-------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
| Monday<br>16/09/2019    | PM            | Audit Team Travelling from KL - Bintulu                                                                                                                                                                                                                                                                                                                                                                      | √   | √  |
| Tuesday<br>17/09/2019   | 08.30 – 09.00 | Opening Meeting: <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit plan</li> </ul>                                                                                                                                                                                                                              | √   | √  |
| Jiba Estate             | 09.00 – 12.30 | Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.                                                                                                             | √   | √  |
|                         | 10.00 – 12.30 | Stakeholder consultations (Combine for mill and estates): Consultation with relevant stakeholders which consists of various categories such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighboring estates, smallholders, villages, workers representative, etc.), etc.                                                                                    |     | √  |
|                         | 12.30 – 13.30 | Lunch                                                                                                                                                                                                                                                                                                                                                                                                        | √   | √  |
|                         | 13.30 – 16.30 | Continue with document review<br>Document review P1 – P6 (MSPO part 3),<br>P1: Management commitment and responsibility<br>P2: Transparency<br>P3: Compliance to legal requirement<br>P4: Social responsibility, health safety and employment condition,<br>P5: Environment, natural resources, biodiversity and ecosystem services and<br>P6 : Best practices,<br>P7: Development of New Planting (if any ) | √   | √  |
|                         | 16.30 - 17.00 | Interim Closing briefing.                                                                                                                                                                                                                                                                                                                                                                                    | √   | √  |
| Wednesday<br>18/09/2019 | 08.30 – 12.30 | Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.                                                                                                | √   | √  |
| Keresa POM              | 12.30 – 13.30 | Lunch                                                                                                                                                                                                                                                                                                                                                                                                        | √   | √  |

**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**

| Date                                       | Time          | Subjects                                                                                                                                                                                                                                                                                                                                                                                                     | MFM | RB |
|--------------------------------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----|----|
|                                            | 13.30 – 16.30 | Continue with document review (MSPO part 4)<br>P1: Management commitment and responsibility<br>P2: Transparency<br>P3: Compliance to legal requirement<br>P4: Social responsibility, health safety and employment condition<br>P5: Environment, natural resources, biodiversity and ecosystem services<br>P6 : Best practices                                                                                | √   | √  |
|                                            | 16.30 - 17.00 | Interim Closing briefing.                                                                                                                                                                                                                                                                                                                                                                                    | √   | √  |
| Thursday<br>19/09/2019<br><br>Sujan Estate | 09.00 – 12.30 | Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc.), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.                                                                                                             | √   | √  |
|                                            | 12.30 – 13.30 | Lunch                                                                                                                                                                                                                                                                                                                                                                                                        | √   | √  |
|                                            | 13.30 – 16.30 | Continue with document review<br>Document review P1 – P6 (MSPO part 3),<br>P1: Management commitment and responsibility<br>P2: Transparency<br>P3: Compliance to legal requirement<br>P4: Social responsibility, health safety and employment condition,<br>P5: Environment, natural resources, biodiversity and ecosystem services and<br>P6 : Best practices,<br>P7: Development of New Planting (if any ) | √   | √  |
|                                            | 16.30 - 17.00 | Interim Closing briefing.                                                                                                                                                                                                                                                                                                                                                                                    | √   | √  |
| Friday<br>20/09/2019<br><br>Keresas POM    | 08.30 – 11.30 | MSPO Supply Chain                                                                                                                                                                                                                                                                                                                                                                                            | √   | -  |
|                                            | 11.30 – 12.00 | Preparation of audit report                                                                                                                                                                                                                                                                                                                                                                                  | √   | -  |
|                                            | 12.00 – 12.30 | Closing Meeting                                                                                                                                                                                                                                                                                                                                                                                              | √   | -  |
|                                            | 12.30         | Audit team travels to Bintulu Airport                                                                                                                                                                                                                                                                                                                                                                        | √   | -  |

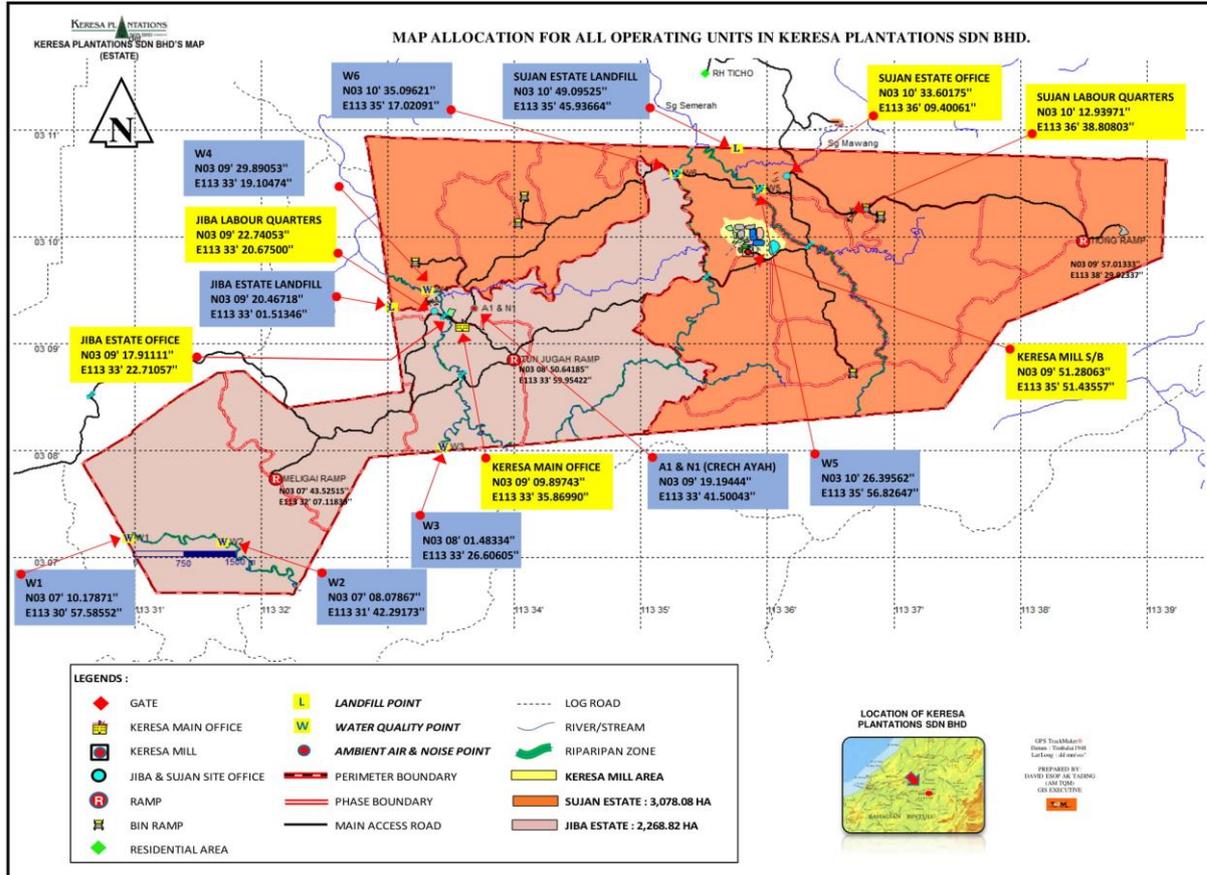
**Appendix B: List of Stakeholders Contacted**

| <b>List of Stakeholders Contacted</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><b>Internal Stakeholders</b></p> <ul style="list-style-type: none"> <li>Estate managers</li> <li>Mill engineer</li> <li>Supervisors, Staff &amp; Clerks</li> <li>Mill local &amp; foreign workers (process, workshop, etc.)</li> <li>Estate local &amp; foreign workers (harvesters, sprayers, etc.)</li> <li>Local workers representatives</li> <li>Foreign workers representatives</li> <li>Gender committee representative</li> <li>Crèche minder</li> <li>Estate Hospital Assistant</li> </ul> | <p><b>Union/Contractors/Local Communities</b></p> <ul style="list-style-type: none"> <li>Smallholders (FFB Suppliers)</li> <li>Contractors</li> <li>Suppliers</li> </ul> |
| <p><b>Government Departments</b></p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <p><b>NGO</b></p>                                                                                                                                                        |

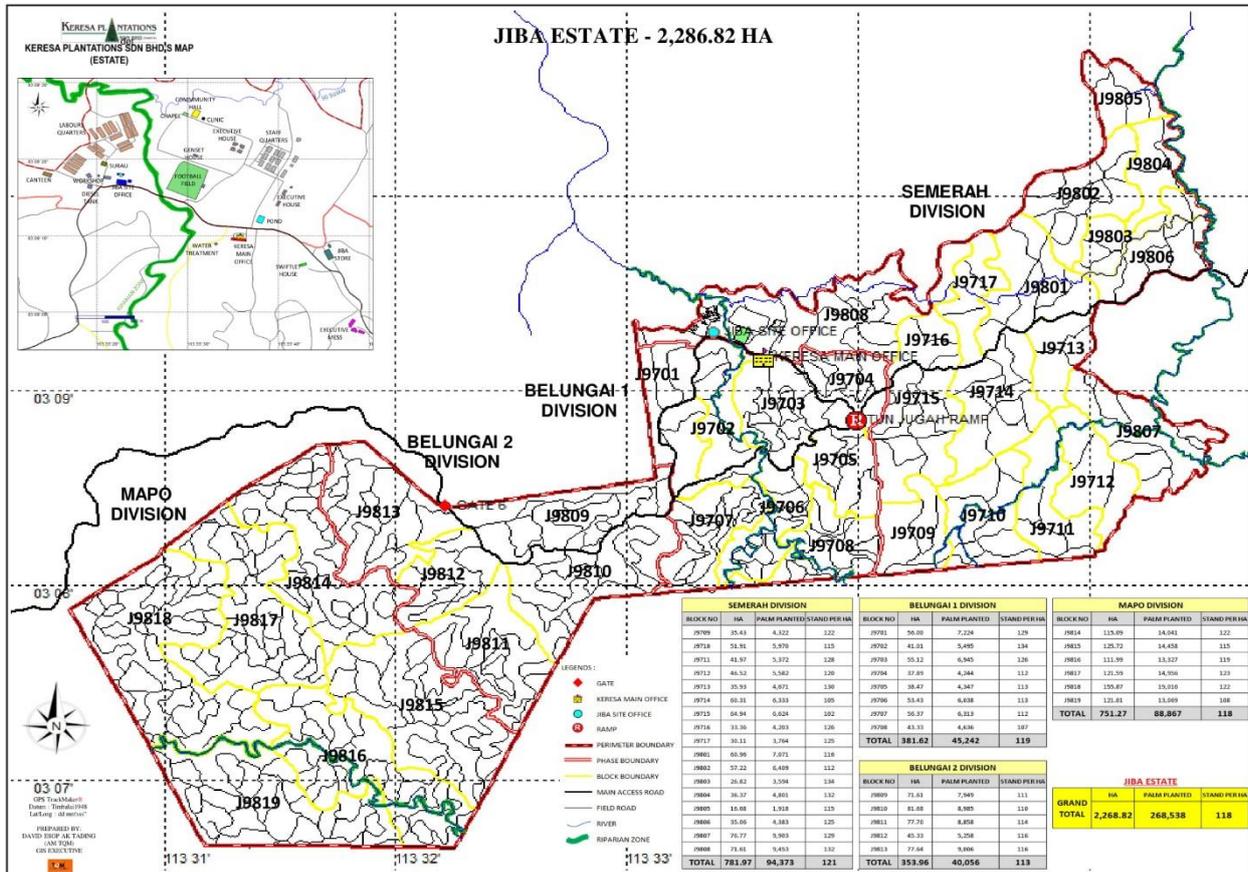
**Appendix C: Smallholder Member Details**

| No           | Name of smallholder | Year Planted | Land Area (ha) | Forecast FFB (Mt/ha/year) |
|--------------|---------------------|--------------|----------------|---------------------------|
| 1            | NA                  |              |                |                           |
| 2            |                     |              |                |                           |
| 3            |                     |              |                |                           |
| 4            |                     |              |                |                           |
| 5            |                     |              |                |                           |
| 6            |                     |              |                |                           |
| 7            |                     |              |                |                           |
| 8            |                     |              |                |                           |
| 9            |                     |              |                |                           |
| 10           |                     |              |                |                           |
| 11           |                     |              |                |                           |
| 12           |                     |              |                |                           |
| 13           |                     |              |                |                           |
| 14           |                     |              |                |                           |
| 15           |                     |              |                |                           |
| 16           |                     |              |                |                           |
| 17           |                     |              |                |                           |
| 18           |                     |              |                |                           |
| 19           |                     |              |                |                           |
| 20           |                     |              |                |                           |
| 21           |                     |              |                |                           |
| 22           |                     |              |                |                           |
| 23           |                     |              |                |                           |
| <b>TOTAL</b> |                     |              |                |                           |

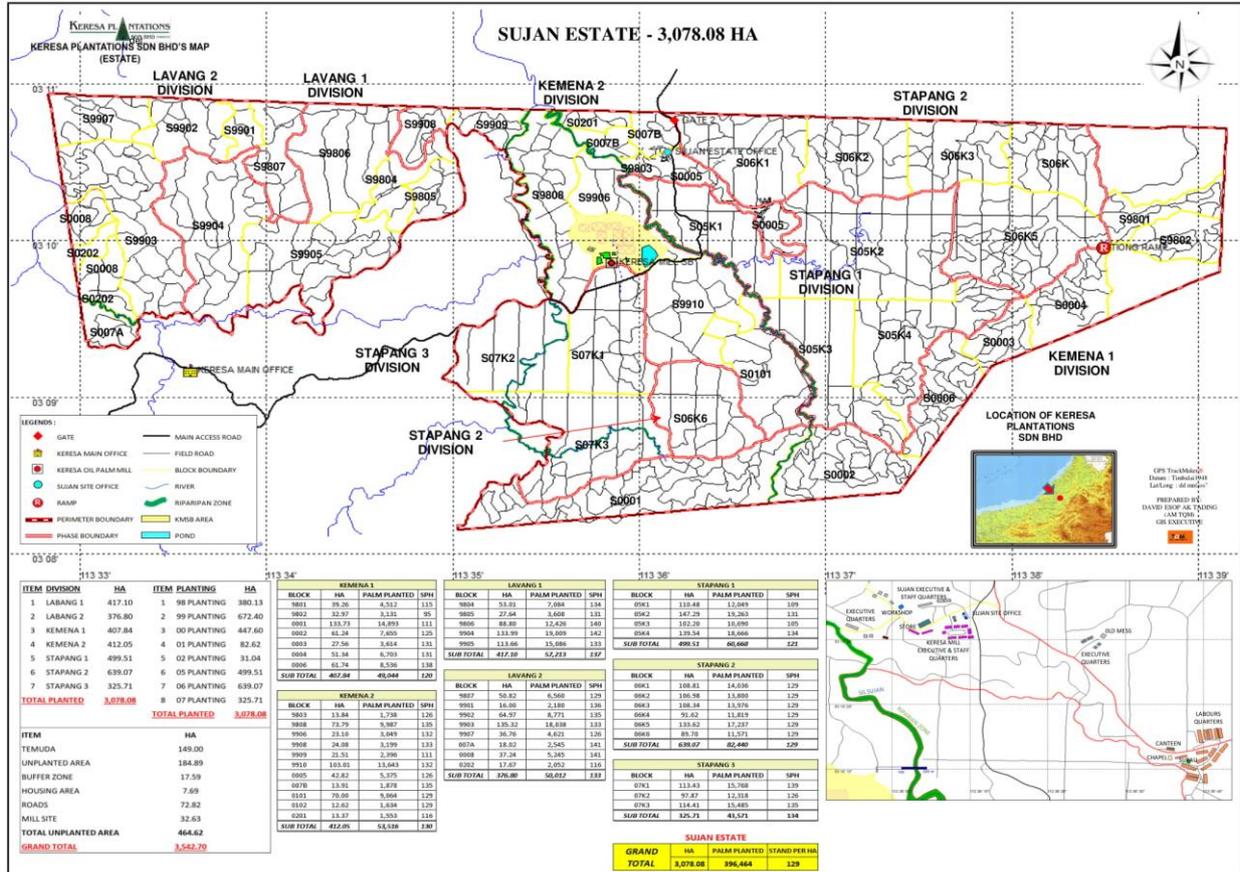
**Appendix F: Location and Field Map**



**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**



**MSPO Public Summary Report**  
**Revision 0 (Aug 2017)**



**Appendix G: List of Abbreviations**

|      |                                                |
|------|------------------------------------------------|
| BOD  | Biochemical Oxygen Demand                      |
| CB   | Certification Bodies                           |
| CHRA | Chemical Health Risk Assessment                |
| COD  | Chemical Oxygen Demand                         |
| CPO  | Crude Palm Oil                                 |
| EFB  | Empty Fruit Bunch                              |
| EHS  | Environmental, Health and Safety               |
| EIA  | Environmental Impact Assessment                |
| EMS  | Environmental Management System                |
| FFB  | Fresh Fruit Bunch                              |
| FPIC | Free, Prior, Informed and Consent              |
| GAP  | Good Agricultural Practice                     |
| GHG  | Greenhouse Gas                                 |
| GMP  | Good Manufacturing Practice                    |
| GPS  | Global Positioning System                      |
| HCV  | High Conservation Value                        |
| IPM  | Integrated Pest Management                     |
| ISCC | International Sustainable Carbon Certification |
| LD50 | Lethal Dose for 50 sample                      |
| MSPO | Malaysian Sustainable Palm Oil                 |
| MSDS | Material Safety Data Sheet                     |
| MT   | Metric Tonnes                                  |
| OER  | Oil Extraction Rate                            |
| OSH  | Occupational Safety and Health                 |
| PK   | Palm Kernel                                    |
| PKO  | Palm Kernel Oil                                |
| POM  | Palm Oil Mill                                  |
| POME | Palm Oil Mill Effluent                         |
| PPE  | Personal Protective Equipment                  |
| RTE  | Rare, Threatened or Endangered species         |
| SEIA | Social & Environmental Impact Assessment       |
| SIA  | Social Impact Assessment                       |
| SOP  | Standard Operating Procedure                   |