

Keck Seng (Malaysia) Berhad

RSPO Membership No: 2-0094-08-000-00

PLANTATION MANAGEMENT UNIT
Keck Seng (Malaysia) Berhad,
Masai POM & Estates Grouping,
Masai, Johor, Malaysia

Assessment Report

"This report (including any enclosures and attachments) has been prepared for the exclusive use and benefit of the addressee(s) and solely for the purpose for which it is provided. Unless we provide express prior written consent, no part of this report should be reproduced, distributed or communicated to any third party. We do not accept any liability if this report is used for an alternative purpose for which it is intended, nor do we owe any duty of care to any third party in respect of this report."

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 2 of 97

**SURVEILLANCE ASSESSMENT REPORT
ON RSPO CERTIFICATION**

PUBLIC SUMMARY REPORT

KECK SENG CORPORATION BERHAD

RSPO Membership No: 2-0094-08-000-00

PLANTATION MANAGEMENT UNIT

Keck Seng (M) Berhad,
Masai POM & Estates Grouping,
Masai, Johor, Malaysia

Certificate No:

Original Start date:
Start date (2nd cycle):
Expiry date:

RSPO 930688

2 January 2013
2 January 2018
1 January 2023

Assessment Type

Re-Certification cum Verification Assessment
On-site Verification for NCs closure
Annual Surveillance Assessment (ASA 1-1)
Annual Surveillance Assessment (ASA 1-2)
Annual Surveillance Assessment (ASA 1-3)
Annual Surveillance Assessment (ASA 1-4)
Re-Certification Assessment

Assessment Dates

23 - 27 October 2017
09 -10 December 2017
15 - 19 October 2018
21 - 24 October 2019

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 3 of 97

TABLE OF CONTENTS

Section	Content	Page No
1.0	SCOPE OF ASSESSMENT	4
1.1	Introduction	4
1.2	Location (address, GPS and map) mill, estates and hectarage	4
1.3	Description of supply base (fruit sources)	5
1.4	Year of plantings and cycle	6
1.5	Summary of Land Use, Conservation and HCV Areas	7
1.6	Other certifications held and Use of RSPO Trademarks	7
1.7	Organizational information/contact person	7-8
1.8	Tonnages Verified for Certification	8-10
1.9	Time Bound Plan and Multiple Management Units	10
1.10	Abbreviations Used	11
2.0	ASSESSMENT PROCESS	12
2.1	Assessment Methodology, Plan & Site Visits	12
2.2	Date of next scheduled visit	12
2.3	Qualifications of the Lead Assessor and Assessment Team	12
2.4	Certification Body	12
2.5	Process of Stakeholder consultation	13-14
3.0	ASSESSMENT FINDINGS	15
3.1	Summary of findings	15-61
3.2	Status of Identified Noncompliance and Corrective Actions, Observations and Identified Positive Elements	62-79
3.3	Summary of Feedback Received from Stakeholders and Findings	80-83
4.0	ASSESSMENT CONCLUSION AND RECOMMENDATION	84
4.1	Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings	84
4.2	Intertek RSPO Certification Details for the PMU	86
APPENDICES		
Appendix A	Qualifications of the Lead Assessor and Assessment Team	87
Appendix B	Assessment Plan	88-90
Appendix C	Maps of location – Mill and Estates	91-97
Appendix D	Time Bound Plan for Other Plantation Management Units	98

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 4 of 97

1.0 SCOPE OF ASSESSMENT

1.1 Introduction

This Annual Surveillance Assessment (ASA 1-2) was conducted on the Plantation Management Unit (PMU), Keck Seng (M) Berhad, Masai POM & Estates Grouping, from **21 - 24 Oct 2019**, to assess the organization's operations of the mill and its supply bases for compliance against the RSPO Principles and Criteria (Apr 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Jun 2017) for the Palm Oil Mill.

Special Note: The Management unit is aware of the transition needed to implement the revised RSPO Principles and Criteria (15 Nov 2018) and Malaysia National Interpretation (MYNI) 2019 and Certificate holders must be fully compliant within one year.

The plantation management unit (PMU) or management unit is equivalent to a certification unit as defined in the RSPO Certification Systems Document. Each PMU consists of one mill and its supply bases which are made up of estates owned and/or managed by Keck Seng (Malaysia) Berhad (hereafter abbreviated as **KECK SENG**).

1.2 Location (address, GPS and map) of palm oil mill and estates

The Keck Seng (M) Berhad, Masai POM & Estates Grouping consists of 1 palm oil mill, namely **Masai Palm Oil Mill and 8 estates** as indicated in Table 1 below, which includes the addresses and GPS locations of the mill and estates. The location maps are provided in **Appendix C**.

Table 1: Address of Palm Oil Mill, Estates and GPS Location

Name	Address	GPS Reference	
		Latitude	Longitude
Masai Palm Oil Mill Capacity (60 MT/hr)	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'25.9"	E 103°57'53.8"
1 Keck Seng Oil Palm Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'23.4"	E 103°54'36.3"
2 Tong Hing Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°29'45.0"	E 103°38'04.3"
3 Sg. Layang Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°34'18.9"	E 103°58'55.9"
4 Kota Tinggi Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°33'33.1"	E 103°56'07.5"
5 Sin Lian Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°33'07.3"	E 103°57'39.5"
6 Lian Huap Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'08.7"	E 103°57'05.2"
7 Johore (Masai) Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'04.0"	E 103°57'08.3"
8 Lim & Lim Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°31'21.9"	E 103°59'39.2"

Table 1-1: Registered Name of Palm Oil Mill and MPOB License

Registered Company Mill Name	Designated Mill Name	MPOB License No.	MPOB License Validity
Keck Seng (Malaysia) Berhad	Masai Palm Oil Mill	500026504000	01/04/2018 – 31/03/2020

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 5 of 97

Table 1-2: Registered Name of Estates and MPOB License

Registered Company Estate Name		Estate Division Name	MPOB License No.	MPOB License Validity
1	Keck Seng (Malaysia) Berhad Ladang Keck Seng	Keck Seng Oil Palm Estate	501635-802000	01/09/2019 - 31/08/2020
2	Keck Seng (Malaysia) Berhad Ladang Tong Hing	Tong Hing Estate	501467-502000	01/04/2019 - 31/03/2020
3	Keck Seng (Malaysia) Berhad Ladang Sg. Layang	Sg. Layang Estate	501465-702000	01/04/2019 - 31/03/2020
4	Kota Tinggi Oil Palm Plantations Sdn Bhd	Kota Tinggi Oil Palm Plantations	501463-102000	01/04/2019 - 31/03/2020
5	Sin Lian Oil Palm Plantations Sdn Bhd	Sin Lian Oil Palm Plantations	501464-902000	01/04/2019 - 31/03/2020
6	Lian Huap Oil Palm Plantations Sdn Bhd	Lian Huap Oil Palm Plantations	501462-202000	01/04/2019 - 31/03/2020
7	Johore (Masai) Oil Palm Plantations Sdn Bhd	Johore (Masai) Plantations	501461-402000	01/04/2019 - 31/03/2020
8	Lim & Lim Plantations Berhad	Lim & Lim Plantations	501359-602000	01/04/2019 - 31/03/2020

1.3 Description of supply base (fruit sources)

The supply base i.e. FFB sources to the POM are from the abovementioned 8 estates which are owned and managed by KECK SENG. The FFB supply from the said own estates contributed about 20% of the total supply to the POM.

The POM has also been receiving FFB (about 80% of total FFB) from external suppliers, i.e. outgrowers and independent smallholders, which are also located within the Masai region at Johor state, Malaysia throughout its certification period.

The details of the planted hectareage for the FFB supply to the PMU (own estates) are as shown in Table 2 below.

Table 2: Estate Area Summary

Estate	Area Summary (ha) – Year 2018		Area Summary (ha) – Year 2019	
	Certified (Titled) Area	Planted Area	Certified (Titled) Area	Planted Area
Keck Seng Oil Palm Estate	348.31	342.79	348.31	342.79
Tong Hing Estate	663.71	629.31	663.71	629.31
Sg. Layang Estate	82.40	81.11	82.40	81.11
Kota Tinggi Oil Palm Plantations	240.05	239.31	240.05	239.31
Sin Lian Oil Palm Plantations	347.39	345.99	347.39	345.99
Lian Huap Oil Palm Plantations	464.84	446.52	464.84	446.52

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 6 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Johore (Masai) Plantations	425.64	381.41	425.64	381.41
Lim & Lim Plantations	839.70	801.63	839.70	801.63
Total:	3,412.04	3,268.07	3,412.04	3,268.07

Notes:

1. This Assessment covered the overall land use for oil palm plantation areas, and the identified Conservation areas including HCV areas (if any) as marked out at the estates.
2. The estates sampled for this Assessment have been selected based on their potential risks on social, environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and any high conservation value areas.

1.4 Summary of plantings and cycle

The estates have been developed since 1983. Presently 7 out of the 8 estates are in their 2nd cycle of planting. The age profile is as shown in Table 3.

Table 3: Age Profile of Planted Oil Palm (Year 2019)

Estate Name	Year of Planting	Cycle of Planting	Mature OP (ha) – Above 3 years	Immature OP (ha) – 3 years & below	Total (ha) Planted
Keck Seng Oil Palm Estate	1986-2001	1 st	89.48	0	342.79
	2019	2 nd	0	253.31	
Tong Hing Estate	2018	2 nd	0	629.31	629.31
Sg. Layang Estate	2004	2 nd	81.11	0	81.11
Kota Tinggi Oil Palm Plantations	2000	2 nd	239.31	0	239.31
Sin Lian Oil Palm Plantations	2000-2004	2 nd	345.99	0	345.99
Lian Huap Oil Palm Plantations	2003-2005	2 nd	446.52	0	446.52
Johore (Masai) Plantations	2001-2006	2 nd	381.41	0	381.41
Lim & Lim Plantations	2009-2019	2 nd	617.35	184.28	801.63
		Total	2,201.17	1,066.90	3,268.07

Note.

This area of 89.48 ha in Keck Seng Oil Palm Estate is earmarked for property development.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 7 of 97

1.5 Summary of Land Use, Conservation and HCV Areas

The summary of Land Use, Conservation and HCV Areas as identified in the PMU during this assessment is as shown in Table 4 below:

Table 4: Statement of Land Use (including Conservation and HCV Areas)

#	Statement of Land Use (Ha)	Year 2019 Hectarage – Ha	CB Verification
1	Oil Palm - Planted Area (ha)	3,268.07	Verified on site
	- OP Mature (Production)	2,201.20	Verified on site
	- OP Immature (Non-Production)	1,066.90	Verified on site
	- OP Planted on Peat	0	Verified on site
	- Other crop such as Rubber, etc.	0	Verified on site
2	Conservation Area (ha)		Verified on site
	- Conservation (forested)	0	Verified on site
	- Conservation (non-forested)	7.74	Verified data available.
	Note: Conservation areas such as unplanted steep / hilly and swampy areas, buffer zones, riparian areas etc.		
3	HCV Area (ha)		
	As per HCVA guidelines	52.07	Verified data available.

Note.

The HCV area of 52.97 ha is mangrove area maintained in its natural state.

1.6 Other certifications held and Use of RSPO Trademarks

Keck Seng - Masai POM is also certified to the Food Safety Management System (ISO 22001), which is still valid. Currently, the other certification held by the PMU is the MSPO certification which is noted to be valid.

The certification unit had agreed to adhere with the use of the RSPO Trademarks and logos as per the **latest “RSPO Rules on Market Communications & Claims”** which was acknowledged through the signed agreement with CB-Intertek, which is valid for the duration of the 5-year certification cycle.

At the time of the assessment, it is noted that the RSPO’s Trademarks and logos were appropriately used at the PMU audited. See section **3.1.1 Supply Chain Certification Standard Findings**.

1.7 Organizational information / Contact Person

Mr. Teo Aik Chong
Mill Manager (Masai Palm Oil Mill)
Keck Seng (Malaysia) Berhad
9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.
c/o P.O Box No.1, 81757, Masai, Johor, Malaysia.
Tel: 607 255 1111
Fax: 607 255 5117
Email: teoac@keckseng.com

Mr. Hee Vui Yong @ Vincent
General Manager (Plantations Division)
Keck Seng (Malaysia) Berhad
9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.
c/o P.O Box No.1, 81757, Masai, Johor, Malaysia.
Tel: 607 255 1111

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 8 of 97

Fax: 607 255 5117
Email: vincent.hee@keckseng.com

Mr. Ho Chung Kain
Director (Plantation Sustainability)
Keck Seng (Malaysia) Berhad
9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.
c/o P.O Box No.1, 81757, Masai, Johor, Malaysia.
Tel: 607 255 1111
Fax: 607 255 5117
Email: hochungkain@keckseng.org

1.8 Tonnages Verified for Certification

1.8.1 The breakdown of all the suppliers and their tonnages of FFB supplied to the POM for processing based on the reporting period for current assessment are as shown in Table 5 below:

Table 5: Tonnages Verified for Certification (Jan-Sep 2019) (Note)

#	Estate /Supplier	FFB Processed (MT)	Main Receiving Palm Oil Mill	RSPO P&C Certification
1	Keck Seng Oil Palm Estate	701.44	Masai POM	Intertek
2	Tong Hing Estate	450.19	Masai POM	Intertek
3	Sg. Layang Estate	1,329.41	Masai POM	Intertek
4	Kota Tinggi Oil Palm Plantations	4,034.53	Masai POM	Intertek
5	Sin Lian Oil Palm Plantations	4,520.70	Masai POM	Intertek
6	Lian Huap Oil Palm Plantations	7,455.60	Masai POM	Intertek
7	Johore (Masai) Plantations	6,164.46	Masai POM	Intertek
8	Lim & Lim Plantations	9,382.27	Masai POM	Intertek
A	Sub-Total Masai Grouping Estates:	34,038.60		
1	Cempaka Merpati (M) S/B	1,404.83		
2	Kim Loong Palm Oil Mill Sdn Bhd	3,029.37		
3	Koperasi Cahaya Baru Bhd	4,087.39		
4	Lam Cheng Estate	2,418.02		
5	Lam San Rubber Estate	7,296.03		
6	Ldg Bukit Layang	5,853.17		
7	Lem.Kemajuan Tanah Persekutuan	2,032.86		
8	Senai Estate	10,540.61		
9	Sg. Plentong Estate	3,380.67		
B	Sub-Total Out-growers (9 units):	40,042.95		
1	A.Rahim Bin Mahidi	86.80		
2	Abd.Rahman Bin Budin	82.38		
3	Abdoll Rahman Bin Ahmad	18.20		
4	Bahrom Bin Saring	44.69		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 9 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

5	Kavarey Enterprise	16.57		
6	Lee Seng Trading Co	372.33		
7	Lim He Yeck	128.98		
8	Lim He Yeck (2)	1.68		
9	Mohd.Barijan Bin Jurimi	236.31		
10	Nor Fauziah Binti Ahmad (2)	6.70		
11	Norlizah Binti Madi	27.26		
12	Ys Aquaculture Trading Sdn Bhd	230.63		
13	Zulfadhli Afiq Bin Khamis	14.14		
C	Sub-Total Smallholders (13 units):	1,266.67		
1	Chop Soon Guan (1)	71,273.64		
2	Guan Leng Trading S/B (FFB)	3,210.39		
3	Hong Huat Trading Co.	31,183.46		
4	Ree Fong Agriculture	23.63		
D	Sub-Total Traders (4 units):	105,691.12		
	Sub-Total Out-growers, Smallholders and Traders:	147,000.74		
	Total:	181,039.34		

Note: Certified FFB Processed from **Oct-Dec 2018** is **16,823.00 MT** and Non-certified FFB Processed from **Oct-Dec 2018** is **56,570.16 MT**.

1.8.2 Total annual tonnages of FFB supplied to the POM during the previous period, current assessment and projected period are as shown in Table 6 below:

Table 6: Annual Tonnages of FFB

Estate / Supplier	FFB Processed Oct-Dec 2018 (Actual)		FFB Processed Jan-Sep 2019 (Actual)		FFB Processed Jan-Dec 2019 (Estimate)		FFB Processed in Jan-Dec 2020 (Forecast)	
	MT	%	MT	%	MT	%	MT	%
Masai Grouping Estates – Certified FFB	16,823.00	22.92	34,038.60	18.80	48,000.00	17.91	45,000	16.98
Other suppliers/external -Non-certified FFB	56,570.16	77.08	147,000.74	81.20	220,000.00	82.09	220,000	83.02
Total	73,393.16	100.00	181,039.34	100.00	268,000.00	100.00	265,000	100
SCCS Model for POM	MB		MB		MB		MB	

Note: Certified FFB Processed from **Oct-Dec 2018** is **16,823.00 MT** and Non-certified FFB Processed from **Oct-Dec 2018** is **56,570.16 MT**.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 10 of 97

1.8.3 The annual certified tonnages of CPO and PK production by the PMU verified during the current assessment on the data presented are shown in Table 7 below:

Table 7: Annual Tonnages of CPO and PK (produced from FFB from own estates)

POM	Oct-Dec 2018 (Actual)		Jan-Sep 2019 (Actual)		Jan-Dec 2019 (Estimate)		Year 2020 (Forecast)	
Total own FFB Processed (MT)	16,823.00		34,038.60		48,000.00		45,000	
Total CPO Production (MT)	3,219.92	OER: 19.14%	6,620.50	OER: 19.45%	9,072.00	OER: 18.90%	8,685	OER: 19.30%
Total PK Production (MT)	999.29	KER: 5.94%	2,085.92	KER: 6.13%	2,904.00	KER: 6.05%	2,722	KER: 6.05%

Notes:

The POM has established and maintained procedures for the book keeping and monitoring requirements for the CPO at the mill. It is verified the POM has procedures for the 'Mass Balance – MB' model in accordance with the RSPO Supply Chain Certification Standards (SCCS) requirements. Verified activities and checked items for the **SCCS of the POM are reported in section 3.1.1.**

The PMU was first certified on 02 Jan 2013.

Certified CPO Production from **Oct-Dec 2018** is **3,219.92 MT** (OER = 19.14%) and Certified PK Production from **Oct-Dec 2018** is **999.29 MT** (KER = 5.94%).

Volume extension approved on 21 Dec 2018 for 560 MT CPO and 180 MT PK.

1.9 Time Bound Plan and Multiple Management Units

Keck Seng (Malaysia) Berhad (KSMB) is part of Keck Seng Group and is a public listed company with the Kuala Lumpur Stock Exchange since 1976. KSMB is a member of RSPO since 2008.

The KSMB group of companies and subsidiaries in Malaysia comprise of an integrated operation which comprise of Masai Palm Oil Mill (for FFB processing and production), Ragamo Sdn Bhd (a Kernel Crushing Plant), Masai Palm Oil Refinery (as palm oil refinery and specialty fats production) and Supervitamins Sdn Bhd (a downstream production plant which recovers natural carotene, tocotrienols and tocopherol to produce oleochemical products). The entire complex operations are located nearby each other and which is located about 20 kilometers from Pasir Gudang Port, Johor state, Malaysia.

It is verified that as at to-date KSMB owns only one (1) Plantation Management Unit (PMU) at the Masai region, Johor and there are no other oil palm estates or Mill owned at other parts of Malaysia, Indonesia or elsewhere.

Intertek had also referred to the RSPO's Complaints website and found that there were no issues which may be related to the Keck Seng Group of companies.

Note: It is further confirmed that under the RSPO ACOP as declared by KSMB, its integrated downstream operations i.e. Ragamo Sdn Bhd (Kernel Crushing Plant), Masai Palm Oil Refinery (Refinery and specialty fats plant) and Supervitamins Sdn Bhd (Oleochemical plant) were certified under the RSPO Supply Chain certifications.

Based on Intertek's review progress made to-date, Keck Seng is considered to have no uncertified management units under Clause 4.5.4 (Minimum requirements for multiple management units) of the RSPO Certifications Systems for Principles & Criteria (Jun 2017).

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 11 of 97

1.10 Abbreviations Used

CB	Certification Body	KER	Kernel Extraction Rate
CHRA	Chemical Health & Risk Assessment	KSMB	Keck Seng (Malaysia) Berhad
CPO	Crude Palm Oil	LTA	Lost Time Accidents
CSDS	Chemical Safety Data Sheets	MSDS	Material Safety Data Sheets
CSPO	Certified Sustainable Palm Oil	MTCS	Malaysia Timber Certification Scheme
CSPK	Certified Sustainable Palm Kernel	NC	Non-Compliance
EFB	Empty Fruit Bunch	NGO	Non-Government Organization
EHS	Environmental Health & Safety	OER	Oil Extraction Rate
EIA	Environmental Impact Assessment	OHS	Occupational Health & Safety
ETP	Effluent Treatment Plant	PEFC	Programme for the Endorsement of Forest Certification
FFB	Fresh Fruit Bunch	PK	Palm Kernel
GAP	Good Agriculture Practice	PMU	Plantation Management Unit
HCV	High Conservation Values	POM	Palm Oil Mill
IPM	Integrated Pest Management	POME	Palm Oil Mill Effluent
ISCC	International Sustainability & Carbon Certification	PPE	Personal Protective Equipment
IUCN	International Union for Conservation of Nature	SCCS	Supply Chain Certification Standard
Intertek	Intertek Certification International Sdn Bhd	SOP	Standard Operating Procedures
JCC	Joint Consultative Committee		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 12 of 97

2.0 ASSESSMENT PROCESS

2.1 Assessment Methodology, Plan and Site Visits

Since **09 Sep 2019**, Intertek has initiated public communications and notifications and invited the relevant stakeholders before the assessment to provide feedback and comments on their concern (if any) on the PMU regarding the environmental, biodiversity, community development and other relevant issues.

From **21-24 Oct 2019**, the Assessment team conducted the assessment in which 4 out of the 8 estates, namely Lian Huap Oil Palm Plantations, Johor (Masai) Plantations, Sg. Layang Estate and Kota Tinggi Oil Palm Plantations, as well as the palm oil mill were assessed for compliance against the RSPO requirements. The number of estates sampled was based on the Sampling methodology provided under the RSPO Certifications Systems for Principles & Criteria (Jun 2017) i.e. minimum sample of X estates = $(0.8\sqrt{Y}) \times Z$, where Y is the number of estates and Z is the multiplier as defined by the risk assessment. The Z multiplier value was determined as High Risk for this PMU considering the geographical location and distance of the estates, complexity of the labour force, landscape setting and presence of HCV or peat, complexity of supply sheds, number of communities and known conflicts, legality etc. Additionally, the estates selection was made based on their potential risks on environmental and biodiversity issues such as their proximity to forest reserves, hill sides, riparian zones and HCV areas.

During the on-site assessment, relevant documents and records, including Standard Operating Procedures (SOP), management plans, hectareage development, FFB, CPO and PK production, oil palm age profile, operational controls and measures, operational data and records, training records, etc. were reviewed and verified for compliance. The Assessment team using the process approach auditing technique covered the palm oil mill and estate operations, agricultural practices, pest management, pesticide and fertilizer application, occupational health and safety, social accountability, environment and other requirements. Stakeholders' interviews were conducted during the assessment and feedback obtained as part of information and evidence gathering. (See section 2.5 Process of stakeholder consultation).

The POM was also assessed against the requirements for the Mass Balance (MB) Module as specified in RSPO Supply Chain Certification Standard for CPO mill. This part of the assessment covered the verification of implementation of documented procedures and availability of records to demonstrate compliance against all the elements for 'Mass Balance' - MB Module requirements. These include documented procedure, purchasing and goods in, record keeping, sales and goods out, processing, monitoring and traceability of the CSPO and CSPK quantities, training for staff and claims.

After completion of the on-site field assessment, Intertek also performed the evaluation of conformity against the RSPO Certification System requirements for CB. The assessment report, findings and associated documents were evaluated through an independent review by the Intertek Internal Technical Reviewer/Panel and the External Peer Reviewer (only required for Initial / Re-Certification assessments) prior to the approval of this report and decision on continued certification by Intertek.

The details of the Assessment Plan (actual on-site) are provided in **Appendix B**.

Details of the findings and actions taken are provided in **Section 3.2 of this report**.

2.2 Date of next scheduled visit

The next scheduled visit will be the Annual Surveillance Assessment which will be carried out within four months before the annual PalmTrace license / anniversary Certificate expiry date.

2.3 Qualifications of the Lead Assessor and Assessment Team

Competency details of the Lead Assessor and Assessment Team are given in **Appendix A**.

2.4 Certification Body

Intertek Certification International Sdn Bhd is part of the Intertek Group, which is a worldwide technical services organization dedicated to reducing clients' risks by providing technical inspection services, management system certification in quality, environmental, occupational safety & health and product certification, RSPO, SCC, ISCC, MSPO, Marine Sustainability Chain-of-Custody, MTCS and PEFC Chain-of-Custody certification in applicable

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 13 of 97

industry sectors including the agricultural and forestry sectors. Intertek operates globally providing clients with a wide-ranging technical inspection expertise and access to thousands of skilled specialists worldwide. Intertek Group's certification business is ranked in the top 10 worldwide and is globally offering certification across a wide range of industries.

2.5 Process of stakeholder consultation

Stakeholder consultations began with notification of the upcoming assessment through the websites of RSPO and Intertek. E-mails were sent to applicable stakeholders including government agencies, NGOs, local communities, representatives of indigenous people (Orang Asal) and previous land owners / users.

E-mails and telephone enquiries were made prior to the actual assessment and stakeholder's response and feedback received were followed up accordingly.

During the assessment, stakeholders were interviewed, and their feedbacks were recorded. Among the stakeholders consulted at site, included workers, trade union leaders, women representatives; local community leaders, previous land owners / users, representatives of government departments / agencies, NGOs, goods and services suppliers and contractors.

Details on stakeholders' feedback, PMU response and Intertek verification / comments are provided in **section 3.3**.

Among the list of key stakeholders consulted was the following:

Government Agencies (by emails)

1. Department of Lands and Mines
2. Department of Environment
3. Department of Forestry Peninsular Malaysia
4. Department of Immigration
5. Department of Irrigation & Drainage
6. Department of Labour
7. Department of Occupational Safety & Health
8. Department of Orang Asli Affairs
9. Department of Wildlife & National Parks

Government Agencies – Applicable States of Malaysia (by emails)

10. Department of Environment
11. Department of Forestry
12. Department of Immigration
13. Department of Irrigation & Drainage
14. Department of Labour
15. Department of Occupational Safety & Health
16. Department of Wildlife & National Parks
17. Land and Mines Office
18. Pertubuhan Keselamatan Sosial (SOCSO)

Statutory Bodies (by emails)

19. Malaysian Palm Oil Board (MPOB) - HQ
20. Malaysian Palm Oil Board (MPOB) – Applicable Region
21. Malaysia Palm Oil Association (MPOA)
22. Malaysia Palm Oil Association Kuala Lumpur (MPOA)
23. National Union of Plantation Workers (NUPW)
24. UNION - AMESU

NGOs and Others, where applicable (by emails)

25. All Women's Action Society (AWAM)
26. Business Council for Sustainable Development in Malaysia (BCSDM)
27. Borneo Child Aid Society (Humana)
28. Borneo Resources Institute Malaysia (BRIMAS)
29. Borneo Rhino Alliance (BORA)
30. Center for Orang Asli / Asal Concerns (COAC)
31. Centre for Environment; Technology and Development; Malaysia (CETDEM)
32. Eco-Knights Malaysia
33. ENO Asia Environment
34. Environmental Protection Society Malaysia (EPSM)
35. Friends of the Earth; Malaysia
36. Global Environment Centre
37. HUTAN – Kinabatangan Orang-utan Conservation Programme

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 14 of 97

38. International Movement for a Just World (JUST)
39. Land Empowerment and Protection (LEAP)
40. Malaysian CropLife & Public Health Association (MCPA)
41. Malaysian Environmental NGOs - MENGO
42. Malaysian National Animal Welfare Foundation - MNAWF
43. Malaysian Nature Society Pahang
44. Malaysian Plant Protection Society (MAPPS)
45. National Council of Welfare & Social Development Malaysia (NCWSDM)
46. National Union of Plantation Workers (NUPW)
47. Partners of Community Organisations (PACOS)
48. Pesticide Action Network Asia and the Pacific (PAN AP)
49. Proforest - South East Asia Regional Office
50. Sabah Wetlands Conservation Society (SWCS)
51. Sabah Environmental Protection Association (SEPA)
52. SUARAM - Suara Rakyat Malaysia
53. SUHAKAM - National Human Rights Society
54. Tenaganita Sdn Bhd
55. TRAFFIC - the wildlife trade monitoring network
56. Transparency International - Malaysian Chapter
57. Treat Every Environment Special Sdn Bhd.
58. United Nations Development Programme - UNDP Malaysia
59. Wetlands International (Malaysia)
60. Wild Asia Sdn Bhd
61. World Wide Fund (WWF) – HQ
62. World Wide Fund (WWF) – Sabah (where applicable)

Local community (On-site interviews)

63. Consultative Committee & Gender representatives
64. Workers r& Workers representatives
65. Suppliers & Contractors representatives
66. Neighbouring estates representatives
67. Smallholders
68. Village Heads & representatives

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 15 of 97

3.0 ASSESSMENT FINDINGS

3.1 Summary of findings

Principle 1: Commitment to transparency

Criterion 1.1		
Growers and millers provide adequate information to relevant stakeholders on environmental, social and legal issues relevant to RSPO Criteria, in appropriate languages and forms to allow for effective participation in decision making.		
Indicators	Findings and Objective Evidence	Compliance
<p>1.1.1 There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.</p> <p>Minor Compliance</p>	<p>The PMU has established and implemented a documented procedure (RSPO-CRI-1.1.2 Rev 0 dated 12/09/2017 “Procedure to handle and respond the requests/enquiries from stakeholders”) for providing adequate information on environmental, social and legal issues to relevant stakeholders for effective participation in decision making.</p> <p>The PMU had established and maintained a documented site specific “List of Stakeholders” RSPO-CRI-1.1.1 Rev 5 dated 03/08/2017 for the POM and estates, consisting of internal stakeholders (National Union of Plantation Workers, Myanmar Workers, Nepalese Workers, In-house Security Guards) and external stakeholders (NGOs, government departments/agencies, contractors, FFB and service suppliers, schools, mosques, temples, local communities and neighboring estates). The List of Stakeholders was reviewed and updated as often needed.</p> <p>Location: All Estates</p> <p>The estates employed local and Indonesian workers. It was found that the Indonesian workers representation was not included in the List of Stakeholders.</p> <p>The type of information provided includes the management documents relating to environmental, social and legal issues. The Factory HR and Admin. Manager/Estate HR and Admin. Executive are responsible for providing and updating the information.</p> <p>Stakeholders were informed of the types of information and access to the information as defined in the documented procedure.</p> <p>Public notification for stakeholder consultation prior to assessment of the PMU was made on 09 Sep 2019.</p>	<p>Minor OCL-01</p>
<p>1.1.2 Records of requests for information and responses shall be maintained.</p> <p>Major Compliance</p>	<p>The PMU has established and implemented a documented procedure (RSPO-CRI-1.1.1 Rev 0 dated 11/05/2011 “Stakeholders’ Consultation and Communication Procedure”) that covers the elements in above Indicator 1.1.1.</p> <p>The person in charge is the Estate Sustainability Manager as evidenced by a letter of appointment by top management.</p> <p>Internal stakeholders’ consultations for the POM conducted twice a year as seen in the minutes of meetings of foreign workers on 14/03/2019 and 28/08/2019. There is also the Housing Committee Meeting held on 01/10/2019 whereby issues on housing and amenities were brought up and acted upon by the management.</p> <p>(1) Location: POM</p> <p>The POM employed local and foreign workers (Myanmar and Nepal). It was found that the local workers were not</p>	<p>Major OCL-01</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 16 of 97

	<p>included in the internal stakeholders' consultation for the POM.</p> <p>External stakeholders' consultation for the POM conducted on 21/08/2019.</p> <p>Internal and external stakeholders' consultations for the estates conducted together on 26/06/2019.</p> <p>(2) Location: All Estates</p> <p>The estates employed local and foreign workers (Indonesian). It was found that the local and foreign workers (Indonesia) in the estates were not included in the stakeholders' consultation for the estates.</p> <p>Location: POM and All Estates</p> <p>It was found that there was a lack of feedback from external stakeholders during the stakeholders' consultation. The POM and estates should include a feedback form designed to obtain more evidence of inputs from the stakeholders. Also, the SOP should include other alternative methods of obtaining feedback from stakeholders such as stakeholder visit and interview, telephone calls, etc.</p> <p>Time frame for response to request for information specified in the SOP is timely and appropriate.</p> <p>Records of requests for information and records of responses were maintained as seen in the following cases:</p> <p>(1) Request dated 25/09/2019 by Majlis Pengurusan Kong Kong Laut (a local community) for their football league.</p> <p>(2) Pasir Gudang incident of toxic fumes from illegal dumping of hazardous wastes, whereby the PMU contributed with a donation of a gas detector to a nearby school.</p>	<p>Major OCL-01</p> <p>Obs OCL-01</p>
<p>Criterion 1.2 Management documents are publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>1.2.1 Management documents that are made available to the public shall include, but are not necessarily limited to: Major Compliance</p>	<p>Management documents' relating to environmental, social and legal issues was verified to be maintained and available to the public (notices and websites) and updated. Refer to website link: http://masai.keckseng.com/index.php?option=com_content&view=article&id=48&Itemid=508</p> <p>The organization's policies declared that upon request, the following types of mandatory documents are available to the public:</p> <ul style="list-style-type: none"> • land titles/user rights, • occupational health and safety plan, • plans and impact assessments relating to environment and social impacts, • pollution prevention plans, • details of complaints & grievances, • negotiation procedures • continuous improvement plan • Public summary of certification assessment report. 	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 17 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<ul style="list-style-type: none"> Human Rights Policy. <p>The said publicly available documents had included performance indicators such as POME treatment, waste management, land and waste management, replanting programs, IPM planning.</p> <p>Continual Improvement Action Plans has included targets for waste reduction and pollution prevention for the mill and estates.</p>	
<ul style="list-style-type: none"> Land titles/user rights (Criterion 2.2); 	<p>Copies of all land titles were available and have been maintained at the POM and Estates. HQ kept the original copies.</p> <p>The land titles found to be satisfactory concerning the following:</p> <ul style="list-style-type: none"> legal boundaries, land use, total area, grant title, validity period, NCR rights (if applicable). 	Complied
<ul style="list-style-type: none"> Occupational health and safety plans (Criterion 4.7); 	<p>Occupational Safety and Health (OSH) Plan that cover OSH Policy and risk assessment (HIRARC) was documented and implemented for the POM and estates.</p> <p>The OSH Plan for the POM and estates had been reviewed (annually) on 15/10/2019 and 05/01/2019 respectively.</p> <p>The OSH Policy (rev 04 dated 07/03/2008) was displayed prominently in notice boards in the POM and estates.</p>	Complied
<ul style="list-style-type: none"> Plans and impact assessments relating to environmental and social impacts (Criteria 5.1, 6.1, 7.1 and 7.8); 	<p>Environmental aspect and impact assessment conducted and reviewed for the POM and estates on 16/08/2019 and 05/09/2019 respectively.</p> <p>Management action plan documented and implemented.</p> <p>Social Impact Assessment for the POM and estates was carried out and reviewed on 21/08/2019 by the Management Sustainability team together with the respective Mill and Estate Managers. Positive and negative impacts and action plans were documented.</p>	Complied
<ul style="list-style-type: none"> HCV documentation summary (Criteria 5.2 and 7.3); 	<p>The Assessment reports on 'Internal HCV and Conservation Areas' for 2017 (with consultation report from Wild Asia) were available.</p> <p>HCV Management Plan updated on 17/04/2019 for the estates.</p>	Complied
<ul style="list-style-type: none"> Pollution prevention and reduction plans (Criterion 5.6); 	<p>Waste and Pollution Management Plans (QM-W&PMP-01) for the POM was reviewed on 04/09/2018.</p> <p>Waste and Pollution Management Plans EST-SOP-12 Rev 5 (QM-W&PMP-01) for all the estates was reviewed on 15/09/2018.</p> <p>Action items include measures for pollution control (smoke emission, POME / effluent discharge), pesticides reduction, schedule wastes (chemicals, drums, tyres, used PPE, hydraulic oil) and organic/domestic wastes disposal, reuse and recycling (paper, glass, scrap iron).</p>	Complied
<ul style="list-style-type: none"> Details of complaints and grievances (Criterion 6.3); 	<p>The mill and respective estates had maintained the Complaints and Grievances Logbook. Employees Consultative Committee representatives interviewed had confirmed that there were no serious issues which warrant major actions from the PMU Management.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 18 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<ul style="list-style-type: none"> Negotiation procedures (Criterion 6.4); 	<p>Negotiation procedure and flowchart verified to be consultative, neutral, inclusive with responsibility and timeframe specified.</p> <p>Presently, there is no conflict/dispute requiring negotiation or compensation pertaining to this criterion at this PMU.</p>	Complied
<ul style="list-style-type: none"> Continual improvement plans (Criterion 8.1); 	<p>The PMU has identified, documented and implemented Continuous Improvement Plans in key operations for the mill and estates.</p> <p>The plans include bio-polishing for reduction in BOD level, reduce dust emission limit, effluent treatment plant upgrading, reduction in the usage of pesticides, cultivation of beneficial plants, recycling, pollution prevention and environmental and social programs.</p>	Complied
<ul style="list-style-type: none"> Public summary of certification assessment report; 	<p>Public summary of certification assessment reports available from the company upon request.</p>	Complied
<ul style="list-style-type: none"> Human Rights Policy (Criterion 6.13). 	<p>The statement of respect for Human rights and fair treatment of employees were included in the Social Policy (rev 0 dated 07/10/2011) as signed by the Managing Director.</p> <p>Copies of the policy found to be displayed at prominent locations in the POM and estates. The Policy had been communicated to all levels of the workforce and operations.</p> <p>Monitoring plans and reports included in the management documents and available to the public upon request.</p>	Complied

Criterion 1.3

Growers and millers commit to ethical conduct in all business operations and transactions.

Indicators	Findings and Objective Evidence	Compliance
<p>1.3.1 There shall be a written policy committing to a code of ethical conduct and integrity in all operations and transactions, which shall be documented and communicated to all levels of the workforce and operations.</p> <p>Minor Compliance</p>	<p>The PMU has a documented Ethics Policy, which has been communicated to all levels of the workforce and operations.</p> <p>The Policy stated its commitment to uphold the following standards of ethics:</p> <ul style="list-style-type: none"> > Accepting bribes, personal gifts or other means of obtaining undue and improper advantage or means that will influence business dealings and decisions is strictly prohibited. > Engaging in an outside interest that may result in a loss to the Group is not allowed. > Ethical business dealings. > Avoiding situations where there is a conflict of interest or situations where judgement may be influenced in discharging their duties and responsibilities. > Prohibition on using price sensitive information for personal gains. > Safeguarding confidential and price sensitive or material information, unless the disclosure has been duly authorised by the Chairman and Managing Director. > Adhering to Listing Requirements and regulations. > Safeguarding the assets of the Group, including protection of intellectual property rights. > Ensuring compliance with laws, rules and regulations of the government, commissions and exchange. > Ensuring accurate, timely and reliable records are maintained to meet all legal and statutory obligations. 	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 19 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>Documented policy communicated via briefing and training to all levels of the workforce and operations, including contractors and their staff/workers.</p> <p>Copies of the policy found to be displayed at prominent locations in the POM and estates.</p> <p>Documentation and communication done in the appropriate languages (English, Bahasa Malaysia and applicable languages of foreign workers, where applicable. Interviewed staff/workers found to be aware of this policy.</p>	
--	--	--

Principle 2: Compliance with applicable laws and regulations

Criterion 2.1		
There is compliance with all applicable local, national and ratified international laws and regulations.		
Indicators	Findings and Objective Evidence	Compliance
<p>2.1.1 Evidence of compliance with relevant legal requirements shall be available.</p> <p>Major Compliance</p>	<p>A Register of Legal Requirements covering the applicable local and international laws and regulations has been compiled for the mill and estates. Compliance to each law and regulation is monitored by the PMU.</p> <p>The relevant laws and legislations identified and listed cover safety and health, environment, pollution management, chemical handling (usage and storage), schedule waste management, labour laws, Unions, EPF, SOCSO, Housing and Amenities.</p> <p>There were no cases of any violation or actions imposed by relevant authorities. Statutory returns to relevant authorities found to be in compliance. Form JKPP8 for the reporting of incidences and accidents to DOSH and the Quarterly Return Form as per First Schedule of the Environmental Quality (Prescribed Premises) (Crude Palm-Oil) Regulations, 1977 to DOE verified to be submitted.</p> <p>Based on the site observations, interviews and records checking at the POM and estates, there was sufficient evidence of compliance with the relevant laws, regulations, local and international laws.</p> <p>Environmental Quality Act 1974 and Environmental Quality (Scheduled Wastes) Regulations 2005: Scheduled wastes such as hydraulic and used motor oils, rags, empty chemical and lubricants containers collected at six monthly intervals by DOE licensed contractor.</p> <p>Weight and Measures Act 1972, regulations 16, 28A, 45) - Weighbridges were duly calibrated.</p> <p>Factory and Machinery Act 1967, Regulations 1970: Steam engineers (Grade 1 and 2), boilermen and electricians were noted to be with valid certificates from relevant authorities (DOSH and Energy Commission). The POM has maintained a boiler register that indicate the date of commission, cleaned, inspected, tested or repaired. Valid certificates of fitness for boilers, sterilizers, air receivers, thermal deaerator, steam separator, vacuum oil dryer, etc. issued by DOSH. Valid license for diesel generators issued by Energy Commission ("Suruhanjaya Tenaga"). Valid licenses for authorized gas tester, authorized entrant and standby by person for confined space activities in POM.</p> <p>Occupational Health and Safety Act 1994 – safety and health meetings to be conducted at quarterly intervals. Noise Monitoring Report is available. Boundary noise assessment</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 20 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>carried out and actions taken to ensure that noise levels are controlled within the permissible limit for daytime and nighttime operations.</p> <p>Licenses and permits (License for Foreign Workers Employment, Workers' Wages Deduction Permit, License for Controlled Items – Diesel and Fertilizer, MPOB license, DOSH Certificate, DOE license, BOMBA Fire Certificate, Energy Commission License, etc.) were monitored for their expiry dates and found to be renewed and valid.</p> <p>Legal documents (work permits, passports) of foreign workers are available at the POM and Estates office.</p>	
<p>2.1.2 A documented system, which includes written information on legal requirements, shall be maintained. Minor Compliance</p>	<p>The organization has placed soft copies of the local and international laws applicable to their operations and maintain a list of laws in a Legal Requirements Register (LRR) in its intranet.</p> <p>The person in charge is KM Leong (HR Executive).</p> <p>The list is comprehensive and relevant sections within the law were identified and linked to activities.</p> <p>The documents are available to all levels of management.</p>	<p align="center">Complied</p>
<p>2.1.3 A mechanism for ensuring compliance shall be implemented. Minor Compliance</p>	<p>Monitoring mechanism was done through a yearly evaluation checked against the items in the Legal Compliance Register. The POM and estates have conducted internal audits on 25/06/2019 and 26-28/06/2019 respectively for determining compliance of its operations with RSPO requirements and legal requirements. There were 3 NCs for the POM and 12 NCs for the estates.</p> <p>Records were maintained.</p> <p>Location: POM and All Estates</p> <p>The POM and estates did not implement effectively the mechanism to ensure that the workers employed by the contractors complied with the relevant regulations.</p> <p>For example:</p> <ol style="list-style-type: none"> 1. FFB transport contractors did not submit the necessary documents of their workers required for compliance with the relevant regulations, i.e. trading licenses, drivers' licenses, Goods Driving License (GDL), road tax for the lorries used, actual date of monthly wages payment to workers, contract with their worker, valid work permit. 2. Domestic waste contractor (hired to collect domestic waste from housing quarters and placing into a central bin for subsequent collection and disposal by the local authority) did not submit the necessary documents of their workers required for compliance with the relevant regulations, i.e. contract with their worker, monthly pay slips, insurance, trading licenses, valid passport, valid work permit. 	<p align="center">Minor JMD-01</p>
<p>2.1.4 A system for tracking any changes in the law shall be implemented. Minor Compliance</p>	<p>The organization has subscribed to a service provider, lawnet.com for notification of any changes to the laws and regulations.</p> <p>Tracking of regulatory requirements and communication of changes is performed by the HR Executive, KM Leong.</p>	<p align="center">Complied</p>
<p>Criterion 2.2 The right to use the land is demonstrated, and is not legitimately contested by local people who can demonstrate that they have legal, customary or user rights.</p>		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 21 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Indicators	Findings and Objective Evidence	Compliance
<p>2.2.1 Documents showing legal ownership or lease, history of land tenure (confirmation from community leaders based on history of customary land tenure, recognised Native Customary Right (NCR) land) and the actual legal use of the land shall be available.</p> <p>Major Compliance</p>	<p>Land ownership or lease for the POM and the estates found to be in order.</p> <p>The land titles verified as follows:</p> <ol style="list-style-type: none"> 1. Sg. Layang Estate - 40 land titles with total of 81.0156 ha and all are freehold lands. 2. Kota Tinggi Oil Palm Plantations - 3 land titles with total 240.04655 ha of 99 years lease with expiry on 20/12/2115. 3. Lian Huap Oil Palm Plantations – 2 land titles with total 464.787 ha of 99 years lease with expiry on 03/01/2116. 4. Johore (Masai) Plantations – 3 land titles with total of 425.642 ha of 99 years lease with expiry on 03/01/2016. <p>The POM is located within Johor (Masai) Plantation.</p> <p>There has been no change in the land ownership since the purchase of the estate lands over 40 years' ago. Noted that the leasehold lands have been extended till year 2115 and year 2016 as registered with the Land Office.</p> <p>The legal use of the estate lands was confirmed for agricultural use and that for the POM for industrial use.</p> <p>Copies of the land titles of the POM and estates were maintained and available.</p> <p>The original copies are maintained by the Corporate Head Office.</p> <p>The land lease complied with legal requirements and does not infringe on any legal rights that require free, prior and informed consent (FPIC).</p>	<p>Complied</p>
<p>2.2.2 There is evidence that physical markers are located and visibly maintained along the legal boundaries particularly adjacent to state land, NCR land and reserves.</p> <p>Minor Compliance</p>	<p>Procedure EST-SOP-02 Survey Rev 01 documented in the Agricultural Manual Rev 02 (05/10/2019) for the boundary demarcation and maintenance.</p> <p>Identified boundaries demarcated with permanent concrete pole markers of 6 feet height with 1 foot embedded into the ground and painted in red and white stripes.</p> <p>Locations of several boundary stones and pole markers were visited and verified that there has been no planting beyond the legal demarcated boundary areas of the estates.</p> <p>Layout map of POM sighted.</p> <p>Boundary stone upkeep and maintenance programme sighted.</p>	<p>Complied</p>
<p>2.2.3 Where there are or have been disputes, additional proof of legal acquisition of title and evidence that fair compensation has been made to previous owners and occupants shall be available, and that these have been accepted with free, prior and informed consent (FPIC).</p> <p>Minor Compliance</p>	<p>There has been no dispute on the land rights in the PMU. As such, the process of fair compensation and FPIC is currently not applied.</p>	<p>Not applicable</p>
<p>2.2.4 There shall be an absence of significant land conflict, unless requirements for acceptable conflict resolution processes (see Criteria 6.3 and 6.4) are implemented and accepted by the parties involved.</p>	<p>The estate lands at the PMU are legally owned/leased by Keck Seng and no other users were identified in the land area.</p> <p>The existing estates are not encumbered by any customary land rights and therefore participatory mapping is not required.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 22 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Major Compliance		
<p>2.2.5 For any conflict or dispute over the land, the extent of the disputed area shall be mapped out in a participatory way with involvement of affected parties (including neighbouring communities and relevant authorities where applicable).</p> <p>Minor Compliance</p>	<p>There are no land disputes in the PMU. As such the process of participatory mapping is not applicable for verification of implementation.</p>	<p>Not applicable</p>
<p>2.2.6 To avoid escalation of conflict, there shall be no evidence that palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p> <p>Major Compliance</p>	<p>There has been no evidence that the palm oil operations have instigated violence in maintaining peace and order in their current and planned operations.</p>	<p>Not applicable</p>
<p>Criterion 2.3 Use of the land for oil palm does not diminish the legal, customary or user rights of other users without their free, prior and informed consent.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>2.3.1 Maps of an appropriate scale showing the extent of recognised legal, customary or user rights (Criteria 2.2, 7.5 and 7.6) shall be developed through participatory mapping involving affected parties (including neighbouring communities where applicable, and relevant authorities).</p> <p>Major Compliance</p>	<p>The estate lands at the PMU are legally owned/leased by Keck Seng and no other users were identified in the land area. The existing estates are not encumbered by any customary land rights and therefore participatory mapping is not required.</p> <p>Existing maps available at the PMU are verified to be within the legal boundaries of the PMU.</p> <p>SOP on FPIC documented in Procedure RSPO-CRI 6.4.1 Rev 0 dated 28/02/2012 Procedures for Identification of Customary Land Right & Compensation Procedures.</p>	<p>Complied</p>
<p>2.3.2 Copies of negotiated agreements detailing the process of free, prior and informed consent (FPIC) (Criteria 2.2, 7.5 and 7.6) shall be available and shall include:</p> <p>a) Evidence that a plan has been developed through consultation and discussion with all affected groups in the communities, and that information has been provided to all affected groups, including information on the steps that shall be taken to involve them in decision making;</p> <p>b) Evidence that the company has respected communities' decisions to give or withhold their consent to the operation at the time that this decision was taken;</p> <p>c) Evidence that the legal, economic, environmental and social implications for permitting operations on their land have been understood and accepted by affected communities, including the implications for the legal status of their land at the expiry of the company's title, concession or lease on the land.</p> <p>Minor Compliance</p>	<p>The estate lands were acquired from private plantation owners or leased from the State Government of Johor. Records are available to show such land acquisition complied with legal requirements without infringement of any legal rights that require free, prior and informed consent (FPIC).</p>	<p>Complied</p>
<p>2.3.3 All relevant information shall be available in appropriate forms and languages, including assessments of</p>	<p>No conflict or dispute over the lands has occurred in the PMU. As such, this process is not available for verification.</p>	<p>Not applicable</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 23 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

impacts, proposed benefit sharing, and legal arrangements. Minor Compliance		
2.3.4 Evidence shall be available to show that communities are represented through institutions or representatives of their own choosing, including legal counsel. Major Compliance	No conflict or dispute over the lands has occurred in the PMU. As such, this process is not available for verification.	Not applicable

Principle 3: Commitment to long-term Economic & Financial Viability

Criterion 3.1		
There is an implemented management plan that aims to achieve long-term economic and financial viability.		
Indicators	Findings and Objective Evidence	Compliance
3.1.1 A business or management plan (minimum three years) shall be documented that includes, where appropriate, a business case for scheme smallholders. Major Compliance	<p>Business Plans for the 3 years (2020, 2021 and 2022) were prepared and available at the Palm Oil Mill and Estates office.</p> <p>Details of the Business Plans for the POM includes the following:</p> <p>(1) Mill extraction rates = OER and KER trends; (2) Cost of Production = Cost/MT CPO trends; (3) Forecast prices; (4) Financial indicators = Cost of labour, cost of supervision, depreciation costs, salaries/allowances, cost of materials, etc.).</p> <p>Details of the Business Plans for the estates include the following:</p> <p>(1) Replanting program (planting materials are DxP seedling; (2) Crop projection = FFB yield/ha trends; (3) Cost of Production = Cost/MT FFB trends; (4) Forecast prices; (5) Financial indicators = Cost of upkeep & cultivation, harvesting & collection cost, depreciation, cost of materials, cost of labour, cost of supervision, utilities, transport, depreciation costs, salaries/allowances, cost of materials, etc.).</p> <p>The Business Plans also include provisions for sustainability efforts and improvement programmes (environmental, social, Occupational Safety & Health, training, etc.).</p> <p>Mill and Estate Managers monitor the operational performance against Key Performance Indications and targets (costs, FFB yields, quality, productivity, pesticides usage, fertilizers usage, etc.)</p> <p>There is evidence of monitoring of costs against budget to achieve specified targets.</p> <p>Performances are discussed in the monthly meetings held at the PMU and issues and actions needed are recorded for follow up in the next monthly meeting. The records of these meetings were available and verified during the audit.</p> <p>Monthly, quarterly, half-yearly and yearly reports are submitted to the Head Office.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 24 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<p>3.1.2 An annual replanting programme projected for a minimum of five years (but longer where necessary to reflect the management of fragile soils, see Criterion 4.3), with yearly review, shall be available.</p> <p>Minor Compliance</p>	<p>Annual replanting program projected for 5 years for the estates is available as documented below:</p> <table border="1"> <thead> <tr> <th>Estate</th> <th>Yr of planting</th> <th>2019</th> <th>2020</th> <th>2021</th> <th>2022</th> <th>2023</th> </tr> </thead> <tbody> <tr> <td>Keck Seng</td> <td>1986, 2000</td> <td>93.00</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Keck Seng</td> <td>1984, 1986</td> <td>0</td> <td>156.12</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Sungei Layang</td> <td></td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Kota Tinggi</td> <td></td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Sin Lian</td> <td></td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Lian Huap</td> <td></td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Johor (Masai)</td> <td></td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Lim & Lim</td> <td>1989 & 1990</td> <td>0</td> <td>65.89</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Tong Hing</td> <td>1986</td> <td>282.09</td> <td>0</td> <td>0</td> <td>0</td> <td>0</td> </tr> <tr> <td>Tong Hing</td> <td>1987</td> <td>0</td> <td>166.02</td> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>The progress of implementation of the replanting has been monitored and documented in the following records:</p> <ol style="list-style-type: none"> (1) Palm Felling & Chipping Record (2) Field Transplanting Programme (3) Field Planting Progress 	Estate	Yr of planting	2019	2020	2021	2022	2023	Keck Seng	1986, 2000	93.00	0	0	0	0	Keck Seng	1984, 1986	0	156.12	0	0	0	Sungei Layang		0	0	0	0	0	Kota Tinggi		0	0	0	0	0	Sin Lian		0	0	0	0	0	Lian Huap		0	0	0	0	0	Johor (Masai)		0	0	0	0	0	Lim & Lim	1989 & 1990	0	65.89	0	0	0	Tong Hing	1986	282.09	0	0	0	0	Tong Hing	1987	0	166.02	0	0	0	<p align="center">Complied</p>
Estate	Yr of planting	2019	2020	2021	2022	2023																																																																									
Keck Seng	1986, 2000	93.00	0	0	0	0																																																																									
Keck Seng	1984, 1986	0	156.12	0	0	0																																																																									
Sungei Layang		0	0	0	0	0																																																																									
Kota Tinggi		0	0	0	0	0																																																																									
Sin Lian		0	0	0	0	0																																																																									
Lian Huap		0	0	0	0	0																																																																									
Johor (Masai)		0	0	0	0	0																																																																									
Lim & Lim	1989 & 1990	0	65.89	0	0	0																																																																									
Tong Hing	1986	282.09	0	0	0	0																																																																									
Tong Hing	1987	0	166.02	0	0	0																																																																									

Principle 4: Use of appropriate best practices by growers and millers

<p>Criteria 4.1 Operating procedures are appropriately documented, consistently implemented and monitored.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.1.1 Standard Operating Procedures (SOPs) for estates and mills shall be documented.</p> <p>Major Compliance</p>	<p>Documented SOPs had been maintained by the POM and the Estates which were verified to be in order.</p> <p>POM has documented the following SOPs:</p> <ul style="list-style-type: none"> • SOP for Palm Oil Mill Operations covering every station from FFB receiving until the delivery of processed oil and POME management. • SOP for pollution prevention includes measuring and monitoring mill effluents and waste disposal / recycling. • Occupational Safety & Health Manual and OSH Management System documents. SOP for safe working practices includes hazards identification, risk assessment and control measures. The hazards include noise, chemicals, heat, fire, fuel spillage, working at heights, working in enclosed space, hot work, lightning, electrocution, machinery, etc. Control measures include the use of PPE, fire drill training, first aid training, etc. and "permit to work system" for the mill. Records of 'Permit to Work' including gas entry and stand-by permits issued by NIOSH to the competent personnel at the POM was verified to be maintained and found to be in order. <p>The estates have the following SOPs:</p> <ul style="list-style-type: none"> • SOPs for Estate Operations. The SOP describes operational procedure for oil palm planting, planting density, pre-nursery seedlings, land clearing & preparation, oil palm planting technique, leguminous cover plant, fertilizer application for immature & mature palms, weeding, manuring, harvesting, integrated management of pests control, road maintenance, workshop and vehicle maintenance etc. SOP for pesticides specifies safe working practices and application of pesticides including annual medical surveillance for pesticides operators. SOP for riparian zone management with specified buffer zones. • Budget reports and cost controls specified for quality, environment, safety and social activities. 	<p align="center">Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 25 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<p>4.1.2 A mechanism to check consistent implementation of procedures shall be in place. Minor Compliance</p>	<p>The implementation of the SOPs was verified to be consistently performed. Monitoring (i.e. daily, weekly and monthly) was done by Field Supervisors and Mandores. Records had been kept by the staff concerned for each operation to monitor the procedure and progress of work and these records would be checked by the Assistant Manager and the Manager regularly. The POM and estates have conducted internal audits on 25/06/2019 and 26-28/06/2018 respectively. On-site assessment confirmed that the records were satisfactorily maintained.</p>	<p>Complied</p>
<p>4.1.3 Records of monitoring and any actions taken shall be maintained and available, as appropriate. Minor Compliance</p>	<p>Records of monitoring and actions taken had been maintained for more than 12 months at the mill and estates. At POM, it is verified that the Checking Sheets were maintained for both day and night shift operations Daily Muster chits were available at estates and actual field activities were verified during on-site field inspection. Verified that estates monitoring records on spraying, manuring and harvesting operations were maintained and available at the estates.</p>	<p>Complied</p>
<p>4.1.4 The mill shall record the origins of all third-party sourced Fresh Fruit Bunches (FFB). Major Compliance</p>	<p>FFB sourced were recorded and had indicated the origins of the supply which were all within the Johore state regions. Details of respective external i.e. 3rd party suppliers of FFB were monitored and maintained at the POM. Verified that Daily and Monthly Summary of Monitoring reports were available and maintained.</p>	<p>Complied</p>
<p>Criteria 4.2 Practices maintain soil fertility at, or where possible improve soil fertility to, a level that ensures optimal and sustained yield.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>4.2.1 There shall be evidence that good agriculture practices, as contained in Standard Operating Procedures (SOPs), are followed to manage soil fertility to a level that ensures optimal and sustained yield, where possible. Minor Compliance</p>	<p>The estate management has established SOPs, i.e Manuring (EST-SOP-04) and Soil Conservation (EST-SOP-07) as the procedure to manage soil fertility. Agronomic and Advisory Report 2019 prepared in January 2019 for the estates were sighted. GAP for minimization of soil erosion and maintenance of soil fertility is also maintained via the frond stacking and selective pesticide weeding activities. Soil sampling and leaf sampling records provided guide for the fertilizer application and fertilizer recommendations had been properly followed at estate levels. Pesticides spraying and inventory records were available and maintained. Evidences provided and field audit verified that good agricultural practices were adhered.</p>	<p>Complied</p>
<p>4.2.2 Records of fertiliser inputs shall be maintained. Minor Compliance</p>	<p>Fertilizer inputs were recorded in Fertiliser Programme Progress for Year 2019. The record has information about field no., scheduled month, hectare done (actual vs. program), type of fertiliser, dosage, and cost. Verification of the record showed that the fertiliser application at the field was in line with the recommendation from appointed agronomist from PSA Sdn Bhd. Fertilisers used were of straight and mixture types at dosage around 10 kg/palm/year. Based on the verification of agronomist recommendation and store issuance records, it was observed that the fertiliser issued from the store were tally with agronomist's recommendation.</p>	<p>Complied</p>
<p>4.2.3 There shall be evidence of periodic tissue and soil sampling to monitor changes in nutrient status. Minor Compliance</p>	<p>Leaf sampling and analysis had been carried out annually and soil sampling and analysis on a 5-year cycle (year 2019-2023) was available to determine the nutrient levels.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 26 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	Fertilizer recommendations by the Agronomist for identified estate blocks to sustain the long-term soil fertility and nutrient efficiency. Records of the sampling and analysis had been verified to be satisfactory.	
4.2.4 A nutrient recycling strategy shall be in place, and may include use of Empty Fruit Bunches (EFB), Palm Oil Mill Effluent (POME), and palm residues. Minor Compliance	Decanter cake application carried out in the estates. Decanter cakes are unloaded 2 rows of the palm away from the road, 200m from resident house and 100 m from buffer zone accordance with best practice. The records of Decanter cakes applied, and their locations are maintained.	Complied
Criteria 4.3 Practices minimise and control erosion and degradation of soils.		
Indicators	Findings and Objective Evidence	Compliance
4.3.1 Maps of any fragile/marginal soils shall be available. Major Compliance	Based on the soil maps and field visit verification, there was no significant areas of fragile soil or marginal soil existence on the estates. The soil series at the estates were noted to be: <ul style="list-style-type: none"> • Lian Huap Estate: Harimau, Ulu Tiram, Riverine Alluvium and Kranji series • Johore (Masai) Estate: Harimau, Ulu Tiram and Local Alluvium series • Sungai Layang Estate: Harimau, Ulu Tiram and Kranji series • Kota Tinggi Estate: Harimau, Ulu Tiram and Local Alluvium series 	Complied
4.3.2 A management strategy shall be in place for plantings on slopes between 9 and 25 degrees unless specified otherwise by the company's SOP. Minor Compliance	Planting terraces constructed on land with slope > 6°. Records and maps on terraces constructed had been verified on the estate. The detailed maps for the respective estates under the grouping included slope / topography maps. Verified during site inspection that there were no steep hills present at the said estates. Best Management Practices (BMP) followed to control and minimize soil erosion and degradation during replanting or any activities involving earth disturbance. Steps taken for erosion control are soil stabilization, run-off control and sediment trapping to mitigate the disturbed earth entering waterways. There was no soil erosion noted during the visit. Leguminous cover crop, <i>macuna bracteata</i> was well established.	Complied
4.3.3 A road maintenance programme shall be in place. Minor Compliance	Road maintenance programme for year 2019 sighted for the estates and covers road grading, compacting and patching. Estate roads were maintained in good and satisfactory condition.	Complied
4.3.4 Subsidence of peat soils shall be minimised and monitored. A documented water and ground cover management programme shall be in place. Major Compliance	It was confirmed during assessment on site that there is no peat soil on the estates.	Not Applicable
4.3.5 Drainability assessments where necessary will be conducted prior to replanting on peat to determine the long-term viability of the necessary drainage for oil palm growing. Minor Compliance	There was no peat soil on the estates as confirmed by auditor's on-site assessment	Not Applicable
4.3.6 A management strategy shall be in place for other fragile and problem soils (e.g. podzols and acid sulphate soils). Minor Compliance	Based on the estate soil maps and visit to the estates, there were no other fragile and problematic soils on the estates.	Not Applicable
Criteria 4.4		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 27 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Practices maintain the quality and availability of surface and ground water.		
Indicators	Findings and Objective Evidence	Compliance
<p>4.4.1 An implemented water management plan shall be in place. Minor Compliance</p>	<p>Documented water management plan verified to be in place for the palm oil mill and estates. However, Location: (1) POM Water Management Plan for the mill has not taken into consideration the sources of water supply (alternative supply from SAJ) and waste water disposal.</p> <p>Location: (2) Lian Huap Oil Palm Plantations, Johore (Masai) Plantations, Kota Tinggi Oil Palm Plantations & Sg. Layang Estate The estates have established Water Management Plan. However, the document is lacking in the site-specific detail for the respective estate. For example, the following were not stated in the plan:</p> <p>(a) soil and moisture conservation activities were not specified. (b) water supply to each individual estate is not clearly indicated.</p> <p>Note: A Minor NC was raised under this RSPO Indicator during the previous assessment (2018). Implementation of corrective action found to be ineffective as there is a recurrent Minor NC under the same RSPO Indicator. Therefore, this NC is upgraded to a Major NC.</p> <p>The water supply for domestic use to staff and workers' housing at Lian Huap Oil Palm Plantations, Johore (Masai) Plantations, Kota Tinggi Oil Palm Plantations & Sg. Layang Estate is treated water from the water treatment plant at the POM. Raw water analysis carried out once a year and samples of treated water analysed at monthly intervals. The analysis results of the treated water verified to comply with the Ministry of Health Specification for Drinking Water, which include the requirement of 0 in 100 ml for E.Coli. The treated water supply complies with the Ministry of Health Specification for Drinking Water, which include the requirement of 0 in 100 ml for E.Coli. Rainfall data is also verified to be monitored as part of the water management plan. Water samples were taken at monthly interval at the inlet and outlet of the final discharge at the palm oil mill effluent pond. Water samples taken twice a year at upstream, midstream and downstream of streams. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, Oil & Grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet the DOE requirements. Monthly water quality reports from Jan to Aug 2019 were verified to be within permissible limits of the specification.</p>	<p>Major NC # SH-01</p>
<p>4.4.2 Protection of water courses and wetlands, including maintaining and restoring appropriate riparian and other buffer zones (refer to national best practice and national guidelines) shall be demonstrated. Major Compliance</p>	<p>Water courses such as streams were identified and mapped with appropriate buffer zone signages and markings being maintained along streams passing through the estates. The protection of water courses were adequately done. It was noted that the buffer zones between 5m and 10m were implemented and markings on OP trees and signages were visibly maintained. No evidence of spraying around palms marked as boundary for the buffer zones. Workers are aware of the non-usage of chemicals within the buffer zone, There was no construction of bunds/ weirs/dams across the streams or waterways passing through the estates.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 28 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<p>4.4.3 Appropriate treatment of mill effluent to required levels and regular monitoring of discharge quality, shall be in compliance with national regulations (Criteria 2.1 and 5.6). Minor Compliance</p>	<p>It was verified that the POME is treated using aerobic and anaerobic ponds, tank digester and tertiary filtration membrane, before the final discharge. Water samples were taken at monthly intervals at the final discharge point of the POM effluent pond and at upstream and downstream of waterways and tested by the POM environment officer in charge. Tests conducted for pH, BOD, COD, Total Solids, Suspended Solids, oil & grease, Ammoniacal Nitrogen and Total Nitrogen. Analysis results meet DOE requirements. BOD levels had been in the range of 10 to 20 ppm for the period Jan to Sept 2019 with an average of 17.2 ppm. The current allowable upper limit specified by D.O.E is < 20 ppm. The discharged water is 100% used for land application into the nearby estate (Lim & Lim Plantations) and not to any water courses directly.</p>	Complied
<p>4.4.4 Mill water use per tonne of Fresh Fruit Bunches (FFB) (see Criterion 5.6) shall be monitored. Minor Compliance</p>	<p>Water usage in the mill from Jan to Sep 2019 ranged from 1.86 to 3.20 m³/tonne FFB with an average of 2.26 m³/tonne FFB (which was noted to be at the higher limit of the industry norm of 1.2 to 1.5 m³/tonne FFB).</p>	Complied
<p>Criteria 4.5 Pests, diseases, weeds and invasive introduced species are effectively managed using appropriate Integrated Pest Management techniques.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.5.1 Implementation of Integrated Pest Management (IPM) plans shall be monitored. Major Compliance</p>	<p>The IPM Plan dated 15/05/2019 includes the planting of beneficial plants and control of damage by rodents. Programme for planting of beneficial plants such as <i>Cassia cobanensis</i>, <i>Turnera subulata</i>, <i>Antigonon leptopus</i> and records on areas planted had been verified together with the respective maps to be satisfactory. Barn owls were also used for the control of rodents. Barn owl census carried out and location maps were available. Rat damage monitored and records of rat baiting maintained. Pest infestation such as by bagworms and rhinoceros beetles was monitored and noted to be minimal on the estates.</p> <p>The estates can further enhance their beneficial plan recording by including other information for better monitoring such as date of planting, status of beneficial plants planted, etc.</p>	<p>OBS MAS-01</p>
<p>4.5.2 Training of those involved in IPM implementation shall be demonstrated. Minor Compliance</p>	<p>IPM training was conducted for all those involved in IPM implementation. Training records for staff and workers on IPM implementation were available and was verified to be satisfactory.</p>	Complied
<p>Criteria 4.6 Pesticides are used in ways that do not endanger health or the environment.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>4.6.1 Justification of all pesticides used shall be demonstrated. The use of selective products that are specific to the target pest, weed or disease and which have minimal effect on non-target species shall be used where available. Major Compliance</p>	<p>Register of agrochemicals use with written justification had been reviewed. The types of chemicals used are as follows: (1) Glyphosate isopropyl amine - Supremo (2) Metsulfuron methyl – Ally 20 DF (3) 2, 4 - Dimethyl amine – Hamine 600 (4) Triclopyr Butoxyethyl Esther – Garlon 250 Specific pesticides had been used to deal with the respective target pest, weed or disease.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 29 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<p>4.6.2 Records of pesticides use (including active ingredients used and their LD50, area treated, amount of active ingredients applied per ha and number of applications) shall be provided. Major Compliance</p>	<p>Records of pesticides and their active ingredients used, LD50, area treated, amount of a.i. applied per ha, and number of applications had been maintained for the estates. As was indicated in the SOP, the records are maintained are being kept for a minimum of 5 years. Verified that the records are satisfactorily maintained.</p>	<p>Complied</p>
<p>4.6.3 Any use of pesticides shall be minimised as part of a plan, and in accordance with Integrated Pest Management (IPM) plans. There shall be no prophylactic use of pesticides, except in specific situations identified in industry's Best Practice. Major Compliance</p>	<p>It had been the policy of the estates to minimize the use of pesticides in accordance with IPM plan. The pesticide reduction program is monitored on usage per hectare basis. Overall, there has been a slight decline in pesticide usage per hectare on a year to year basis. No prophylactic use of pesticides had been carried out at the estates.</p>	<p>Complied</p>
<p>4.6.4 Pesticides that are categorised as World Health Organisation Class 1A or 1B, or that are listed by the Stockholm or Rotterdam Conventions, and paraquat, are not used, except in specific situations identified in industry's Best Practice. The use of such pesticides shall be minimised and eliminated as part of a plan, and shall only be used in exceptional circumstances. Pesticides selected for use are those officially registered under the Pesticides Act 1974 (Act 149) and the relevant provision (Section 53A); and in accordance with USECHH Regulations (2000). Minor Compliance</p>	<p>It is the policy of the group to achieve zero usage of paraquat by the end of 2017. The estates had ceased the usage of paraquat after end of year 2016. Alternatives such as Glyphosate Isopropyl amine, Metsulfuron Methyl, and Triclopyr Butoxyethyl Esther had been used with the elimination of paraquat. First Aid Kits were available during pesticides spraying in the fields (4th Schedule). Contents and usage were satisfactorily recorded. Portable signboard noted to be displayed at areas of spraying activity (5th Schedule).</p>	<p>Complied</p>
<p>4.6.5 Pesticides shall only be handled, used or applied by persons who have completed the necessary training and shall always be applied in accordance with the product label. Appropriate safety and application equipment shall be provided and used. All precautions attached to the products shall be properly observed, applied, and understood by workers (see Criterion 4.7). Major Compliance</p>	<p>All pesticide operators (no contractor's workers used for pesticides spraying) have attended training on the safe handling and application of pesticides in compliance with Regulation 22 of the Pesticides Act 1974. Training program and training records verified to be satisfactory. The training include spraying technique, precautions and symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. Interview workers performing spraying and manuring activities - they understood the chemical hazards relating to pesticides. All precautions attached MSDS understood by the workers. Portable warning signboards noted to be displayed at areas of spraying activity (5th Schedule). Appropriate safety and application equipment (safety boots, rubber boots, safety helmets, cartridge masks, safety goggles, gloves and apron) have been provided and used The estate has adequate facilities for mixing of pesticides and suitable storage area for spraying equipment and PPE. The emergency shower and eye wash were verified to be available and in proper working order at the pesticide mixing area.</p>	<p>Complied</p>
<p>4.6.6 Storage of all pesticides shall be according to recognised best practices. All pesticide containers shall be properly disposed of and not used for other purposes (see Criterion 5.3). Pesticides shall be stored in accordance to the Occupational Safety and</p>	<p>Storage of pesticides found to be kept under lock and key and its use in accordance with the Occupational Safety and Health Laws and Regulation 9 of the Pesticides Act 1974. Emergency shower and eye wash are available near the pesticides store in case of accidents. Safety Data Sheets (SDS) are available in the store. The SDS were in English and Bahasa Malaysia These were</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 30 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<p>Health Act 1994 (Act 514) and Regulations and Orders, Pesticides Act 1974 (Act 149) and Regulations. Major Compliance</p>	<p>generally understood by the workers during the field interviews conducted. Used chemical containers were either reused as containers for spraying solution or disposed as scheduled waste. For disposal, empty pesticide containers are triple rinsed and pierced at the bottom.</p>	
<p>4.6.7 Application of pesticides shall be by proven methods that minimise risk and impacts. Minor Compliance</p>	<p>Pesticides had been applied using the Best Management Practices that minimize risk and impacts. The pesticide operators found to understand the use of the right nozzle, spray drift, spray quality and run-off.</p>	Complied
<p>4.6.8 Pesticides shall be applied aerially only where there is documented justification. Communities shall be informed of impending aerial pesticide applications with all relevant information within reasonable time prior to application. Major Compliance</p>	<p>It is the policy of the company not to carry out aerial application of pesticides. This policy has been followed by the estates.</p>	Complied
<p>4.6.9 Evidence of continual training to enhance knowledge and skills of employees and associated smallholders on pesticide handling shall be demonstrated or made available. (see Criterion 4.8). Minor Compliance</p>	<p>The Annual Training Plan includes training on pesticides handling. All new pesticides operators were trained before being assigned to work with pesticides. In addition, based upon training needs, the existing pesticide operators attended continual training to enhance their knowledge and skills on pesticides handling. Information and safety precautions on the use of pesticides are displayed on notice boards and near the pesticides store.</p>	Complied
<p>4.6.10 Proper disposal of waste material, according to procedures that are fully understood by workers and managers shall be demonstrated (see Criterion 5.3). Minor Compliance</p>	<p>Scheduled waste of palm oil mill had been disposed of through a DOE licensed scheduled waste contractor, Modern Energy Sdn Bhd. The scheduled wastes from the estates are sent to the POM for disposal. Records of scheduled waste collection verified to be within the period of 180 days interval.</p>	Complied
<p>4.6.11 Specific annual medical surveillance for pesticide operators, and documented action to treat related health conditions, shall be demonstrated. Major Compliance</p>	<p>CHRA reports were available at the estates which is valid till year 2021. It was verified that the CHRA recommendations has been satisfactorily followed. Annual medical surveillance in accordance with OSHA USECHH 2000 requirements Schedule 1 and 2. The medical reports of 16 sprayers on 14/06/2019 for the annual medical surveillance were checked and no abnormalities reported by the Medical Doctor. The medical reports showed that there was no case of low blood cholinesterase levels. The medical reports stated the sprayers are fit for work with pesticides. It was further verified that the company's policy is to re-allocate other work for any worker is found to unfit for work with pesticides. Pesticides operators were interviewed during field visits and feedback received that they do not have any symptoms of toxic reactions such as skin disorders, rashes, mouth and throat pain, breathing difficulties or nail problems. Besides the annual medical surveillance, monthly clinical tests (to check lungs gastro intestinal, urinary system, nails, skin, etc.) also carried out by Health Assistant on sprayers and records maintained indicate no cases of toxic reactions.</p>	
<p>4.6.12 No work with pesticides shall be undertaken by pregnant or breast-feeding women. Major Compliance</p>	<p>Verified that the monthly medical check-up of the female pesticide operators did not indicate anyone to be pregnant during the work period concerned. Verified from interviews that no pregnant or breast-feeding woman had been offered work as pesticide operator.</p>	Complied
<p>Criteria 4.7 An occupational health and safety plan is documented, effectively communicated and implemented.</p>		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 31 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Indicators	Findings and Objective Evidence	Compliance
<p>The occupational health and safety plan shall cover the following:</p> <p>4.7.1 An occupational health and safety policy shall be in place. An occupational health and safety plan covering all activities shall be documented and implemented, and its effectiveness monitored.</p> <p>Major Compliance</p>	<p>Occupational Safety and Health (OSH) plan in compliance with OSH Act and Factory & Machinery Act 1967 was documented and implemented.</p> <p>OSH Policy found to be clearly displayed at POM and in the estates office. Adequate posters, regulations, newsletters were prominently displayed on notice boards. Interviewed workers demonstrated awareness towards occupational safety and health.</p> <p>The Safety & Health Officer is in charge of safety and health planning, operation and coordination. Mill Manager and Estate Managers / Assistants are also directly involved.</p> <p>The OSHA Plan include the establishment and implementation of CHRA, medical surveillance, health checks, Emergency Drill, First Aid training, Line site Inspection, Chemical Store Inspection, Audiometric test, PPE training, etc.</p> <p>POM has also conducted the annual Emergency Preparedness and Response (EPR) drill.</p> <p>Safety Committee meetings were held on quarterly basis. Latest minutes dated 10/10/2018.</p> <p>Programmes for protecting workers' health and safety were satisfactorily implemented.</p> <p>Records on training had been verified at the POM and estate. Analysis on the understanding of training by the workers had been verified.</p> <p>Safety audits conducted at quarterly intervals as part of the Sustainability Operation Audit for the estates. Latest audit (Q3) conducted on 06/09/2019. Audits also conducted for Q1 on 04/03/2019 and Q2 on 03/06/2019. Therefore, Observation raised by OCL (OBS# OCL-01) was effectively closed by the management.</p>	<p>Complied</p>
<p>4.7.2 All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.</p> <p>Major Compliance</p>	<p>Risk assessment (HIRARC) conducted and reviewed for the POM and estates operations on 18/06/2018 and 14/06/2019 respectively. There were risks identified as significant and control measures determined to mitigate the risks. Significant hazards determined and documented include noise exposure, pesticides/ chemicals exposure, accident, fire. Procedures and actions implemented to mitigate the hazards.</p> <p>There was an assessment of noise levels in the POM conducted by an external qualified consultant. The report dated 25/07/2014 identified the work areas with high noise levels, viz., capstan driver (cages), boiler station, engine room, sterilization unit, oil clarification plant and kernel press where noise level exceeded 85 db. Mill management have taken steps to reduce the noise levels by construction of a room to isolate the gen sets, reducing the exposure time to high noise and mandatory use of both ear plugs and ear mufflers.</p> <p>The latest audiometric tests carried out for all 86 POM employees on 20 & 29/10/2018. The OSHA Doctor reported that there is no noise induced hearing loss (NIHL). The Doctor will only refer worker with Induced Hearing Loss to SOCSO for benefits in accordance with the regulations. Baseline audiogram and occupational and medical history records of workers maintained. The employees exposed to high noise levels were interviewed. The workers are aware of the danger of hearing loss due to prolonged exposure to high noise. The workers knew about the complaints process and mechanism available.</p>	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 32 of 97

	<p>Appropriate PPE (safety boots, safety helmets, rubber boots, cartridge masks, safety goggles, gloves, overalls, ear plugs, ear muffers) verified to be provided to and being used by the workers. Associated training provided to address safety and health issues.</p> <p>Warning signs sighted at high noise areas and ear plugs and ear muffers to be worn. There are also warning signs to use other PPE such as helmet and safety boots.</p> <p>An audit for determining compliance with the minimum standards had been conducted on all types of PPE used.</p> <p>Adequate fire extinguishers and hose reels found to be located at strategic locations, operational and maintained in good conditions. Location map of fire extinguishers is available.</p> <p>“Permit to work” system applied at the POM. Staff and workers have been trained and certified by NIOSH for gas entrant and stand-by involving work in confined space.</p> <p>First Aid equipment was available at POM, estates and at worksites. Samples of First Aid box was checked, and contents found to be complete and in usable order during field visit. Training for workers in First Aid was carried out in the mill and estates and records maintained.</p> <p>The POM and estates have established their accident reporting KPI and incident monitoring implemented.</p> <p>Yearly reporting of JKKP8 regulations was submitted to JKKP on time, i.e. in January of each year. Supporting documentations and evidences of cases reported are maintained and adequately followed up including status of any compensation payments made to victims / workers.</p> <p>The Safety & Health Officer maintains records on the rate of accidents to workmen, trends in rate of accidents, fatalities and non-fatalities captured to prevent mishaps.</p> <p>Verified that additional HIRARC reviews also made by the Safety & Health team upon occurrence of incidences or accidents.</p> <p>However,</p> <p>(1) Location: POM</p> <ul style="list-style-type: none"> i. There were insufficient mitigation measures taken at the entrance of the mill to ensure the safety and security of individuals passing through the area. ii. The mill management conducted the Annual Audiometric Test for operators on 20 & 29 Oct 2018. However, there is no evidence that the management follow up on the results of the test with the tested operators. <p>(2) Location: All Estates</p> <p>It was found that vehicles used by contractors to evacuate the crops from the fields to the mill are not in good condition. For example, one lorry, registration no. PBC 9564, was found to be with worn-out tires, the side steps are just tied up with wire and back parts of the lorry in bad condition.</p>	<p align="center">Major MAS-01</p>
<p>4.7.3 All workers involved in the operation shall be adequately trained in safe working practices (see Criterion 4.8). Adequate and appropriate protective equipment shall be available to all workers at the place of work to cover all potentially hazardous operations, such as</p>	<p>Training programme planned for year 2019 has included all categories of workers.</p> <p>Appropriate trainings on safe working practices are planned for:</p> <ul style="list-style-type: none"> - workers exposed to machinery and high noise levels, - workers working in confined space, - harvesters and loaders, 	<p align="center">Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 33 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

pesticide application, machine operations, and land preparation, harvesting and, if it is used, burning. Major Compliance	- pesticides operators and manurers . Records of the trainings conducted in year 2019 are available and trainings held included firefighting, fire drill, first aid training, Emergency Response Team training and SOP training for sprayers, manurers, harvesters, loaders, tractor drivers, contractors and contractors' workers (for FFB transportation). Evaluations were carried out on each of the trainings to determine its effectiveness.	
4.7.4 The responsible person/persons shall be identified. There shall be records of regular meetings between the responsible person/s and workers. Concerns of all parties about health, safety and welfare shall be discussed at these meetings, and any issues raised shall be recorded. Major Compliance	OSH Committee Members consist of Chairman, Secretary, Employer Representatives and Employee Representatives. Appointment letter for Chairman was issued by Director and for Secretary, Employer Representatives and Employee Representatives appointment letters were issued by Chairman. OSH meeting already been conduct for 1/2019 on 21/02/2019, 2/2019 on 08/05/2019 and latest was on 08/08/2019.	Complied
4.7.5 Accident and emergency procedures shall exist and instructions shall be clearly understood by all workers. Accident procedures shall be available in the appropriate language of the workforce. Assigned operatives trained in First Aid should be present in both field and other operations, and first aid equipment shall be available at worksites. Records of all accidents shall be kept and periodically reviewed. Minor Compliance	Accident and emergency procedures had been written in English and Bahasa Malaysia and briefed to staff, workers, contractors and visitors. Workers trained in First Aid were present in the mill and field operations. First Aid Kits were available at worksites. Records on all accidents had been verified to be maintained satisfactorily. Quarterly review on accident cases had been carried out during quarterly meeting of Safety & Health Committee.	Complied
4.7.6 All workers shall be provided with medical care, and covered by accident insurance. Minor Compliance	Medical care and insurance protection had been provided to all the workers under Chubb Insurance Malaysia Berhad. Local workers are also covered by SOCSO. Foreign workers are covered under the Foreign Workers Compensation Scheme with ACE Jerneh Insurance Berhad.	Complied
4.7.7 Occupational injuries shall be recorded using Lost Time Accident (LTA) metrics. Minor Compliance	Records on Lost Time Accident (LTA) metrics had been verified to be satisfactorily maintained.	Complied
Criteria 4.8 All staff, workers, smallholders and contract workers are appropriately trained.		
Indicators	Findings and Objective Evidence	Compliance
4.8.1 A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme. Major Compliance	The training programme on all aspects of RSPO Principles and Criteria and the Supply Chain Certification System established was implemented for the estates. Training for various categories of operators, including all field and office staff, with regards to their duties and training needs had been reviewed and found acceptable. However, Location: Masai POM It was found that there is no evidence that the mill has conducted regular assessments of training needs covering all aspects of the RSPO Principles and Criteria.	Major MAS-02
4.8.2 Records of training for each employee shall be maintained. Minor Compliance	Records of training for each employee, including new employees were available and maintained.	Complied

Principle 5: Environmental responsibility and conservation of natural resources and biodiversity

Criteria 5.1

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 34 of 97

Aspects of plantation and mill management, including replanting, that have environmental impacts are identified, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.

Indicators	Findings and Objective Evidence	Compliance
<p>5.1.1 An environmental impact assessment (EIA) shall be documented.</p> <p>Major Compliance</p>	<p>Environmental Impact Assessment for both POM and estates was revised and documented on 4th September 2019.</p> <p>The assessment documents for the POM had included the assessment on all polluting activities such as potential pollution to water, gaseous emissions to air, contamination on land and the management of mill effluents.</p> <p>For the estates, it had included the identification of aspects and impacts from field activities that includes fertilizing, spraying, transportation of FFB, garbage disposal and also road maintenance. The report had also included the action plans and recommendations to mitigate the negative effects and to promote the positive ones.</p> <p>The EIA has been documented accordingly and it was conducted with consultation with relevant stakeholders, amongst others such as the village communities, Forestry Department, Suruhanjaya Air Johor.</p>	<p>Complied</p>
<p>5.1.2 Where the identification of impacts requires changes in current practices, in order to mitigate negative effects, a timetable for change shall be developed and implemented within a comprehensive action plan. The action plan shall identify the responsible person/persons.</p> <p>Minor Compliance</p>	<p>There were no major changes to the identified impacts since the establishment of the documents above, i.e. Impacts such as smoke emissions, noise levels, POME and EFB management. The environmental management plan is in place and included measures to mitigate the negative impacts. The action plan was implemented and was verified at the PMU. Data were collected and it ensured compliance with relevant regulations.</p> <p>At the plantations, the action plan has also been carried out and monitored to mitigate the negative impacts.</p> <p>The action plan has also identified the responsible person in charge of the estate and mill environment.</p>	<p>Complied</p>
<p>5.1.3 This plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p> <p>Minor Compliance</p>	<p>For the audit period, implementation and monitoring of the documented environmental improvement plans was reviewed on 4th September 2019. The plan had incorporated the monitoring protocol, implemented the mitigation measures and found effective. The review had taken into consideration the mitigation of negative impacts and promotion of positive ones such as the proper demarcation of buffer zone and clearing of overgrown natural vegetation. Monitoring protocol had also been included in the plan.</p> <p>Corrective action for the previous assessment (2018) Minor NC# SH-01 (relating to the monitoring of water quality, water sampling points, accessibility to sampling points and to add additional water sampling points) found to be effectively implemented.</p>	<p>Complied</p>
<p>Criteria 5.2 The status of rare, threatened or endangered species and other High Conservation Value habitats, if any, that exist in the plantation or that could be affected by plantation or mill management, shall be identified and operations managed to best ensure that they are maintained and/or enhanced.</p>		
Indicators	Findings and Objective Evidence	Compliance

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 35 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<p>5.2.1 Information shall be collated in a High Conservation Value (HCV) assessment that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors).</p> <p>Major Compliance</p>	<p>The HCV assessment earlier conducted by WildAsia has been reviewed by the sustainability team and documented on 17th April 2019. The assessment conducted has taken into consideration all aspects of environmentally sensitive areas such as HCVs, ponds, streams, wildlife boundaries and was documented.</p> <p>No changes made to the identified conservation areas. They are:</p> <ol style="list-style-type: none"> (1) Buffer zones along streams, (2) Buffer zones bordering the forest reserves/Water catchment area. (3) Buffer zones for identified HCVs inside their plantation <p>HCV and other environmentally sensitive areas were documented and inspected on site. Visits to sites confirmed the boundaries bordering the forest reserves especially the Sultan Iskandar Dam (Keck Seng and Sin Lian estate) was clearly demarcated. A buffer zone of 50meters was provided to separate the plantation and the HCV areas.</p> <p>Conservation areas/environmentally sensitive areas inside their plantations (Sg. Layang, Kota Tinggi, Lian Huap and Johor Masai estates) i.e. buffer zones along the stretches of streams which pass through the estates had also been identified, demarcated and being monitored.</p> <p>The HCVs areas, ponds and other prominent features like streams, graveyards were shown in the map.</p>	<p>Complied</p>
<p>5.2.2 Where rare, threatened or endangered (RTE) species, or HCVs, are present or are affected by plantation or mill operations, appropriate measures that are expected to maintain and/or enhance them shall be implemented through an action plan.</p> <p>Major Compliance</p>	<p>Management Plan / Action Plan has been reviewed on April 2019 and documented in all the estates with specific actions to be taken by the Estate Manager / Assistant Manager for the identified conservation/HCV areas. The action plan includes the following:</p> <ol style="list-style-type: none"> (1) Regular patrols within the POM and estates were being carried out and findings recorded by the respective Estate executives to monitor the Conservation / buffer zone areas. (2) Monitoring and control of any illegal hunting, fishing or collecting activities was also carried out by the patrolling activities conducted. (3) Also, signage that prohibit hunting, fishing and water polluting activities were verified on-site at all estates visited, 	<p>Complied</p>
<p>5.2.3 There shall be a programme to regularly educate the workforce about the status of these RTE species, and appropriate disciplinary measures shall be instituted in accordance with company rules and national law if any individual working for the company is found to capture, harm, collect or kill these species.</p> <p>Minor Compliance</p>	<p>There was evidence of commitment to discourage any illegal or inappropriate hunting, fishing or collecting activities via the signage erected around the affected areas which prohibit such activities.</p> <p>For this audit period, a refresher training programme on HCV, RTE was also conducted On 11th April 2019 and 11 October 2019.</p> <p>Other trainings conducted had also included the buffer zones, integrated pest management and its importance to the field workers. Record on the training was made available during the audit.</p>	<p>Complied</p>
<p>5.2.4 Where an action plan has been created there shall be ongoing monitoring:</p>	<p>Management plans were established and monitoring outcomes were reviewed by the Estate managers.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 36 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<ul style="list-style-type: none"> The status of HCV and RTE species that are affected by plantation or mill operations shall be documented and reported; Outcomes of monitoring shall be fed back into the action plan. <p>Minor Compliance</p>	<p>Verification were also made during on-site assessment and found to be satisfactory implemented at estates visited.</p> <p>The overall management plan on the status of HCV/RTE of the PMU is collated, reviewed and monitored by the management team in consultation with other stakeholders.</p> <p>Monitoring on the existence of RTE, if any, were also conducted and reported to the relevant authority. Ex. the discovery of 'kongkang' on 15th August 2019 in the office compound and had been reported to the Wildlife Department for their further action.</p>	
<p>5.2.5 Where HCV set-asides with existing rights of local communities have been identified, there shall be evidence of a negotiated agreement that optimally safeguards both the HCVs and these rights.</p> <p>Minor Compliance</p>	<p>It was verified that there has been no instance of HCV set-aside that conflicts with the rights of local communities at the estates. The HCV is located outside their perimeter boundary and belongs to the State Government of Johore. Thus, negotiated agreement of such nature is not applicable.</p> <p>Identified HCV was mapped. The HCV was identified after consultation with community, managers and Forestry /Wildlife Department.</p>	Complied
<p>Criteria 5.3 Waste is reduced, recycled, re-used and disposed of in an environmentally and socially responsible manner.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.3.1 All waste products and sources of pollution shall be identified and documented.</p> <p>Major Compliance</p>	<p>Visits made to POM and estates showed that all waste products and sources of pollution were identified and documented.</p> <p>The documentation and identification of all the waste products such as scheduled waste, domestic waste, clinical waste and recyclable waste such as metal, plastic, mill waste and polluting materials e.g. EFB, POME, Stack emissions and Boiler ashes were maintained and monitored at the POM.</p> <p>Scheduled Waste identified included spent lubricant oil (SW 305), spent hydraulic oil (SW 306), used chemical containers/drums (SW 409), used filters (SW 410). clinical waste (SW 404) and used batteries (SW 102). Records on the usage and disposal were well recorded and documented.</p> <p>Appropriate secondary containment for the diesel skid tanks, chemical and scheduled waste storage areas was verified to be maintained at the PMU.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory carried out in the mill and estates. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p> <p>However, at the POM, it was observed that waste known as SW 104 has not been identified and included in the identification of waste as Schedule Waste under SW Reg.2005. It was found to be disposed off as ordinary waste.</p>	<p>Major SH-02</p>
<p>5.3.2 All chemicals and their containers shall be disposed of responsibly.</p> <p>Major Compliance</p>	<p>At the mill, the disposal of used chemicals and containers were done in accordance with their schedule on waste management as planned.</p> <p>Stores for scheduled waste were inspected and audited at site i.e. POM and disposal was done by scheduled waste disposal company authorized and licensed by Department</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 37 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>of Environment. The mill has a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor (Modern Energy Sdn Bhd). Latest disposal was recorded on 14th October 2019. Inventory on the schedule waste was properly recorded and up to date.</p> <p>Also, for the estates, schedule waste was also disposed of accordingly on 26th July 2019 and complies with requirement of the law. Labelling has been practised at the Mill and estates. Record was also made available during the audit.</p>	
<p>5.3.3 A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.</p> <p>Minor Compliance</p>	<p>The waste management and disposal plan were in place at both the POM and estates. It has been documented and implemented as required and is being carried out responsibly.</p> <p>Segregation of wastes i.e. general wastes and scheduled wastes was verified to be satisfactory in all the Plantations visited. Proper storage areas were identified for the storage of the recyclable wastes at the estates and mill.</p> <p>Waste disposal was done by an appointed contractor that is licensed by the Department of Environment i.e. Modern Energy Sdn Bhd.</p> <p>The solid waste management and disposal plan using landfills was not available at estates. Waste disposal was by using services of waste contractor and disposed off by the Pasir Gudang local authority.</p> <p>Recycling of crop residues / biomass i.e. EFB and POME had been implemented. The EFB was mainly recycled and used as fuel for the boiler.</p> <p>Recycling bins of three different colour codes for specific recycle waste were available at both POM and estates and were used for solid waste segregation and recycling.</p> <p>However, at the POM, observed that the management on disposal of POME from mill to land application was not properly carried out. It was scattered all over the places.</p>	<p>Minor SH-01</p>
<p>Criteria 5.4 Efficiency of fossil fuel use and the use of renewable energy is optimised.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>5.4.1 A plan for improving efficiency of the use of fossil fuels and to optimise renewable energy shall be in place and monitored.</p> <p>Minor Compliance</p>	<p>Monthly record on energy consumption for both renewable and non renewable sources were kept and documented. It is monitored to optimise use of renewable energy. Data is being compiled for comparison and control for future improvement. Records were satisfactorily documented.</p> <p>Visit to mill showed evident that they are continuously compiling the data, document it to monitor and improve on their efficiency of using the renewable and non renewable energy.</p> <p>Apart from use of diesel for generating electricity, pressed fibre, fibre and kernel was also used to generate electricity through steam turbine and boiler. The processing of the CPO was done using the turbine generation. This is in line with the plan to reduce the usage of fossil fuels.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 38 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>The use of energy in palm oil mill and line site was monitored monthly to compare the energy usage against the production of CPO. Electricity generation was through steam turbine and boiler where Palm fiber and kernel were used as renewable energy/fuel.</p> <p>It was verified that energy usage are being monitored daily, especially at the POM for better control and comparison of trends. Record on the usage of the materials was made available during audit and satisfactorily documented.</p>	
<p>Criteria 5.5 Use of fire for preparing land or replanting is avoided, except in specific situations as identified in the ASEAN guidelines or other regional best practice.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.5.1 There shall be no land preparation by burning, other than in specific situations as identified in the <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i>, or comparable guidelines in other regions.</p> <p>Major Compliance</p>	<p>The company had observed the policy of 'Zero open burning' for replanting, if any, at the estates.</p> <p>Field inspections made at estates showed no evidence of open burning.</p>	Complied
<p>5.5.2 Where fire has been used for preparing land for replanting, there shall be evidence of prior approval of the controlled burning as specified in <i>'Guidelines for the Implementation of the ASEAN Policy on Zero Burning' 2003</i>, or comparable guidelines in other regions.</p> <p>Minor Compliance</p>	<p>Also, there was no evidence of any burning of domestic waste at the housing line sites or at the plantations.</p> <p>Sanitary landfill was not practised at the estates but using the facilities of the local authority.</p>	Complied
<p>Criteria 5.6 Plans to reduce pollution and emissions, including greenhouse gases, are developed, implemented and monitored.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>5.6.1 An assessment of all polluting activities shall be conducted, including gaseous emissions, particulate/soot emissions and effluent (see Criterion 4.4).</p> <p>Major Compliance</p>	<p>Environmental impact assessment on potential pollution to water, gaseous emissions to air and contamination on land was reviewed for the POM on 4th September 2019 and estates on 5th September 2019.respectively.</p> <p>Mill gas emissions as monitored online by DOE, using the Continuous Emissions Monitoring System (CEMS) verified to be within the permissible limits of DOE. Report showed evident that the emission is within the permissible limits of DOE as verified by documents made available during the on site visit to the mill.</p> <p>POME treatment, monitoring and land application were monitored, maintained and adhered to DOE regulations. Land application of POME was channelled to Lim Lim estate.</p>	Complied
<p>5.6.2 Significant pollutants and greenhouse gas (GHG) emissions shall be identified, and plans to reduce or minimise them implemented.</p> <p>Major Compliance</p>	<p>Significant pollutants and greenhouse gas (GHG) emissions were identified, e.g. POME, diesel / fuel and fertilizer usage have been documented at the PMU. Plans were implemented and on going to reduce and minimise the impact. This has been verified on-site.</p> <p>Report on the GHG using the new version has also been documented. Some data changes were made during the</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 39 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	audit for more accurate reporting. Data used for the GHG calculation was verified to be correct.	
<p>5.6.3 A monitoring system shall be in place, with regular reporting on progress for these significant pollutants and emissions from estate and mill operations, using appropriate tools.</p> <p>Minor Compliance</p>	<p>Monitoring and reporting of the significant pollutants to water, gaseous emissions to air and contamination on land are in place.</p> <p>Tools and systems used include the DOE online CEMS monitoring for air emissions, water quality at discharge points as per DID regulations and SW disposal were adhering to DOE requirements. CEMS monitoring was also reported to DOE once a month. The latest report to DOE was on 23rd October 2019. Desktop reporting was also done once a month, latest September 2019 which include reporting on schedule waste inventory and flatbeds maintenance.</p> <p>Environmental air monitoring report was conducted quarterly and latest being on the 6th September 2019 and the result complied to the Malaysian Ambient Air Quality Standard.</p> <p>For noise monitoring, it was conducted only once a year and the latest was done on 4th May 2019 by PAC Testing & Consulting Sdn Bhd. Stack emissions testing was done on the 22nd August 2019. This is done twice a year by Spectrum Laboratories Sdn Bhd. Result showed compliance to respective limits of 65dB(A) and 55dB(A).</p> <p>Water samples were regularly taken and tested by mill environment officer in charge and analyzed to ensure compliance to DOE requirements at final discharge points. Discharge for land application was monitored daily. The water samples were sent for analysis. This was conducted by Lotus Laboratory Services Sdn Bhd. Records are maintained and verified on-site to have met the permissible regulatory limits.</p>	Complied

Principle 6: Responsible consideration of employees, and of individuals and communities affected by growers and mills

<p>Criterion 6.1 Aspects of plantation and mill management that have social impacts, including replanting, are identified in a participatory way, and plans to mitigate the negative impacts and promote the positive ones are made, implemented and monitored, to demonstrate continual improvement.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.1.1 A social impact assessment (SIA) including records of meetings shall be documented.</p> <p>Major Compliance</p>	<p>Social Impact Assessment (SIA) report prepared by Wild Asia in 17/10/2017 is still valid during the audit. The SIA clearly covered issues such as access and use rights, economic livelihoods and proper working conditions, subsistence activities, etc. for the workers and communities surrounding the PMU.</p> <p>SIA Management Plans of the group was reviewed and updated by the Sustainability Team for year 2018. The plans included monitoring of negative impacts and enhancement of positive ones. The revision was conducted through external stakeholder consultation on 24/10/2019. The external consultation were verified to be attended by external stakeholders including suppliers, contractors, neighbouring estates, transporters, government agencies, etc.</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 40 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<p>6.1.2 There shall be evidence that the assessment has been done with the participation of affected parties.</p> <p>Major Compliance</p>	<p>Social impacts in Keck Seng group operations were assessed using various method including consultations, meetings, survey forms and interviews.</p> <p>External stakeholders' consultation was conducted for the whole group on 24/10/2019 and the consultation was properly documented. 11 participants attended the external stakeholder consultation including local communities, suppliers, contractors and government agencies.</p> <p>Internal stakeholders consultations are conducted separately between Keck Seng POM and the estates, i.e. in Keck Seng POM, the Foreign Workers Social Meeting was conducted on 28/8/2019 and Joint Consultative Committee (JCC) was last conducted on 3/5/2019 at the estates level. Non-compliance raised against Indicator 1.1.1 (Minor NC OCL-01) and Indicator 1.1.2 (Major NC OCL-01) concerning inadequate stakeholders' representation and participation.</p> <p>The SIA for each operating unit audited was verified that all potential impacts were included, e.g. access and use rights to individual passports and travelling documents, sufficient and on time monthly pay, schools and health clinics, etc.</p>	<p>Complied</p>
<p>6.1.3 Plans for avoidance or mitigation of negative impacts and promotion of the positive ones, and monitoring of impacts identified, shall be developed in consultation with the affected parties, documented and timetabled, including responsibilities for implementation.</p> <p>Major Compliance</p>	<p>For each comment received during meetings or interviews conducted by the POM and the estates, Action Plan for Social Impact Assessment is developed to show the time frame on implementation plans, person responsible and current status for each activities. Latest action plan sighted during the audit is dated 21/8/2019 (Revision 12).</p>	<p>Complied</p>
<p>6.1.4 The plans shall be reviewed as a minimum once every two years and updated as necessary, in those cases where the review has concluded that changes should be made to current practices.</p> <p>There shall be evidence that the review includes the participation of affected parties.</p> <p>Minor Compliance</p>	<p>The Action Plan for Social Impact Assessment is reviewed annually and the plans for 2019/2020 period dated 21/8/2019 is available for verification. During the site inspection it is confirmed that the mitigations plans identified were in progress or already completed.</p>	<p>Complied</p>
<p>6.1.5 Particular attention shall be paid to the impacts of smallholder schemes (where the plantation includes such a scheme).</p> <p>Minor Compliance</p>	<p>There are no smallholder schemes at the PMU. Thus this is not applicable</p>	<p>Complied</p>
<p>Criterion 6.2 There are open and transparent methods for communication and consultation between growers and/or millers, local communities and other affected or interested parties.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.2.1 Consultation and communication procedures shall be documented.</p>	<p>Issue related to consultation and communication are covered in different procedures, e.g. list of stakeholders in</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 41 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Major Compliance	<p>SOP Doc. No: RSPO CRI-1.1.1 updated on 14/08/2018 and communication procedures in SOP-GEN-17.</p> <p>The PMU has adopted an open and transparent method of communication and consultation when dealing with relevant parties, e.g. its workers, government agencies, contractors, neighbouring plantations by personal invitation to attend the internal and external stakeholders' consultation meetings.</p> <p>The communication procedures were also explained to all stakeholders in each consultations both externally or internally.</p>	
<p>6.2.2 A management official responsible for these issues shall be nominated.</p> <p>Minor Compliance</p>	<p>Nominated respective officers are responsible to represent the group when any relevant issues raised by local communities and other affected or interested parties.</p> <p>For example, Mr. Asrul bin Bahari is the JCC representative and communication officer for Keck Seng Complex. Management official responsible for workers related issues at Keck Seng POM is Mr. Leong KM, HR Manager.</p>	Complied
<p>6.2.3 A list of stakeholders, records of all communication, including confirmation of receipt and that effort are made to ensure understanding by affected parties, and records of actions taken in response to input from stakeholders, shall be maintained.</p> <p>Minor Compliance</p>	<p>The maintenance of the list of stakeholders at the Keck Seng PMU is adequate and has ensured that the list is kept current. Noted that there are open and transparent methods for communication and consultation which has taken into consideration the local mechanisms including migrant workers and languages. The SOP, i.e. List of Stakeholder (RSPO-CRI-1.1.1) clearly outlined proper maintenance of the stakeholder list.</p>	Complied
<p>Criterion 6.3</p> <p>There is a mutually agreed and documented system for dealing with complaints and grievances, which is implemented and accepted by all affected parties.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.3.1 The system, open to all affected parties, shall resolve disputes in an effective, timely and appropriate manner, ensuring anonymity of complainants and whistleblowers, where requested.</p> <p>Major Compliance</p>	<p>In Keck Seng group complaints and grievances procedures are well implemented. Complaints and Grievances forms were sighted in the administration office visited and are actively used by workers. JCC representatives interviewed understood their roles and responsibilities.</p> <p>In dealing with complaints and grievances, the management had established the Social Policy in Oct 2011, signed by the Managing Director, Datuk Ho Kian Hock where in the second point of the policy it mentioned grievances from the stakeholders will be resolved fairly.¹</p> <p>In addition the PMU also established a few procedures related to complaints and grievances as listed below.</p> <ol style="list-style-type: none"> 1. Procedures "To Handle and Response The Request/Enquiries From Stakeholders" (RSPO-CRI-1.1.2) 2. Stakeholders Consultation and Communication Procedures (RSPO-CRI-6.1.1) 3. Handling of Social Dispute (RSPO-CRI-6.3.1A) <p>Complaints and grievances are investigated, addressed and resolved based on their severity. Minor complaints will normally be resolved within 2-3 working days, whilst major complaints and grievances will be resolved based on priority and budget availability. No complaints related to sexual harassment received so far, but the procedures</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 42 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>stated such issues will be handled with the utmost privacy and confidentiality by the GCC.</p> <p>Verified that there no instances of any serious disputes.</p> <p>http://masai.keckseng.com/images/pdf/ KSM- Social Policy.pdf</p>	
<p>6.3.2 Documentation of both the process by which a dispute was resolved and the outcome shall be available.</p> <p>Major Compliance</p>	<p>The Keck Seng group have a system for handling compensation claim in an effective, timely and appropriate manner. During the audit it was verified that no major dispute was raised by the workers.</p>	Complied
<p>Criterion 6.4</p> <p>Any negotiations concerning compensation for loss of legal, customary or user rights are 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>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.4.1 A procedure for identifying legal, customary or user rights, and a procedure for identifying people entitled to compensation, shall be in place.</p> <p>Major Compliance</p>	<p>The SOP mentioned earlier, i.e. (RSPO CRI-1.12) Procedures to handle and respond to the request enquiries from stakeholders' includes the procedures for identifying legal and customary rights and people entitled to compensation.</p> <p>Verified that there has been no case of dispute on land rights at this PMU to-date.</p> <p>Keck Seng group has a procedure for calculating and distributing compensation which is available. To-date there has been no dispute by any parties reported at the PMU.</p>	Complied
<p>6.4.2 A procedure for calculating and distributing fair compensation (monetary or otherwise) shall be established and implemented, monitored and evaluated in a participatory way, and corrective actions taken as a result of this evaluation. This procedure shall take into account: gender differences in the power to claim rights, ownership and access to land; differences of transmigrants and long-established communities; and differences in ethnic groups' proof of legal versus communal ownership of land.</p> <p>Minor Compliance</p>	<p>The SOP mentioned earlier, i.e. (RSPO CRI-1.12) Procedures to handle and respond to the request enquiries from stakeholders' includes the procedures for identifying legal and customary rights and people entitled to compensation.</p> <p>Verified that there has been no case of dispute on land rights at this PMU to-date.</p> <p>Keck Seng group has a procedure for calculating and distributing compensation which is available. To-date there has been no dispute by any parties reported at the PMU.</p> <p>The SOP mentioned earlier, i.e. (RSPO CRI-1.12) Procedures to handle and respond to the request enquiries from stakeholders' includes the procedures for identifying legal and customary rights and people entitled to compensation.</p> <p>Verified that there has been no case of dispute on land rights at this PMU to-date.</p> <p>Keck Seng group has a procedure for calculating and distributing compensation which is available. To-date there has been no dispute by any parties reported at the PMU.</p>	Complied
<p>6.4.3 The process and outcome of any negotiated agreements and compensation claims shall be documented, with evidence of the participation of affected parties, and made publicly available.</p> <p>Major Compliance</p>	<p>To date, there has been no dispute by any parties reported. Therefore, the process and outcome of compensation could not be observed.</p>	Complied
<p>Criterion 6.5</p>		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 43 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Pay and conditions for employees and for contract workers always meet at least legal or industry minimum standards and are sufficient to provide decent living wages.

Indicators	Findings and Objective Evidence	Compliance
<p>6.5.1 Documentation of pay and conditions shall be available.</p> <p>Major Compliance</p>	<p>There are different types of employment arrangements in offered in Keck Seng PMU. The arrangements are stated clearly in the workers contract, e.g. between the group with its own workers, the contract stated employment as permanent staff with monthly or daily wages and between the contractors with their workers employment as piece rated workers is clearly stated. Documentation and conditions of pay for foreign workers hired in the POM and all estates visited are available for verification. Employment agreement with foreign workers, from Myanmar, Nepal and Indonesia, stated all statutory fringe benefits and eligible incentives, e.g. working hours, overtime, leave and medical benefits, maternity leave for women, insurance coverage, deductions, resignation notice period, company rules. Keck Seng Group procedures require the employment contract to be explained by management to potential migrant workers before the contracts are signed.</p> <p>The payment slips for foreign workers at the POM and estates visited are easy to understand and this fact was further verified with migrant workers. Payments are made latest by 7th of each month. Payment slips for foreign and local workers hired by the contractors were also verified to be in compliance with the Minimum Wages Order 2018.</p>	<p>Complied</p>
<p>6.5.2 Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.</p> <p>Major Compliance</p>	<p>With effect from 1/1/2019, Keck Seng group revised the wages scale to be in accordance with Minimum Wages Order 2018. Workers who received less than stipulated minimum wages in the PMU are mainly due to absent from work without permission. This was verified as accurate during the audit. It is clear that workers who worked without absent for the whole month are able to achieve minimum wages. The obligatory insurance coverage through SOCSO for foreign workers were also sighted during the audit.</p> <p>It was found during the audit that in Keck Seng group was not complying with this indicator in a few aspects as mentioned below.</p> <p>1. Payment of wages for rest day and public holiday works were not complying with Employment Act 60(3)(a), 60D(1) and 60D(3)(a).</p> <p>1(a) Employment Act 60(3)(a) stated that payment for workers who are reporting in to work during rest day shall be paid in accordance to Ordinary Rate of Pay (ORP) at daily rate, i.e. < 4 hours work = ORP and > 4 hours work = ORP x 2. It was found that the estates were paying based on ORP at hourly rate x 2, which is less than legally required.</p> <p>1(b) Employment Act 60D(1) and 60D(3)(a) stated that payment for workers who are reporting in to work during public holiday shall be paid in accordance to ORP at daily rate x 3. It was found that the estates were paying based on ORP at hourly rate x 3, which is less than legally required.</p>	<p>Non-compliance #JMD-01</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 44 of 97

	<p>2. Mechanism to monitor workers minimum wages achievement and plan to improve performance not available for verification.</p> <p>Some workers were found to have received monthly pays below the minimum wages, i.e. below \$1,100/month. The estates were not able to provide evidence to support justification for payments below the legal minimum wages.</p> <p>3. Contract with agent not fulfilled concerning provision of blanket for foreign workers. The contract with the agent for the Indonesian workers stated that blanket shall be provided but this implementation was missed out.</p>	
<p>6.5.3 Growers and millers shall provide adequate housing, water supplies, medical, educational and welfare amenities to national standards or above, where no such public facilities are available or accessible.</p> <p>Minor Compliance</p>	<p>The requirements in the Workers' Minimum Standard of Housing and Amenities Act 1990 (Act 446) were very well implemented in Keck Seng group. The PMU was noted to have provided adequate amenities, housing, water supplies, medical, educational and public amenities to their local and foreign workers.</p> <p>Site visits to the workers quarters, staff quarters and interviews with their dependents revealed their general satisfaction with their housing conditions and amenities.</p> <p><u>Housing, electricity and water supply</u></p> <p>The workers staying Keck Seng Estate workers quarters were provided with free electricity and treated water daily supplied from the POM. Workers staying in Lim & Lim Estate workers quarters were provided with subsidised electricity and water. The newly installed public water works in Kota Tinggi Estate workers quarters was observed fully functioning during the audit.</p> <p>Workers quarters inspections were conducted regularly by the EHA to ensure the safety and cleanliness. The Visiting Medical Officer (VMO) was verified to have visited the quarters at least twice a week.</p> <p>Domestic waste collection was verified to be conducted with regular intervals by a hired contractor. The wastes are collected and transported to Municipal landfill outside other group compound.</p> <p><u>Schools</u></p> <p>Transport to and from the schools for children of all local workers were subsidised by the group. Permit for wages deduction from JTK was sighted for any workers who were using the school bus services more than the subsidised amount.</p> <p><u>Sundry shops</u></p> <p>Sundry shop is available within the estate compound. From interviews with the workers in the group it was found that most household sundries, including frozen foodstuffs were available on sale. As the group was located near to towns such as Pasir Gudang and Masai, the workers purchased their sundries from the towns at least once a month.</p> <p><u>Kindergarten</u></p> <p>Kindergarten is available in Keck Seng estate and cater for the children of local workers. Registration fee in the kindergarten is fully subsidised by the group. The</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 45 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>kindergarten is located just beside the estate clinic for better monitoring by the EHA.</p> <p>Clinics</p> <p>Health services is available at Keck Seng Estate for the whole group. No limit for medical services at the estate clinic but a limit of RM200/year is set for services acquired from external panel clinics. Public fogging is conducted monthly at Keck Seng Estate workers quarters with advice from the Dept. of Health and the VMO. Special session for women workers and their female dependents was planned at least once a month.</p>	
<p>6.5.4 Growers and millers shall make demonstrable efforts to monitor and improve workers' access to adequate, sufficient and affordable food.</p> <p>Minor Compliance</p>	<p>Keck Seng group ensured that the workers have access to adequate, sufficient and affordable food by providing the workers with local sundry shops within their compound.</p> <p>It is verified that the foreign workers were allowed to do shopping for sundry items in the towns nearby, i.e. Pasir Gudang and Masai at month end i.e. after pay day.</p>	Complied
<p>Criterion 6.6</p> <p>The employer respects the rights of all personnel to form and join trade unions of their choice and to bargain collectively. Where the right to freedom of association and collective bargaining are restricted under law, the employer facilitates parallel means of independent and free association and bargaining for all such personnel.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.6.1 A published statement in local languages recognising freedom of association shall be available.</p> <p>Major Compliance</p>	<p>The fifth point in the Social Policy statements adopted by the group as mentioned above recognises the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain. This policy was widely available and displayed in English and Bahasa Malaysia.</p> <p>The POM had formed Foreign Workers Social Meeting and the estates formed JCC as mechanisms to cater for the collective bargaining needs of the workers. Results of meetings were minuted and available for verification. The mechanism as an alternative to workers union were scheduled to conduct their meeting twice a year. It was verified that each meeting was properly documented and filed. Participants in the meetings were workers representatives from different categories of workers such as general workers, drivers, laboratory, workshops, harvesters, manuring, spraying, etc.</p> <p>The meeting minutes were accessible to all members in the committee and other workers as well. In each meeting, the meeting started with approval of previous meeting minutes and evaluate the status of issues raised.</p>	Complied
<p>6.6.2 Minutes of meetings with main trade unions or workers representatives shall be documented.</p> <p>Minor Compliance</p>	<p>The POM had formed Foreign Workers Social Meeting as mechanism to cater for the collective bargaining needs of the workers and the same mechanism is formed in the estates but called as JCC. Results of Foreign Workers Social Meeting and JCC meetings were minuted and available for verification. Latest Foreign Workers Social Meeting was conducted on 28/8/2019 attended by 15 participants and latest JCC meeting was conducted on 3/5/2019 attended by 17 participants. All workers, including foreign workers, were not prohibited from joining local workers union, i.e. National Union Workers Union (NUPW). However, the interest among foreign workers to join the union is very low.</p>	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 46 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>A non-compliance was raised under this criteria due to no record in the workers representative meeting minutes that showed the selection of the workers representatives has been conducted in a democratic manner. For example;</p> <ol style="list-style-type: none"> 1. At the POM, attendance of workers representatives at the Social Meetings were sighted but no record showing that the representatives were elected by the workers based on majority votes. 2. At the estates, attendance of workers' representatives at the Joint Consultative Committee (JCC) were verified. However, evidence of voting process being conducted, structure of the committee, basis for the representation, e.g. based on nationality, workers quarters, checkroll or contractor workers, type of jobs, were not available. 	<p>Non-compliance #JMD-02</p>
<p>Criterion 6.7 Children are not employed or exploited.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.7.1 There shall be documentary evidence that minimum age requirements are met.</p> <p>Major Compliance</p>	<p>The last point in the Social Policy statements adopted by the group as mentioned above recognises children and young persons shall not be employed or exploited. This policy is widely available and displayed in English and Bahasa Malaysia.</p> <p>There was no evidence of any child labour being used in the group. Inspection of the employment records including site visit to within the group confirmed that this requirement has been complied with.</p>	Complied
<p>Criterion 6.8 Any form of discrimination based on race, caste, national origin, religion, disability, gender, sexual orientation, union membership, political affiliation, or age, is prohibited.</p>		
Indicators	Findings and Objective Evidence	Compliance
<p>6.8.1 A publicly available equal opportunities policy including identification of relevant/affected groups in the local environment shall be documented.</p> <p>Major Compliance</p>	<p>The first point in the Social Policy statements adopted by the group as mentioned above recognises equal opportunity and this policy is widely available and displayed in English and Bahasa Malaysia.</p> <p>Inspections including interviews in the Keck Seng group, employment records including foreign workers, pay slips and allowable deductions of wages confirmed that this criterion has been maintained.</p> <p>The Policy is available in local languages and English and displayed at the Mill's notice boards.</p> <p>Employment records were checked and confirmed that this policy had been implemented and maintained.</p>	Complied
<p>6.8.2 Evidence shall be provided that employees and groups including local communities, women, and migrant workers have not been discriminated against.</p> <p>Major Compliance</p>	<p>Based on interviews and feedback from the employees, foreign workers and review of JCC meeting minutes, it is verified that there has been no issue of discrimination in the group. All workers, local or foreign, male or female, listed or contract workers, are all entitled to similar benefits and treatment offered by the group.</p>	Complied
<p>6.8.3 It shall be demonstrated that recruitment selection, hiring and</p>	<p>All estates audited in the group kept and maintained records of their workers, including credentials and medical</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 47 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<p>promotion are based on skills, capabilities, qualities, and medical fitness necessary for the jobs available.</p> <p>Minor Compliance</p>	<p>history. Credentials for foreign workers are mostly referring to the travel documents, whilst credentials for local staff have more details. Records of medical history for both local and foreign workers are considerably comprehensive kept in the medical clinics within the group.</p> <p>Recruitment and promotion are verified based on skills, capabilities, qualities, and medical fitness necessary for the job. Before hiring, each new foreign worker is required to pass FOMEMA medical check-up as required by law and probation period to evaluate level of skills and the workers attitude towards the new surroundings.</p>	
<p>Criterion 6.9 There is no harassment or abuse in the work place, and reproductive rights are protected.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.9.1 A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>The third point in the Social Policy statements adopted by the group as mentioned above recognises the prevention of all forms of sexual harassment and violence at the workplace. This policy is widely available and displayed in English and Bahasa Malaysia. There was a documented procedure on the management of sexual harassment. There is also a gender committee specifically to address areas of concern to women. This committee is overseen by the estate managers and, representatives from all areas of work. On 9/10/2019, the group conducted its latest Gender Committee with attendance from 13 workers, including males and female representatives. On 17/8/2018, the group conducted a social issue related issues delivered by officer from Pejabat Kebajikan Masyarakat Daerah Johor Bahru including sexual harassment, illegal racing and drugs.</p> <p>The policy statements on prevention of sexual harassment and recognition of gender and women reproductive rights were widely available and displayed in English and Bahasa Malaysia.</p> <p>Pregnant and breastfeeding women were verified to be exempted from works involving chemicals.</p>	<p>Complied</p>
<p>6.9.2 A policy to protect the reproductive rights of all, especially of women, shall be implemented and communicated to all levels of the workforce.</p> <p>Major Compliance</p>	<p>Social policy adopted by the Keck Seng group include protection of women workers and their reproductive rights. Pregnant and breastfeeding women were exempted from work on the advice from the EHA and the Immigration Dept.</p> <p>Protection of reproductive rights also carried out by providing free ambulance ride to the nearest hospital.</p> <p>A non-compliance was raised under this indicator as it was found the policy on prevention of sexual and all other forms of harassment and violence was not communicated to all levels of workforce at the POM and estates. Evidence sighted was as mentioned below;</p> <p>1. At the POM, there is no evidence to show that the company Social Policy (which includes prevention of sexual harassment and violence) had been communicated to all workers. Briefing on Sexual Harassment at Workplace was conducted on 26/9/2019 involving staff and workers from POM and POR. However, only 4 representatives from POM attended the briefing.</p>	<p>Non-compliance JMD-02</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 48 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	2. At all estates, contractor workers interviewed indicated they are not aware of the policy.	
6.9.3 A specific grievance mechanism which respects anonymity and protects complainants where requested shall be established, implemented, and communicated to all levels of the workforce. Minor Compliance	The mechanism of recording and procedures verified during the audit. Female workers are treated fairly at the work place and the Gender Committee is responsible in matters concerning to the female workers. These mechanisms are stated in the following documents: 1. Principle 6: Criterion 6.9 SOP <i>Pertubuhan Jantina Carta aliran Pertubuhan Jantina KSM</i> (RSPO-CRI-6.9.1 dated 19/08/2013) 2. RSPO-CRI-6.9.2A dated 18/08/2011 – <i>Kod Amalan Cara menghadapi dan Mengatasi Gangguan Seksual di Tempat Kerja</i>	Complied
Criterion 6.10		
Growers and millers deal fairly and transparently with smallholders and other local businesses.		
Indicators	Findings and Objective Evidence	Compliance
6.10.1 Current and past prices paid for Fresh Fruit Bunches (FFB) shall be publicly available. Minor Compliance	Current prices are displayed publicly at the POM and estates. Past prices are available in the system for future reference. Currently, Keck Seng group does not have any dealings with scheme smallholders. All FFB suppliers are independent smallholders. There was also no evidence to suggest of any unfair business practices with the local businesses.	Complied
6.10.2 Evidence shall be available that growers/millers have explained FFB pricing, and pricing mechanisms for FFB and inputs/services shall be documented (where these are under the control of the mill or plantation). Major Compliance	Price mechanism is generally understood by the industry players as the POM is using FFB prices set by the MPOB. Monthly prices are displayed at the POM office and FFB price data are available to the public upon request.	Complied
6.10.3 Evidence shall be available that all parties understand the contractual agreements they enter into, and that contracts are fair, legal and transparent. Minor Compliance	Based on employment contracts, JCC meeting minutes, agreement between the group and the contractors, it is evidenced that all parties understand the agreements they have entered into, and that the contracts signed are fair, legal and transparent. Interviews with parties concerned confirmed that business practices with local businesses are conducted in a fair and transparent manner. Work tenders are open to appropriate parties and reviewed by Tender Committee before approval. The contractors are monitored to follow safety requirements during the work in progress.	Complied
6.10.4 Agreed payments shall be made in a timely manner. Minor Compliance	The group has a policy to ensure agreed payments were made in a timely manner as per the contracts of agreements signed. Payments are made according to common practice of 60-days grace period. For example the payments to workers at the estates and the mill are always before the 7 th and payments to the contractors are always before 20 th of each month.	Complied
Criterion 6.11		
Growers and millers contribute to local sustainable development where appropriate.		
Indicators	Findings and Objective Evidence	Compliance

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 49 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<p>6.11.1 Contributions to local development that are based on the results of consultation with local communities shall be demonstrated.</p> <p>Minor Compliance</p>	<p>Main contribution of the estates to the local development was demonstrated in the provision of facilities and monetary contributions, where feasible. Some of the examples are as listed below:</p> <ul style="list-style-type: none"> - Continuous contribution to surrounding schools, esp. SK Kong Kong Laut. Donation of air contamination level detection machine during Kim Kim River incident, cycling activities for students using estate field roads, no spraying around school fence. - Continuous contribution to students staying in the workers quarters by subsidising the schools bus and tutorial classes fees. - Continuous contribution to the local religious communities, e.g. mosques and temples. - Continuous contribution to surrounding villages, e.g. supplying water during festivities, donation for sports tournaments. 	<p>Complied</p>
<p>6.11.2 Where there are scheme smallholders, there shall be evidence that efforts and/or resources have been allocated to improve smallholder productivity</p> <p>Minor Compliance</p>	<p>There are no scheme smallholders under this Keck Seng group.</p>	<p>Complied</p>
<p>Criterion 6.12 No forms of forced or trafficked labour are used.</p>		
<p>6.12.1 There shall be evidence that no forms of forced or trafficked labour are used.</p> <p>Major Compliance</p>	<p>Estate workers are sourced by the Keck Seng appointed recruitment agencies. All procedures of bringing in foreign workers are complying with the Immigration regulations. Based on records verified and interviews with some of the workers, it is confirmed that there has been no occurrence of forced nor trafficked workers within the group.</p> <p>All recruitment fees are covered by the group. Any extra costs incurred during the recruitment process, e.g. individual passport application, supporting letters from village head, will be reimbursed by the group with a fixed amount of RM1,110 per worker.</p> <p>The group through its Social Policy have released the passports back to the workers throughout the group. The workers however were reminded they are responsible should any untoward incidents happened while their passports are in their custody. The management will assist the workers to monitor the passport and work permit expiry dates, FOMEMA tests until collection of work permit from the Immigration Office. Contractor workers were also verified to keep their own passports.</p>	<p>Complied</p>
<p>6.12.2 Where applicable, it shall be demonstrated that no contract substitution has occurred.</p> <p>Minor Compliance</p>	<p>No incidents of contract substitution found during the audit. This is confirmed during interviews with external stakeholders this issue has never been raised. The employment contracts used in the group were complied with demand letters as reviewed by relevant embassies and consulate.</p>	<p>Complied</p>
<p>6.12.3 Where temporary or migrant workers are employed, a special labour policy and procedures shall be established and implemented.</p> <p>Major Compliance</p>	<p>The Social Policy adopted by the group is noted to have adequately covered all necessary aspects of foreign workers related issues. In addition the group also established the procedures below in order to ensure all workers, especially foreign, are treated fairly.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 50 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>1. Foreign Workers Recruitment and Procedures (KS-SOP-FW)</p> <p>2. Manpower Recruitment and Orientation (SOP-ADM-01)</p> <p>Implementation of these policy and procedures are evident as explained above, for example, all decisions related to hiring of new workers shall be made based on business needs, job requirements and individual qualifications and without regard to race, religion or gender. Also mentioned above that the equal opportunity policy was adopted and implemented by the group and verified to have covered all necessary aspects of including migrant workers related issues. Freedom of association as earlier mentioned permitted not only to the local workers but also to the foreign workers.</p> <p>This policy is communicated to all workers during orientation briefing.</p>	
<p>Criterion 6.13 Growers and millers respect human rights.</p>		
<p>Indicators</p>	<p>Findings and Objective Evidence</p>	<p>Compliance</p>
<p>6.13.1 A policy to respect human rights shall be documented and communicated to all levels of the workforce and operations (see Criteria 1.2 and 2.1). Major Compliance</p>	<p>The Social Policy adopted by the PMU covers all necessary aspects of human rights. This policy is communicated to all stakeholders related to the group either during external stakeholder consultation, JCC meetings, GCC meetings, Foreign Workers Social meetings or morning muster.</p>	<p>Complied</p>
<p>6.13.2 As long as children of foreign workers in Sabah and Sarawak are ineligible to attend government school, the plantation companies should engage in a process to secure these children access to education as a moral obligation. Minor Compliance</p>	<p>Not applicable as group is located in Johor, Peninsular Malaysia.</p>	<p>Not applicable</p>

Principle 7: Responsible development of new plantings

It is confirmed by the Management of Keck Seng - Masai grouping that the organisation has no long-term business plans to enter into the development of any new plantings or to make any acquisitions of new plantings.

Todate, the PMU has not carried any new plantings after Nov 2005 which may be applicable under requirements of the RSPO New Planting Procedure.

The requirements of Principle 7 were verified to be 'Not applicable' to this PMU during this assessment.

It was verified during current on-site assessment that the PMU has declared and submitted its Land Use Change details for analysis for its plantings since Nov 2005 as per the calculations specified in the RSPO PalmGHG v 3.0.1. The PMU had submitted the GHG Calculation Report to RSPO Secretariat.

See Summary of Net GHG Emissions submitted by the POM in the Tables below.

Based on the details provided in the record of submission, it is also verified that there is no potential liability under the RSPO Remediation and Compensation Procedure at this PMU.

SUMMARY OF NET GHG EMISSIONS

All information and data below as per the latest summary report generated through **PalmGHG Calculator Version 3.0.1**.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 51 of 97

GHG Table 1: Summary of Net GHG Emissions (Jan – Dec 2018)

Emissions per Product	tCO ₂ e/tProduct
CPO	0.67
PK	0.67

Production	t/year
FFB processed	263080.39
CPO Produced	49217.21

Extraction	%
OER	18.71
KER	6.00

GHG Table 2: Summary of Net GHG Emissions

Land use	Ha
OP planted area	3268.07
OP planted on peat	0
Conservation (forested)	52.07
Conservation (non-forested)	51.70
Total	3371.84

GHG Table 3: Summary of Field Emissions and Sinks

	Own Crop		Group		3rd Party		Total	
	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha	tCO ₂ e	tCO ₂ e/ha
Emissions								
Land Conversion	22092.52	7	0	0	0	0	22092.52	7
CO ₂ Emissions from Fertiliser	2081.64	0.66	0	0	0	0	2081.64	0.66
N ₂ O Emissions	2477.03	0.76	0	0	0	0	2477.03	0.76
Fuel Consumption	319.27	0.11	0	0	0	0	319.27	0.11
Peat Oxidation	0	0	0	0	0	0	0	0
Sinks								
Crop Sequestration	-22088.35	-6.99	0	0	0	0	-22088.35	-6.99
Conservation Sequestration	-144.78	-0.07	0	0	0	0	-144.78	-0.07
Total	4737.33	1.48	0	0	25331.82	0	30069.15	1.48

GHG Table 4a: Summary of Mill Emissions and Credits

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 52 of 97

	tCO ₂	tCo _{2e} /tFFB
Emissions		
POME	7059.24	0.03
Fuel Consumption	535.34	0
Grid Electricity Utilisation	6553.46	0.02
Credits		
Export of Excess Electricity to Grid and Housing	-486.52	0
Sales of PKS	0	0
Sales of EFB	0	0
Total	13661.52	0.05

GHG Table 4b: Palm Oil Mill Effluent (POME) Treatment

Divert to compost	0 %
Divert to anaerobic digestion	100 %

GHG Table 4c: POME Diverted to Anaerobic Digestion

Divert to anaerobic pond	0 %
Divert to methane capture (flaring)	0 %
Divert to methane capture (electricity generation)	100 %

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 53 of 97

Principle 8: Commitment to continuous improvement in key areas of activity

Criterion 8.1		
Growers and millers regularly monitor and review their activities, and develop and implement action plans that allow demonstrable continual improvement in key operations.		
Indicators	Findings and Objective Evidence	Compliance
<p>8.1.1 The action plan for continual improvement shall be implemented, based on a consideration of the main social and environmental impacts and opportunities of the grower/mill, and shall include a range of Indicators covered by these Principles and Criteria.</p> <p>As a minimum, these shall include, but are not necessarily be limited to:</p> <ul style="list-style-type: none"> • Reduction in use of pesticides (Criterion 4.6); • Environmental impacts (Criteria 4.3, 5.1 and 5.2); • Waste reduction (Criterion 5.3); • Pollution and greenhouse gas (GHG) emissions (Criteria 5.6 and 7.8); • Social impacts (Criterion 6.1); • Encourage optimising the yield of the supply base. <p>Major Compliance</p>	<p>Action plans for continual improvement at the POM and Estates were documented, implemented and monitored.</p> <p><u>At POM:</u></p> <ol style="list-style-type: none"> (1) Installation of one unit of Electrostatic Precipitator System (ESP) to reduce dust emission limit to < 150 mg/Nm³ under the Environmental Quality (Clean Air) Regulation 2014. (2) Construction and commissioning a tertiary polishing plant to achieve BOD level < 20 ppm as per DOE requirement. (3) Effluent treatment plant upgrading. (4) Replace air preheater at boiler 6. <p><u>At Estates</u></p> <ol style="list-style-type: none"> (1) Increase planting of beneficial plants (<i>Turnera subulata</i>, <i>Cassia cobanensis</i> and <i>Antigonon leptopus</i>) along the roads. (2) Increase the number of recycle bin station. (3) Increase the number of buffer zone signage. <p><u>Social</u></p> <p>Main contribution of the PMU to the local development was demonstrated in the provision of facilities and monetary contributions, where feasible. Some of the examples are as listed below:</p> <ol style="list-style-type: none"> (1) Building of a community hall in progress and expected completion in Feb 2020. (2) Building a playground at Keck Seng Quarters in progress and expected completion in Feb 2020. (3) Upgrading of kindergarten in progress and expected completion in Dec 2019. (4) Provision of domestic water supply by Syarikat Air Johor (SAJ) to Keck Seng housing quarters in progress and expected completion in Mar 2020. (5) Installation of mosquito netting at quarters in progress and completion in Feb 2020. (6) Continuous contribution to surrounding schools, esp. SK Kong Kong Laut. Donation of air contamination level detection machine during Kim Kim River incident, cycling activities for students using estate field roads, no spraying around school fence. (7) Continuous contribution to students staying in the workers quarters by subsidising the school bus and tutorial classes fees. (8) Continuous contribution to the local religious communities, e.g. mosques and temples. (9) Continuous contribution to surrounding villages, e.g. supplying water during festivities, donation for sports tournaments. <p>Evidence of results was available for the above continuous improvement action plans.</p>	<p>Complied</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 54 of 97

3.1.1 Supply Chain Certification Standards Findings - on CPO Mill

The Supply Chain model applied at Keck Seng (M) Berhad - Masai POM during this assessment is Mass Balance (MB) – CPO Mills.

Details of findings are as follows:

5. General chain of custody requirements for the supply chain		
5.1 Applicability of the general chain of custody requirements for the supply chain		
	Findings and Objective Evidence	Compliance
5.1.1 Legal ownership and physical handling of RSPO Certified Sustainable oil palm products at a location under the control of the organization including outsourced contractors.	Keck Seng (M) Berhad has the physical handling of the RSPO Certified Sustainable palm oil products. All trading, contract and sales are managed by Marketing Department at Keck Seng Singapore. The PalmTrace registration number for Keck Seng (M) Berhad: RSPO_PO1000000505.	Complied
5.1.2 Trader and/or distributor shall pass on the certification number of the product manufacturer and the applicable supply chain model.	The POM is not a trader or distributor.	Complied
5.1.3 Member of the RSPO and shall register on the RSPO IT platform.	Keck Seng (Malaysia) Berhad held RSPO membership number: 2-0094-08-000-00 since 02/01/2013. The company has registered in PalmTrace system as follows: <ul style="list-style-type: none"> • Organisation Name: Keck Seng (M) Berhad, 9 Miles, Kong Kong Road, Masai, 81757 Johor Bahru, Johor, MALAYSIA • PalmTrace Member ID: RSPO_PO1000000505 • Member Category: Oil Mill 	Complied
5.1.4 Processing aids do not need to be included within an organization's scope of certification.	Processing aids was not in used at the POM.	Complied
5.2 Supply chain model		
5.2.1 Same supply chain model as its supplier	Procedure to handle certified FFB in oil mill and kernel crushing plant as RSPO/MSPO Supply Chain Base, Doc No. RSPO-SC-01, Rev.04, Issue Date 10/09/2019 was established which covered for documentation, good purchasing, record keeping, sales and product out, training, and claims of RSPO certified product in oil mill as supply chain base. The supply chain model for the POM is Mass Balance Module.	Complied
5.2.2 Combination of supply chain models		Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 55 of 97

	The POM was certified with Mass Balance Module.	
5.3 Documented procedures		
5.3.1 Written procedures and/or work instructions	A documented Procedure to handle certified FFB in Oil Mill and Kernel Crushing Plant RSPO/MSPO Supply Chain Base, Doc No. RSPO-SC-01, Rev 4.0 (Effective 10/09/2019) has been established and implemented. The procedure covered the implementation of all elements of MB Module that include Management Functions & Job Descriptions, Claims, Purchasing FFB, Product Sales and Out, Record Keeping, Training. As per procedure, it was stated that the Mill Manager as a chairman for SCC committee at the POM assisted by Assistant Mill Managers. The job descriptions were identified in the procedure accordingly.	Complied
5.3.2 Internal audit procedure and internal audit conducted to determine compliance.	There is a documented procedure for conducting Internal audit – SOP-GEN-01, Rev.01, Date 04/09/2019. The Internal Audit Procedure stated that audit shall be planned and carried out at least once a year. It also stated that additional internal audits shall be conducted based upon the number of non-conformances raised, new process or changes in system and any issues raised by interested parties. Internal audit on POM was conducted on 21/05/19. There were no non-conformance and 2 observations raised for the internal audits on the POM. The internal audit was conducted by 2 Internal Auditors, who were independent from the area they have audited. The report is available for management review.	Complied
5.4 Purchasing and goods in		
5.4.1 Purchases of RSPO certified oil palm products with all the specified information.	All the certified estate was registered in the Weighbridge System. During the audit, the auditor was verified the system and confirmed that only Keck Seng Oil Palm Estate, Tong Hing Estate, Sg. Layang Estate, Kota Tinggi Oil Palm Plantations, Sin Lian Oil Palm Plantations, Lian Huap Oil Palm Plantations, Johore (Masai) Plantations and Lim & Lim Plantations were registered as supplier for FFB-RSPO. Sighted FFB Delivery Note – From Johore (Masai) Plantations; Date 30/06/2019; Serial No 115995 There was no trader at the POM.	Complied
5.4.2 Mechanism for handling non-conforming oil palm products and/or documents.	Mechanism in place for handling non-conforming oil palm products and/or documents was describe in the Control of Non-Conforming	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 56 of 97

	Products, Doc No.RAG-SOP-PRO-04, Rev.00, Date 25/01/2013.	
5.5 Outsourcing activities		
5.5.1 Outsourcing of activities	No outsource activity at the POM.	N/A
5.5.2 Outsourcing within the scope of its RSPO SC certificate	No outsource activity at the POM.	N/A
5.5.3 Names and contact details of all contractors used for the processing or physical handling of RSPO certified oil palm products.	No outsource activity at the POM.	N/A
5.5.4 Names and contact details of new contractor used for the processing or physical handling of RSPO certified oil palm products.	No outsource activity at the POM.	N/A
5.6 Sales and goods out		
5.6.1 Sales of RSPO certified oil palm products with all the specified information.	<p>All PK are supplied to a Kernel crushing plant nearby i.e. Ragamo Sdn Bhd which is also a subsidiary under the Keck Seng Group. The CPO are further processed by another subsidiary, i.e. Keck Seng Refinery Sdn Bhd, which is also located nearby.</p> <p>The transaction between the mill and Ragmo based on Sales Contract which were prepared by mill management and verified by Ragamo representative.</p> <p>Sighted sales contract – contract no KSM-PK07/RSB/1; RSPO Ref No RSPO 930688; type of product; quantity of the product; price of product; payment method; other terms and conditions</p>	Complied
5.7 Registration of transactions		
5.7.1 Transaction registered in the RSPO IT platform and confirmed upon receipt.	<p>Keck Seng (Malaysia) Berhad held RSPO membership number: 2-0094-08-000-00 since 02/01/2013.</p> <p>The company has registered in PalmTrace system as follows:</p> <ul style="list-style-type: none"> • Organisation Name: Keck Seng (M) Berhad, 9 Miles, Kong Kong Road, Masai, 81757 Johor Bahru, Johor, MALAYSIA • PalmTrace Member ID: RSPO_PO1000000505 • Member Category: Oil Mill 	Complied
5.7.2 RSPO IT Platform: Shipping Announcement, Traceability, Confirming Shipping Announcements.	Procedure to handle certified FFB in Oil Mill and Kernel Crushing Plant RSPO/MSPO Supply Chain Base, Doc No. RSPO-SC-01,	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 57 of 97

	<p>Rev 4.0 (Effective 10/09/2019) was established. Marketing Department is responsible to do an announcement in the RSPO IT Platform. The shipping announcement will be done maximum 1 month after the contract completed.</p> <p>Sampled the shipping announcement as below: Buyer: Ragamo Sdn. Bhd. Transaction ID: TR-75e3dbb2-0e06 Product: CSPK Quantity: 92.94 mt Shipping/BL Date: 06/10/2019</p> <p>Buyer: Keck Seng (Malaysia) Berhad Transaction ID: TR-623bbeb8-8679 Product: CSPO Quantity: 1,767.45 mt Shipping/BL Date: 24/04/2019</p>	
5.8 Training		
<p>5.8.1 Training plan on RSPO SC Standards requirements and records of the training.</p>	<p>The POM has established "POM Training Plan 2019" as training plan, in January 2019 and it include "Taklimat Supply Chain" as training for RSPO SCCS which was planned in October 2019.</p> <p>The records for RSPO SCCS Training that has been conducted on 01/10/2019, such as training attendance record and training agenda were retained properly.</p>	Complied
<p>5.8.2 Appropriate training shall be provided</p>	<p>The POM has conducted training "Taklimat Supply Chain" on 01/10/2019 by Mill Manager to all personnel engaged in the implementation and maintenance of the RSPO SCCS.</p> <p>The records for RSPO SCCS Training such as training attendance record and training agenda were retained properly.</p>	Complied
5.9 Record keeping		
<p>5.9.1 Accurate, complete, up-to-date and accessible records and reports maintained.</p>	<p>As per the SOP, the records are archived and to be stored for a minimum of 5 years. Traceability was verified for the Production Report for Jan – Dec 2018 from the related records (FFB Delivery Note, Weighbridge Ticket, POM Daily Progress Report, RSPO Daily Progress Report and PK Monthly Sales Contract.</p> <p>Transaction documents and bookkeeping of CPO and PK are done daily summary report of FFB receipt, FFB processed, CPO production, PK production and balance stocks submitted to Singapore Head Office and top management, mill management, operation department, administration, weighbridge and purchasing department.</p> <p>The two weighbridges at the Mill are duly calibrated and calibration certificates found to be in order.</p> <p>CPO is delivered to Keck Seng Refinery. There is no Palm Kernel mill for production of</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 58 of 97

	<p>PKO at the POM. PK sold and delivered to the Ragamo Sdn Bhd (Kernel Crushing Plant) Deduction and conversion ratios for the volumes of CPO and PK delivered from the POM have been appropriately done and recorded.</p> <p>All deliveries of the MB sales are from positive stock.</p> <p>The POM had maintained a monthly summary of all receipts of FFB, production tonnage and dispatch of CPO and PK. This inventory is balanced every 3 months.</p>	
5.9.2 Retention times for all record and reports.	<p>Procedure to handle certified FFB in Oil Mill and Kernel Crushing Plant RSPO/MSPO Supply Chain Base, Doc No. RSPO-SC-01, Rev 4.0 (Effective 10/09/2019) has defined at least 5 years of retention time for all records and report.</p>	Complied
5.9.3 Volume purchased (input) and claimed (output) over a period of twelve (12) months.	<p>Stated in the Summary of Certified Product Volumes (Produced and Traded).</p>	Complied
5.10 Conversion factors		
5.10.1 Conversion rate shall be applied to provide a reliable estimate for the amount of certified output available from the associated inputs.	<p>No conversion rate is applied for the processing.</p>	Complied
5.10.2 Conversion rates shall be periodically updated.	<p>No conversion rate is applied for the processing.</p>	Complied
5.11 Claims		
5.11.1 Claims shall be in compliance with the RSPO Rules on Market Communications and Claims. (Refer to detailed check items as per SCC checklist on RSPO Rules on Market Communications and Claims)	<p>Not in use.</p>	Complied
5.12 Complaints		
5.12.1. Documented procedures for collecting and resolving stakeholder complaints.	<p>The organisation has established Procedures to handle and respond the requests/enquiries from stakeholders, Doc No. RSPO-CR1-1.1.2, Rev.01, Date 12/09/2017 for dealing with any substantive and procedural complaints and grievances relating to its stakeholders. The displayed Flowchart for Complaints handling include the timeline for resolving complaints as stated in the SOP. There is no complaint or grievances recorded until today.</p> <p>Management documents such as Policies, Stakeholder consultation processes, Financial</p>	Complied

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 59 of 97

	Annual Reports are available upon request and at its website: https://my.keckseng.com/ Any commercially confidential information will need special request before being provided.	
5.13 Management review		
5.13.1 Appropriate frequency of management review.	Management review for 2019 was conducted on 28/05/2019 where the meeting was chaired by Sr. Mill Manager.	Complied
5.13.2 All the specified inputs for the management review.	All the input was discussed accordingly during management review meeting for 2019. <ol style="list-style-type: none"> 1. Review results of last external audit 2. Review results of last internal audit 3. Customers feedback 4. Process performance and product conformity 5. Status of corrections and corrective actions 6. Follow-up actions from previous management reviews 7. Changes that could affect the management system 8. Recommendations for improvement 9. Complaint and grievances 	Complied
5.13.3 All the specified outputs from the management review.	All the output was discussed accordingly during Management Review meeting for 2019.	Complied

3.1.2 Status on Supply Chain on POM:

Based on the documents and records presented during the on-site verifications made, it is concluded that the POM has been able to comply with the requirements of the RSPO SCCS under the 'MB' module and is thus eligible for 'MB' trading for its palm products for year 2019/2020.

3.1.3 Summary of Certified Product Volumes (Produced and Traded):

The Production data and traded volumes of certified products which was verified for 2019/2020 are detailed as per Table 8A & 8B below:

Table 8A: Summary of Production Data (Year: 2019)

	Estates	Smallholders	Outgrowers	Traders
Number of Production Unit	8	13	9	4
Number of Individual Smallholders	0	-	-	-
Certified Area (ha)	3,412.04	Not available	Not available	Not available
Production Area (ha) / i.e. Mature area	2,201.17	Not available	Not available	Not available
HCV Area (ha)	52.07	Not available	Not available	Not available
Projected Certified FFB Processed (RSPO Certified) (MT)	48.000			
Projected Certified - CPO Processed (RSPO Certified) (MT)	9,072			
Projected Certified - PK Processed (RSPO Certified) (MT)	2,904			

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 60 of 97

Table 8B: Summary of Trading volumes (under PalmTrace)

Details as per RSPO Certification System Document		
	CPO (MT)	PK (MT)
Last year's (Projected) – Certified volume (RSPO Certified) (Jan–Dec 2019)	9,072	2,904
a) Last year's Actual sold volume (RSPO Certified) (Jan–Sep 2019)	3,411.20	2,078.27
b) Last year's Actual sold volume * (Other Schemes Certified) (Jan–Sep 2019)	0	0
c) Last Year's Actual sold volume ** Non-certified (Jan–Sep 2019)	3,186.80	0
Total of (a) + (b) + (c)	6,598.00	2,078.27
The PMU was first certified on 02 Jan 2013		
New (Projected) Certified Volume (RSPO Certified) (Jan–Dec 2020)	8,685	2,722

Notes:

- Verified that total Actual sold (for last year) did not exceed the Projected (for last year).
- * The PMU is not certified for other certified schemes.
- ** Certified palm products sold as 'Non-certified' palm products.
- Volume extension approved on 21 Dec 2018 for 560 MT CPO and 180 MT PK

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 61 of 97

3.2 Status of Identified Noncompliance and Corrective Actions, Observations and Positive Elements.

The status of the Noncompliances (NCR) and Observations (OBS) identified against the MYNI Compliance Indicators is as per the details below:

Assessment Type	Year	Noncompliance (NC)	Observations (OBS)	Follow up status
Annual Surveillance-03 (by previous CB)	2015	8 (5 Major, 3 Minor)	16	Actions taken on the NCs and Obs were verified during ASA-03. Note: Previous NCs and Obs which were not effectively implemented were issued with new NCs in ASA-04.
Annual Surveillance-04 (by Intertek)	2016	10 (7 Major, 3 Minor)	1	Actions taken on the NCs and Obs were verified during ASA-04. Note: Previous NCs and Obs which were not effectively implemented were issued with new NCs during Re-Cert cum Verification audit.
Re-Certification	2017	9 (7 Major, 2 Minor)	0	Actions taken on the NCs and Obs verified to be effective during ASA-01.
Annual Surveillance Assessment (ASA-01)	2018	4 (1 Major, 3 Minor)	1	Actions taken on the NCs and Obs verified to be effective during ASA-02.
Annual Surveillance Assessment (ASA-02)	2019	11 (7 Major, 4 Minor)	2	Next Surveillance Assessment

3.2.1 Year 2018 Annual Surveillance Assessment: 1 Major NC

NCR	MYNI Indicator	Details of NCR
Major JMD-01	6.5.1	Date issued: 19/10/2018
		Indicator requirement: Documentation of pay and conditions shall be available.
		Statement of Nonconformance: Contract of service between contractors and their employees not available or with wrong terms and condition.
		Evidence of Nonconformance: Location: Lim & Lim Estate and Keck Seng Estate. (1) The contractor for FFB transport in Lim & Lim Estate did not have any contract of service with the driver for FFB lorry transport. (2) The contractor in Keck Seng Estate wrongly signed a harvester agreement with the driver for FFB lorry transport.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 62 of 97

		<p>Root Cause and Corrective Action:</p> <p>Root Cause: Overlook a contract of service of the driver for FFB lorry transport.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> 1. New contract agreement signed for the driver and loader of FFB lorry transport in Lim & Lim Estate. 2. New contract agreement signed for the driver and loader of FFB lorry transport in Keck Seng Estate to replace the wrong harvester agreement. 		
		<p>Verification (Corrective Action): Off-site verification carried out. Following supporting evidences submitted:</p> <ol style="list-style-type: none"> 1. Contract agreement for Andi Salam. 2. Contract agreement for Yatiman. <p>The corrective action satisfactorily addressed the non-conformance.</p>		
		<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">NC status verified by auditor: Closed by OCL</td> <td style="width: 40%;">Date closed: 21/11/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 21/11/2018
NC status verified by auditor: Closed by OCL	Date closed: 21/11/2018			
		<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.</p>		

3.2.2 Year 2018 Annual Surveillance Assessment ASA-01: 3 Minor NCs

NCR	MYNI Indicator	Details of NCR
Minor OCL-01	4.4.1	Date issued: 19/10/2018
		<p>Indicator requirement: An implemented water management plan shall be in place.</p>
		<p>Statement of Nonconformance: (1) The water management plan for the POM did not include certain relevant details. (2) The implemented water management plan was not site specific for each estate concerned.</p>
		<p>Evidence of Nonconformance:</p> <p>Location: (1) POM The water management plan did not include certain details on monitoring of water levels in the reservoir and the alternative use of water from “Syarikat Air Johor” as an alternative water source in case of water shortage during dry season</p> <p>Location: (2) Estates – Keck Seng, Sin Lian, Tong Hing and Lim and Lim Estates All the four estates have a generic water management plan. The water management plan for each estate need to be site specific as the water source, usage, conditions, monitoring and action required may be different for each estate.</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 63 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>Root Cause and Corrective Action:</p> <p>Root Cause: Lack of knowledge of water management plan.</p> <p>Corrective Action: (1) POM Revised Factory Water Management Plan (QM-WM-01 Revision 2 dated 29/10/2018) that include the process flow chart and the detail procedures on monitoring of water levels and the alternative use of water from Syarikat Air Johor.</p> <p>(2) Estates Updated Water Management Plan (RSPO - 4.4 - WMP Revision 2 dated 24/10/2018) with specifics such as water source, usage, conditions, monitoring and action plan for each estate.</p>		
	<p>Verification (Corrective Action): Off-site verification carried out. Following supporting evidences submitted: 1. Water Management Plan for POM satisfactorily revised. 2. Water Management Plan for estates satisfactorily updated. The corrective action satisfactorily addressed the non-conformance.</p>		
	<table border="1"> <tr> <td>NC status verified by auditor: Closed by OCL</td> <td>Date closed: 21/11/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 21/11/2018
NC status verified by auditor: Closed by OCL	Date closed: 21/11/2018		
	<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.</p>		

NCR	MYNI Indicator	Details of NCR
Minor SH-01	5.1.3	Date issued: 19/10/2018
		<p>Indicator requirement: The plan shall incorporate a monitoring protocol, adaptive to operational changes, which shall be implemented to monitor the effectiveness of the mitigation measures. The plan shall be reviewed as a minimum every two years to reflect the results of monitoring and where there are operational changes that may have positive and negative environmental impacts.</p>
		<p>Statement of Nonconformance: The monitoring protocol to monitor the effectiveness of water sampling and analysis as a mitigation measure for pollution prevention is insufficient.</p>
		<p>Evidence of Nonconformance: Location: Keck Seng and Sin Lian estates (1) At both these estates, the water sampling points identified for the analysis of the water quality was not located at the final outlet of the streams. Therefore, the data obtained may not be accurate and representative of the actual conditions. (2) As there are also other stream running across these plantations, the current number of water sampling locations were found to be insufficient to effectively monitor the quality of the water which finally flows into the Iskandar water catchment area.</p> <p>Location: Tong Hing estate. The sampling point location was not easily accessible.</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 64 of 97

	<p>Root Cause and Corrective Action:</p> <p>Root Cause: Lack of understanding mitigation measure and overlook insufficient water sampling location.</p> <p>Corrective Action:</p> <ol style="list-style-type: none"> (1) Relocated water sampling point signage to final outlet of streams at Field 5 of Sin Lian Estate. (2) Located additional number of sampling locations which finally flows into the Iskandar water catchment area at Keck Seng Estate. (3) Maintenance carried out on the access path to the water sampling point at Tong Hing Estate. 		
	<p>Verification (Corrective Action): Off-site verification carried out. Following supporting evidences submitted: Maps and photos indicating the water sampling points found to be satisfactory. The corrective action satisfactorily addressed the non-conformance.</p>		
	<table border="1"> <tr> <td>NC status verified by auditor: Closed by OCL</td> <td>Date closed: 21/11/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 21/11/2018
NC status verified by auditor: Closed by OCL	Date closed: 21/11/2018		
	<p>Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.</p>		

NCR	MYNI Indicator	Details of NCR		
Minor JMD-01	6.6.2	Date issued: 19/10/2018		
		Indicator requirement: Minutes of meetings with main trade unions or workers representatives shall be documented.		
		Statement of Nonconformance: Frequency of workers representatives meeting with POM management is insufficient.		
		Evidence of Nonconformance: Location: Keck Seng POM Workers representative meeting with POM management to discuss social related issues was conducted only once a year, i.e. on 24/07/2018, 30/08/2017 and 15/11/2016. It shall be more than once per year for improved communication.		
		Root Cause and Corrective Action: Root Cause: Currently workers representative meeting just once in a year. Corrective Action: Frequency of workers representative meetings with POM management increased to two times per year.		
		Verification (Corrective Action): Off-site verification carried out. Following supporting evidences submitted: Revised POM Management Plan 2019 with foreign workers social meetings scheduled for 13 Mar 2019 and 11 Sep 2019. The corrective action satisfactorily addressed the non-conformance.		
		<table border="1"> <tr> <td>NC status verified by auditor: Closed by OCL</td> <td>Date closed: 21/11/2018</td> </tr> </table>	NC status verified by auditor: Closed by OCL	Date closed: 21/11/2018
NC status verified by auditor: Closed by OCL	Date closed: 21/11/2018			

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 65 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

		Verification (for effectiveness): Verified during the subsequent assessment that the implementation of the corrective action is effective.
--	--	--

3.2.3 Year 2018 Annual Surveillance Assessment ASA-01: 1 Observation

Ref No:	RSPO P&C Indicator	Location	Details of Observation	Status		
				Opened date	Closed date	Remark, if any
OBS# OCL-01	4.7.1	Keck Seng, Sin Lian, Tong Hing and Lim & Lim Estates	Safety audits conducted at quarterly intervals as part of the Sustainability Operation Audit for the estates. Latest audit (Q3) conducted on 06/09/2019. Audits also conducted for Q1 and Q2 but the audit reports did not indicate the date of the audits.	19/10/2018	24/10/2019	Addressed and closed

3.2.4 Year 2019: Surveillance Assessment ASA-02: 7 Major NCs

NC#	RSPO Indicator	Details of Non-Conformance (NC)
Major OCL-01	1.1.2	Date issued: 24/10/2019
		Requirement:
		Records of requests for information and responses shall be maintained.
		Statement of Nonconformance:
		The PMU has established and implemented a documented procedure (RSPO-CRI-1.1.1 Rev 0 dated 11/05/2011 "Stakeholders' Consultation and Communication Procedure") that covers the elements in above Indicator 1.1.1.
		(1) Internal stakeholders' consultations for the POM conducted twice a year as seen in the minutes of meetings of foreign workers on 14/03/2019 and 28/08/2019 but the local workers representation did not participate in the Internal stakeholders' consultations for the POM.
		(2) Internal and external stakeholders' consultations for the estates conducted together on 26/06/2019 but the local and foreign workers representation did not participate in the stakeholders' consultations for the estates.
		Evidence of Nonconformance:
(1) Location: POM		
The POM employed local and foreign workers (Myanmar and Nepal). It was found that the local workers were not included in the internal stakeholders' consultation for the POM.		
(2) Location: All Estates		
The estates employed local and foreign workers (Indonesian). It was found that the local and foreign workers (Indonesia) in the estates were not included in the stakeholders' consultation for the estates.		
Root Cause Analysis, Correction(s) and Corrective Action(s) by Auditee Representative		
Root Cause Analysis (RCA):		
<u>POM</u> Local worker representatives were invited. However, they didn't attend the meeting.		
<u>Estate</u> Overlook on local and foreign workers (Indonesia) in the estates were not included in the stakeholders' consultation for the estates.		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 66 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

		<p>Correction(s): POM 1. To conduct a mill's internal stakeholder meeting on 27th Nov 2019.</p> <p>Estate 1. To insert Estate local and foreign workers (Indonesia) representative in the stakeholders' consultation. Representative will select from voting and election session 2. Internal stakeholder meeting will be held on 22nd Nov 2019.</p> <p>Corrective Action(s): POM In future, the mill's internal stakeholder meeting will be conducted with minimum two represented of each category example: Local, Myanmar and Nepalese. Meeting will be rescheduled if the above condition can't be met.</p> <p>Estate 1. To include and participate local and foreign workers (Indonesia) representation in the stakeholders' consultation for the estates.</p> <p>CA Implementation timeline: 30th Nov 2019</p>						
		<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>On-site verification carried out on 12 & 13/12/2019. Following supporting evidences, documents and activities were verified:</p> <p>1. POM: Records of Internal Stakeholders Meeting held on 27/11/2019 by POM, whereby local workers were represented.</p> <p>2. Estates: Records of Internal Stakeholders Meeting held on 22/11/2019 by the Estates, whereby local and foreign workers (Indonesian) were represented. The corrective action satisfactorily addressed the non-conformance.</p>						
		<p>Conclusion:</p> <table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">NC status closed by auditor: Closed by OCL</td> <td style="width: 30%;">Date closed: 13/12/2019</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next assessment</td> </tr> <tr> <td>NC status verified by auditor:</td> <td>Date verified:</td> </tr> </table>	NC status closed by auditor: Closed by OCL	Date closed: 13/12/2019	Verification of effectiveness: Next assessment		NC status verified by auditor:	Date verified:
NC status closed by auditor: Closed by OCL	Date closed: 13/12/2019							
Verification of effectiveness: Next assessment								
NC status verified by auditor:	Date verified:							

NC#	RSPO Indicator	Details of Non-Conformance (NC)
Major MAS-01	4.7.2	Date issued: 24/10/2019
		Requirement:
		All operations where health and safety is an issue shall be risk assessed, and procedures and actions shall be documented and implemented to address the identified issues. All precautions attached to products shall be properly observed and applied to the workers.
		Statement of Nonconformance:
		Monitoring and follow up related to the safety and health issues were not effectively implemented
		Evidence of Nonconformance:
		<p>(1) Location: POM</p> <ul style="list-style-type: none"> i. There were insufficient mitigation measures taken at the entrance of the mill to ensure the safety and security of individuals passing through the area. ii. The mill management conducted the Annual Audiometric Test for operators on 20 & 29 Oct 2018. However, there is no evidence that the management follow up on the results of the test with the tested operators. <p>(2) Location: All Estates</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 67 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>It was found that vehicles used by contractors to evacuate the crops from the fields to the mill are not in good condition. For example, one lorry, registration no. PBC 9564, was found to be with worn-out tires, the side steps are just tied up with wire and back parts of the lorry in bad condition.</p> <hr/> <p>Root Cause Analysis, Correction(s) and Corrective Action(s) by Auditee Representative</p> <p><u>POM</u></p> <p>Root Cause Analysis (RCA):</p> <ul style="list-style-type: none"> i. There is traffic controllers (guard) controlling the traffic during peak hours. However, this measure is no good enough to ensure the safety of individuals passing. ii. Management overlook the recommendation of the report. Some workers need to re-test again in year 2019. <p><u>Estate</u></p> <p>The contractor's reluctance to carry out proper repairs or purchase roadworthy vehicles as being reminded by management for numerous times. Estate has a proper contractor's vehicles conditions checklist.</p> <p>Correction(s):</p> <p><u>POM</u></p> <ul style="list-style-type: none"> i. To install a new road hump, a yellow no parking box, a zebra line for individual passing and designated parking lines for FFB lorry & tankers. ii. To conduct an audiometric test for all the workers/staff including those are recommended to be re-test in year 2019 <p><u>Estate</u></p> <ul style="list-style-type: none"> i. To carried out FFB Vehicle inspection by Foreman. ii. Repairing FFB lorry PBC 9564. <p>Corrective Action(s):</p> <p><u>POM</u></p> <ul style="list-style-type: none"> i. Include the safety of individuals and vehicles passing through the entrance area of the factory into the regular agenda list of safety committee meeting. ii. Establish a SOP for handling audiometric test in POM to ensure the program is managed accordingly. <p><u>Estate</u></p> <ul style="list-style-type: none"> i. Management will serve final warning to all contractors and give them until December 2019 to do so failing which management will not award any defaulter's new contract for 2020. ii. Vehicle inspection checklist for all FFB lorries and will inspect by Foreman every quarter of a year and forward to FFB transportation contractor for rectification if any incompliance to ensure the vehicle in safety aspect. <p>CA Implementation Timeline: 31th Dec 2019</p> <hr/> <p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>On-site verification carried out on 12&13 Dec 2019.</p> <p>Following supporting evidences, documents and activities were verified:</p> <ul style="list-style-type: none"> 1) Mill management has taken mitigation measures entrance of the mill to ensure the safety and security of individuals passing through the area such as installing a new road hump, marking a yellow no parking box in front of the entrance, marking zebra line for individual passing and designated parking lines for FFB lorry & tankers. 2) The management has conducted re-test of audiometric test on 04/11/2019 for 50 employees. The results of the test have been briefed to all tested employees on 26/11/2019. 3) Management also established Procedure to Handling Audiometric Test [Doc No. SH-AT-01, Revision 00, Issue Date 21.11.2019] as the guidance to the management to handle the audiometric test results properly in the future. 4) It is noted that vehicle number PBC 9564 has made significant changes to its condition as to comply with safety requirements.
--	---

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 68 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

		<p>5) Estate management has established the FFB vehicles monitoring records as the foreman is the responsible person to inspect and fill up the monitoring records and will be summarize and verify by estate executive – latest inspection by foreman was on 11/12/2019.</p> <p>6) Estate management has issued warning letter to all appointed FFB transporters on 06/11/2019 by General Manger, as to ensure them to comply with safety requirements and company terms and regulations.</p> <p>The corrective action satisfactorily addressed the non-conformance.</p>
		Conclusion:
		NC status closed by auditor: Closed by MAS Date closed: 13 Dec 2019
		Verification of effectiveness: Next assessment
		NC status verified by auditor: Date verified:

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major MAS-02	4.8.1	Date issued: 24/10/2019
		Requirement:
		A formal training programme shall be in place that covers all aspects of the RSPO Principles and Criteria, and that includes regular assessments of training needs and documentation of the programme.
		Statement of Nonconformance:
		A formal training programme that established is not comprehensive and regular assessments of training needs was not available.
		Evidence of Nonconformance:
		Location: Masai POM
		It was found that there is no evidence that the mill has conducted regular assessments of training needs covering all aspects of the RSPO Principles and Criteria.
		Root Cause Analysis, Correction(s) and Corrective Action(s) by Auditee Representative
		Root Cause Analysis (RCA): Lack of understanding the SOP of training needs
		Correction(s): To conduct a training needs assessment for year 2020.
		Corrective Action(s): Conduct a training the SOP of training needs to the related personnel.
		CA Implementation timeline: 30 th Nov 2019
		Verification on Corrective Action(s): by Lead Auditor / Auditor
On-site verification carried out on 12 & 13 Dec 2019. Following supporting evidences, documents and activities were verified: 1) Mill management has conducted Training for SOP of Training & Training Needs Analysis [SOP-ADM-02] to related personnel on 13/11/2019/ by Mill Manager. 2) Training Needs Analysis was conducted by mill management for year 2020, which covered all aspects of the RSPO Principles and Criteria. The corrective action satisfactorily addressed the non-conformance.		
Conclusion:		
NC status closed by auditor: Closed by MAS Date closed: 13 Dec 2019		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 69 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	Verification of effectiveness: Next assessment
NC status verified by auditor:	Date verified:

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major SH-01	4.4.1	Date issued: 24/10/2019
		Requirement:
		An implemented water management plan shall be in place.
		Statement of Nonconformance:
		The water management plans for the mill and estates were not adequately documented.
		Evidence of Nonconformance:
		(1) Location: Masai POM Water Management Plan for the mill has not taken into consideration the sources of water supply (alternative supply from SAJ) and waste water disposal.
		(2) Location: Lian Huap Oil Palm Plantations, Johore (Masai) Plantations, Kota Tinggi Oil Palm Plantations & Sg. Layang Estate The estates have established Water Management Plan. However, the document is lacking in the site-specific detail for the respective estate. For example, the following were not stated in the plan: (a) soil and moisture conservation activities were not specified. (b) water supply to each individual estate is not clearly indicated.
		<i>Note: A Minor NC was raised under this RSPO Indicator during the previous assessment (2018). Implementation of corrective action found to be ineffective as there is a recurrent Minor NC under the same RSPO Indicator. Therefore, this NC is upgraded to a Major NC.</i>
		Root Cause Analysis, Correction(s) and Corrective Action(s) by Auditee Representative
Root Cause Analysis (RCA): <u>POM</u> Lack of understanding on documentation criteria need of the water management plans. <u>Estate</u> Lack of understanding on documentation criteria need of the water management plans		
Correction(s): <u>POM</u> 1. To include the procedures & considerations of switching sources of water supply. 2. To include the waste water disposal procedures <u>Estate</u> To revise water management plan and stated soil and moisture conservation activities and water supply to each individual estate.		
Corrective Action(s): <u>POM</u> In future, ensure all new measures & procedures which related to incoming and outgoing water to the mill are updated in the water management plan. <u>Estate</u> To revise and update the water management plan according as required such as -soil and moisture conservation activities. -water supply to each individual estate		
CA Implementation timeline:		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 70 of 97

		30th Nov 2019
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		On-site verification carried out on 12 & 13/12/2019. Following supporting evidences, documents and activities were verified: 1. POM: Revised Water Management Plan QM-WM-01 Rev 03 dated 05/11/2019 included the following: (a) sources of water supply (reservoir, river Serai and SAJ), considerations for switching sources of water supply, details of volume requirements, water treatment and analysis. (b) updated waste water disposal procedures. 2. Estates: Revised water management plan dated 30/11/2019 included the soil and moisture conservation activities and water supply to each individual estate. The corrective action satisfactorily addressed the non-conformance.
		Conclusion:
		NC status closed by auditor: Closed by SH and OCL Date closed: 13 Dec 2019
		Verification of effectiveness: Next assessment
		NC status verified by auditor: Date verified:

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Major SH-02	5.3.1	Date issued: 24/10/2019
		Requirement:
		All waste products and sources of pollution shall be identified and documented.
		Statement of Nonconformance:
		The identification and disposal of waste was not effectively implemented.
		Evidence of Nonconformance:
		Location: Masai POM
		It was observed that waste known as SW 104 has not been identified and included in the identification of waste as Schedule Waste under SW Reg.2005. It was found to be disposed off as ordinary waste.
		Root Cause Analysis, Correction(s) and Corrective Action(s) by Auditee Representative
		Root Cause Analysis (RCA): Overlooked schedule waste-SW 104. Correction(s): To register SW 104 with DOE and find a licensed disposal to dispose the waste. Corrective Action(s): There are three mill staffs had undergone course and passed the exam of scheduled waste competency person in Dec 2018. Currently, they are preparing a 6 months' field report and will obtain the license of schedule waste competency person after successfully submitted field report and passed an interview session. CA Implementation timeline: 7 th Dec 2019
	Verification on Corrective Action(s): by Lead Auditor / Auditor	
	On-site verification carried out on 12 & 13/12/2019.	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 71 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>Following supporting evidences, documents and activities were verified:</p> <p>(1) Three mill staff sent for the Scheduled Waste Competency Course and pass certificates sighted.</p> <p>(2) Scheduled Waste SW 104 registered with DOE.</p> <p>(3) E-Consignment Note dated 02/12/2019 sighted for SW 104 (Steel Dross).</p> <p>The corrective action satisfactorily addressed the non-conformance.</p>		
	<p>Conclusion:</p>		
	<table border="1"> <tr> <td>NC status closed by auditor: Closed by SH and OCL</td> <td>Date closed: 13 Dec 2019</td> </tr> </table>	NC status closed by auditor: Closed by SH and OCL	Date closed: 13 Dec 2019
NC status closed by auditor: Closed by SH and OCL	Date closed: 13 Dec 2019		
	<p>Verification of effectiveness: Next assessment</p>		
	<table border="1"> <tr> <td>NC status verified by auditor:</td> <td>Date verified:</td> </tr> </table>	NC status verified by auditor:	Date verified:
NC status verified by auditor:	Date verified:		

NC#	RSPO Indicator	Details of Non-Conformance (NC)
Major JMD-01	6.5.2	Date issued: 24/10/2019
		Requirement:
		Labour laws, union agreements or direct contracts of employment detailing payments and conditions of employment (e.g. working hours, deductions, overtime, sickness, holiday entitlement, maternity leave, reasons for dismissal, period of notice, etc.) shall be available in the languages understood by the workers or explained carefully to them by a management official.
		Statement of Nonconformance:
		<ol style="list-style-type: none"> Payment of wages for rest day and public holiday works were not complying with Employment Act 60(3)(a), 60D(1) and 60D(3)(a). Mechanism to monitor workers minimum wages achievement and plan to improve performance not available for verification. Contract with agent not fulfilled concerning provision of blanket for foreign workers.
		Evidence of Nonconformance:
		Location: All Estates
		<p>1(a) Employment Act 60(3)(a) stated that payment for workers who are reporting in to work during rest day shall be paid in accordance to Ordinary Rate of Pay (ORP) at daily rate, i.e. < 4 hours work = ORP and > 4 hours work = ORP x 2. It was found that the estates were paying based on ORP at hourly rate x 2, which is less than legally required.</p> <p>1(b) Employment Act 60D(1) and 60D(3)(a) stated that payment for workers who are reporting in to work during public holiday shall be paid in accordance to ORP at daily rate x 3. It was found that the estates were paying based on ORP at hourly rate x 3, which is less than legally required.</p>
		<ol style="list-style-type: none"> Some workers were found to have received monthly pays below the minimum wages, i.e. below \$1,100/month. The estates were not able to provide evidence to support justification for payments below the legal minimum wages. The contract with the agent for the Indonesian workers stated that blanket shall be provided but this implementation was missed out.
		Root Cause Analysis, Correction(s) and Corrective Action(s) by Auditee Representative
Root Cause Analysis (RCA):		
<ol style="list-style-type: none"> Lack of understanding to complying with employment Act 60(3)(a), 60D(1) and 60D(3)(a). Lack of monitor mechanism workers minimum wages achievement 		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 72 of 97

	<p>3. Overlook blanket in benefit to new workers on the contract with the agent for the Indonesian workers</p> <p>Correction(s):</p> <ol style="list-style-type: none"> 1. To pay the workers who work on Sunday and Public Holiday (Oct 2019 month) in accordance to Ordinary Rate of Pay (ORP) at daily rate. 2. To establish payroll statistic record for month of Oct 2019 to monitoring the minimum wages. 3. To purchase and supply the blanket to all existing workers. <p>Corrective Action(s):</p> <ol style="list-style-type: none"> 1. To revise and update the payroll system according ORP. 2. To establish monthly monitoring mechanism of minimum wages such as wages statistic report and attach evidence to support justification for payments below the legal minimum wages. 3. To supply basic amenities for next new workers based on the contract. <p>CA Implementation timeline: 31st Nov 2019</p>		
	<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p>		
	<p>On-site verification carried out on 12&13/12/2019.</p> <p>Following supporting evidences, documents and activities were verified:</p> <ol style="list-style-type: none"> 1. Payment for all workers who found underpaid in the month of Oct. 2019 submitted and verified during on-site verification. 2. Minimum wages achievement monitoring record for the month of Oct. 2019 sighted. 3. Record of blanket distribution verified. <p>The corrective action satisfactorily addressed the non-conformance.</p>		
	<p>Conclusion:</p>		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status closed by auditor: Closed by JMD</td> <td style="width: 30%;">Date closed: 13 Dec 2019</td> </tr> </table>	NC status closed by auditor: Closed by JMD	Date closed: 13 Dec 2019
NC status closed by auditor: Closed by JMD	Date closed: 13 Dec 2019		
	<p>Verification of effectiveness: Next assessment</p>		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status verified by auditor:</td> <td style="width: 30%;">Date verified:</td> </tr> </table>	NC status verified by auditor:	Date verified:
NC status verified by auditor:	Date verified:		

NC#	RSPO Indicator	Details of Non-Conformance (NC)
Major JMD-02	6.9.1	Date issued: 24/10/2019
		Requirement:
		A policy to prevent sexual and all other forms of harassment and violence shall be implemented and communicated to all levels of the workforce.
		Statement of Nonconformance:
		Policy on prevention of sexual and all other forms of harassment and violence was not communicated to all levels of workforce at the POM and estates.
		Evidence of Nonconformance:
		<p>1. Location: POM</p> <p>At the POM, there is no evidence to show that the company Social Policy (which includes prevention of sexual harassment and violence) had been communicated to all workers.</p> <p>2. Location: All Estates</p> <p>At all estates, contractor workers interviewed indicated they are not aware of the policy.</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 73 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>Root Cause Analysis, Correction(s) and Corrective Action(s) by Auditee Representative</p> <p>Root Cause Analysis (RCA): <u>POM</u> The social policy was briefed to workers in last year. However, there is no record. <u>Estate</u> Overlook to conducting Social Policy on prevention of sexual and all other forms of harassment and violence to contractor workers</p> <p>Correction(s): <u>POM</u> To conduct briefing session for all the company policies to workers/staff especially social policy. <u>Estate</u> To conduct briefing session Social Policy on prevention of sexual and all other forms of harassment and violence to contractor workers</p> <p>Corrective Action(s): <u>POM</u> To revise the training needs of contractor workers and add policies briefing in year programme. <u>Estate</u> To revise the training needs of contractor workers and add policies briefing in year programme.</p> <p>CA Implementation timeline: 30th Nov 2019</p>						
	<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>On-site verification carried out on 12&13/12/2019. Following supporting evidences, documents and activities were verified: Record of training for male workers on the policy related with sexual and all other forms of harassment and violence during morning roll call at the POM and at the estates were verified. Training needs analysis were revised to include sexual harassment prevention training. The corrective action satisfactorily addressed the non-conformance.</p>						
	<p>Conclusion:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status closed by auditor: Closed by JMD</td> <td style="width: 30%;">Date closed: 13/12/2019</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next assessment</td> </tr> <tr> <td>NC status verified by auditor:</td> <td>Date verified:</td> </tr> </table>	NC status closed by auditor: Closed by JMD	Date closed: 13/12/2019	Verification of effectiveness: Next assessment		NC status verified by auditor:	Date verified:
NC status closed by auditor: Closed by JMD	Date closed: 13/12/2019						
Verification of effectiveness: Next assessment							
NC status verified by auditor:	Date verified:						

3.2.5 Year 2019: Surveillance Assessment ASA-02: 4 Minor NCs

NC#	RSPO Indicator	Details of Non-Conformance (NC)
Minor OCL-01	1.1.1	Date issued: 24/10/2019
		Requirement:
		There shall be evidence that growers and millers provide adequate information upon request for information on (environmental, social and/or legal) issues relevant to RSPO Criteria to relevant stakeholders for effective participation in decision making.
		Statement of Nonconformance:
		The PMU had established and maintained a documented site specific "List of Stakeholders" RSPO-CRI-1.1.1 Rev 5 dated 03/08/2017 for the POM and estates, consisting of internal stakeholders (National Union of Plantation Workers, Myanmar Workers, Nepalese Workers, In-house Security Guards) and external stakeholders (NGOs, government departments/agencies, contractors, FFB and service suppliers, schools, mosques, temples,

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 74 of 97

		<p>local communities and neighboring estates). The List of Stakeholders was reviewed and updated as often needed. This List of Stakeholders was found to be incomplete.</p>
		Evidence of Nonconformance:
		Location: All Estates The estates employed local and Indonesian workers. It was found that the Indonesian workers representation was not included in the List of Stakeholders.
		Root Cause Analysis, Correction(s) and Corrective Action(s) by Auditee Representative
		Root Cause Analysis (RCA): Overlook on local and foreign workers (Indonesia) in the estates were not included in the stakeholders' list for the estates.
		Correction(s): To insert Estate local and foreign workers (Indonesia) representative in the stakeholders' list after voting and election session on 7 th Nov 2019.
		Corrective Action(s): To maintain the list of stakeholders, complete with internal stakeholder representative.
		CA Implementation timeline: 30 Nov 2019
		Verification on Corrective Action(s): by Lead Auditor / Auditor
		On-site verification carried out on 12&13/12/2019. Following supporting evidences, documents and activities were verified: The revised Stakeholder List found to be satisfactory. The corrective action satisfactorily addressed the non-conformance.
		Conclusion:
		NC status closed by auditor: Closed by OCL Date closed: 13/12/2019
		Verification of effectiveness: Next assessment
		NC status verified by auditor: Date verified:

NC#	MYNI Indicator	Details of Non-Conformance (NC)
Minor SH-01	5.3.3	Date issued: 24/10/2019
		Requirement:
		A waste management and disposal plan to avoid or reduce pollution shall be documented and implemented.
		Statement of Nonconformance:
		The implemented waste management plan was not effectively implemented and managed.
		Evidence of Nonconformance:
		Location: Masai POM The management on disposal of POME from mill to land application was not properly carried out. It was scattered all over the places.
		Root Cause Analysis, Correction(s) and Corrective Action(s) by Auditee Representative
		Root Cause Analysis (RCA): Lack of monitoring the work of land application

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 75 of 97

	<p>Correction(s): To tidy up the land application area and create a SOP to manage it.</p> <p>Corrective Action(s): Indicate the responsible person of monitoring the land application area in the new SOP.</p> <p>CA Implementation timeline: 30th Nov 2019</p>		
	<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p>		
	<p>On-site verification carried out on 12&13/12/2019. Following supporting evidences, documents and activities were verified: (1) Procedure RSPO-CRI-4.2.4 Rev 0 dated 12/11/2019 documented for the management on disposal of POME from mill to land application. (2) Photo of clean up at disposal area. The corrective action satisfactorily addressed the non-conformance.</p>		
	<p>Conclusion:</p>		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status closed by auditor: Closed by SH and OCL</td> <td style="width: 30%;">Date closed: 13/12/2019</td> </tr> </table>	NC status closed by auditor: Closed by SH and OCL	Date closed: 13/12/2019
NC status closed by auditor: Closed by SH and OCL	Date closed: 13/12/2019		
	<p>Verification of effectiveness: Next assessment</p>		
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status verified by auditor:</td> <td style="width: 30%;">Date verified:</td> </tr> </table>	NC status verified by auditor:	Date verified:
NC status verified by auditor:	Date verified:		

NC#	RSPO Indicator	Details of Non-Conformance (NC)
Minor JMD-01	2.1.3	Date issued: 24/10/2019
		Requirement:
		A mechanism for ensuring compliance shall be implemented.
		Statement of Nonconformance:
		Mechanism to ensure contractors' compliance with relevant regulations is inadequate
		Evidence of Nonconformance:
		Location: POM and All Estates
		The POM and estates did not implement effectively the mechanism to ensure that the workers employed by the contractors complied with the relevant regulations.
		For example:
		<ol style="list-style-type: none"> 1. FFB transport contractors did not submit the necessary documents of their workers required for compliance with the relevant regulations, i.e. trading licenses, drivers' licenses, Goods Driving License (GDL), road tax for the lorries used, actual date of monthly wages payment to workers, contract with their worker, valid work permit. 2. Domestic waste contractor (hired to collect domestic waste from housing quarters and placing into a central bin for subsequent collection and disposal by the local authority) did not submit the necessary documents of their workers required for compliance with the relevant regulations, i.e. contract with their worker, monthly pay slips, insurance, trading licenses, valid passport, valid work permit.
		Root Cause Analysis, Correction(s) and Corrective Action(s) by Auditee Representative
		Root Cause Analysis (RCA):
		<u>POM</u> Lack of monitoring contractors' adequate compliance with relevant regulations.
		<u>Estate</u> Lack of monitoring contractors' adequate compliance with relevant regulations.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 76 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

	<p>Correction(s): <u>POM</u></p> <ol style="list-style-type: none"> 1. To conduct briefing session with domestic waste contractor to explain all the contractor need to comply compliance with relevant regulations. 2. Instruct the domestic waste contractor to submit the necessary documents of their workers as per required. <p><u>Estate</u></p> <ol style="list-style-type: none"> 1. To conduct briefing session with all contractor to explain all the contractor need to comply compliance with relevant regulations. 2. To instruct all FFB transportation to submit vehicle document such as vehicle ownership certification and insurance coverage. <p>Corrective Action(s): <u>POM</u></p> <ol style="list-style-type: none"> 1. To conduct a training to mil's administration executives to ensure all contractors are compliance with relevant regulations <p><u>Estate</u></p> <ol style="list-style-type: none"> 1. Management will serve final warning to all contractors to FFB transport contractors need submit and comply the necessary documents of their workers required for compliance with the relevant regulations, i.e. trading licenses, drivers' licenses, Goods Driving License (GDL), road tax for the lorries used, actual date of monthly wages payment to workers, contract with their worker, valid work permit. 2. All contractor needs to submit a copy of document such as trading licenses, vehicle document for the lorries used, contract with their worker, payslip, valid work permit to estate office for documented if any changing of existence lorries and payslip of workers salary every 10th day of the month. <p>CA Implementation timeline: 31st Dec 2019</p>
	Verification on Corrective Action(s): by Lead Auditor / Auditor
	On-site verification carried out on 12&13/12/2019. Submission of all relevant documents from contractors to the POM and estates management were verified. Documents submitted were verified to be still valid. The corrective action satisfactorily addressed the non-conformance.
	Conclusion:
	NC status closed by auditor: Closed by JMD Date closed: 13 Dec 2019
	Verification of effectiveness: Next assessment
	NC status verified by auditor: Date verified:

NC#	RSPO Indicator	Details of Non-Conformance (NC)
Minor JMD-02	6.6.2	Date issued: 24/10/2019
		Requirement:
		Minutes of meetings with main trade unions or workers representatives shall be documented.
		Statement of Nonconformance:
		No record in the workers representative meeting minutes that showed the selection of the workers representatives has been conducted in a democratic manner.
		Evidence of Nonconformance:

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 77 of 97

	<p>Location: POM and All Estates</p> <ol style="list-style-type: none"> 1. At the POM, attendance of workers representatives at the Social Meetings were sighted but no record showing that the representatives were elected by the workers based on majority votes. 2. At the estates, attendance of workers' representatives at the Joint Consultative Committee (JCC) were verified. However, evidence of voting process being conducted, structure of the committee, basis for the representation, e.g. based on nationality, workers quarters, Checkroll or contractor workers, type of jobs, were not available. <p>Note: In ASA-01, 2018, a non-compliance was also raised under this indicator, i.e. Minor NC#JMD-01. However, due to the two non-compliances are of different issues, current non-compliance is not necessary to be upgraded to a major non-compliance.</p>						
	<p>Root Cause Analysis, Correction(s) and Corrective Action(s) by Auditee Representative</p>						
	<p>Root Cause Analysis (RCA): <u>POM</u> Lack of understanding the system selection of the worker's representatives should be conducted in a democratic manner <u>Estate</u> Lack of understanding the system selection of the workers representatives should be conducted in a democratic manner</p> <p>Correction(s): <u>POM</u> To distribute election forms to all Nepalese and Myanmar workers to select their representative. <u>Estate</u> To conduct one day for selection of the workers representatives in voting and election method. Voting day on 7th Nov 2019</p> <p>Corrective Action(s): <u>POM</u> To select the worker's representatives based on voting and election in democratic method for next representative selection. <u>Estate</u> To select the workers representatives based on voting and election in democratic method for next representative selection.</p> <p>CA Implementation timeline: 30th Nov 2019</p>						
	<p>Verification on Corrective Action(s): by Lead Auditor / Auditor</p> <p>On-site verification carried out on 12&13/12/2019. Record of election conducted at the POM and estates were verified. Elected workers representatives were issued with a notification letter stating their new position and responsibilities. The corrective action satisfactorily addressed the non-conformance.</p>						
	<p>Conclusion:</p>						
	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 70%;">NC status closed by auditor: Closed by JMD</td> <td style="width: 30%;">Date closed: 13 Dec 2019</td> </tr> <tr> <td colspan="2">Verification of effectiveness: Next assessment</td> </tr> <tr> <td>NC status verified by auditor:</td> <td>Date verified:</td> </tr> </table>	NC status closed by auditor: Closed by JMD	Date closed: 13 Dec 2019	Verification of effectiveness: Next assessment		NC status verified by auditor:	Date verified:
NC status closed by auditor: Closed by JMD	Date closed: 13 Dec 2019						
Verification of effectiveness: Next assessment							
NC status verified by auditor:	Date verified:						

3.2.6 Year 2019: Surveillance Assessment ASA-02: 2 Observations

REF No:	MYNI Indicator	Details of Observation	Status		
			Opened date	Closed date	Remark, if any

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 78 of 97

OBS# OCL-01	1.1.2	Location: POM and All Estates It was found that there was a lack of feedback from external stakeholders during the stakeholders' consultation. The POM and estates should include a feedback form designed to obtain more evidence of inputs from the stakeholders. Also, the SOP should include other alternative methods of obtaining feedback from stakeholders such as stakeholder visit and interview, telephone calls, etc.	24/10/2019	Next assessment	
OBS# MAS-01	4.5.1	Location: All Estates The beneficial plants planting record should include other information for better monitoring such as date of planting, status of beneficial plants planted, etc.	24/10/2019	Next assessment	

3.2.7 Identified Positive Elements

- 1) The PMU has carried out CSR activities such as financial contributions for neighboring schools and religious communities (mosques and temples) and provided employment opportunities.
- 2) The PMU Management has taken steps to meet the more stringent requirements by DOE on dust particle emission and BOD level.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 79 of 97

3.3 Summary of Feedback Raised by Stakeholders and Findings

Prior to and during the Assessment, written and verbal feedback communicated from the stakeholders on the environmental and social performance of the PMU operations were sourced. All pertinent feedback issues were reviewed and followed up for verification and these had been accordingly incorporated into the report findings. See tables below:

3.3.1 Feedback Raised by Stakeholders (Surveillance Assessment ASA-01 – Year 2018)

Communication done via email on 24 Jul 2018 to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
Government Agencies: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
Non-Governmental Organizations: No feedback received.	Ongoing consultations will be maintained. No response needed.	Verified during on-site audit that no response needed.	Nil
Local Communities - Stakeholders' Consultation: Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 30/8/2018. A total of 11 stakeholders (including, government officials, suppliers, local communities) were present at the consultation. They were interviewed by the auditors without the presence of any of the Estates staff. Concerns and suggestions received during interviews and stakeholder consultations: <ol style="list-style-type: none"> Better maintenance bushes / undergrowth at the estate boundaries located near to houses of villagers to prevent snakes from entering the houses of the villagers. Better maintenance of palm fronds for palm trees located at the road shoulders leading to the villages which in most cases interfering the operation of SAJ water tankers. Request for workers health profile based on the housing allocation. 	The Estate Management responded that this matter will be reviewed by the management.	To be followed up during the next Audit.	1. Regular maintenance as planned was conducted and verified. No more comments from villagers. 2. Pruning of palm fronds conducted as planned and verified. 3. Health report for workers staying in the workers quarters is submitted to MoH on monthly basis.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 80 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<p>Local Communities - Interviews: Interviews of sampled staff and workers were also conducted by the auditors during field visits from 27-30 Aug 2018 at the PMU: Staff/Workers sampling: POM = 15 males, 6 females Estate = 33 males, 6 females No negative issues raised by the sampled staff and workers.</p>	No response needed.	No response needed.	Nil
<p>Other Interested parties: No feedback received.</p>	No response needed.	No response needed.	Nil

3.3.2 Feedback Raised by Stakeholders (Surveillance Assessment ASA-02 – Year 2019)

Communication done via email on 09 Sep 2019 to various categories of stakeholders (see list under **para 2.5**):

Stakeholders' Feedback	PMU Response	CB verification / comments	Follow up comments (if any)
<p>Government Agencies: No feedback received. Total in Stakeholder list: 13</p>	Ongoing consultations will be maintained. No response needed.	Verified during on-site assessment that no response needed.	Nil
<p>Non-Governmental Organizations: No feedback received. Total in Stakeholder list: 4</p>	Ongoing consultations will be maintained. No response needed.	Verified during on-site audit that no response needed.	Nil
<p>Local Communities - Stakeholders' Consultation: Total in Stakeholder list: 11 Selected stakeholders representing the complete range of various stakeholder categories were invited for the Stakeholders' Consultation on 24/10/2019. A total of 11 stakeholders attended the consultations which includes government schools, SOCSO, suppliers, neighbouring estates and contractors. The stakeholders were interviewed by the auditors without the presence of any of the PMU staff. Concerns and suggestions received during interviews and stakeholder consultations: No major concern raised during the stakeholder consultation.</p>	No response needed.		
<p>(1) Local Communities - Interviews: Total in Stakeholder list: 5</p>			

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 81 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<p>Interviews of sampled Internal and External Stakeholders were also conducted by the auditors during field visits from 21-24/10/2019 at the PMU:</p> <ul style="list-style-type: none"> • Previous landowners/ users • Neighbouring estates • Smallholder representatives • Other growers etc <p>(2) Staff / Workers sampling: Total in Employee list: 138 (audited units only)</p> <p>POM:64 Male: 62 Female:2 Nationalities in list: Malaysian Nepalese Myanmar</p> <p>Estates: 74 (audited units only) Male: 67 Female: 7 Nationalities in list: Malaysian Indonesian</p> <p>Sampled workers: POM: 21 males, 2 females Nationalities in list: Malaysian Nepalese Myanmar</p> <p>Employment status: Monthly rated Daily rated</p> <p>Estate Offices: 7 males, 4 females Nationality: Malaysian Employment status: Permanent</p> <p>Field / sites workers visit: 32 males, 4 females Nationality: Malaysian Indonesia Employment status: Daily rated Piece rated</p> <p>Inputs from interviewed workers:</p>	<p>No issues.</p>	<p>No response needed.</p>	<p>Nil</p>
	<p>1. Strict requirements from the bank to install ATM</p>	<p>To be followed up during the next Audit.</p>	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 82 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

<ol style="list-style-type: none"> 1. ATM machine at the POM compound. Lower risk for workers to withdraw and transfer money to their home countries. 2. Manuring workers to be paid with daily rated. 3. Management to consider increasing the rate for harvesters and sprayers. 	<p>machines renders the request to be impossible to be fulfilled.</p> <ol style="list-style-type: none"> 2. Further discussion will be considered with manuring workers. 3. Further discussion will be conducted with the harevsters and sprayers. 		
<p>Other Interested parties: No feedback received.</p>	<p>No response needed.</p>	<p>No response needed.</p>	<p>Nil</p>

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

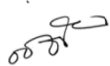
Page 83 of 97

4.0 ASSESSMENT CONCLUSION AND RECOMMENDATION

Based on the findings above, Keck Seng (Malaysia) Berhad - Masai Grouping had been able to demonstrate its compliance with the RSPO Principles and Criteria (April 2013), Malaysian National Interpretation (MYNI 2014) and the RSPO Supply Chain Certification Standard (Jul 2017) for Palm Oil Mill.

Therefore, it is recommended that the certification of Keck Seng (Malaysia) Berhad - Masai Grouping be approved and continued

Signed for and on behalf of
Intertek Certification International Sdn Bhd



Dr. Ooi Cheng Lee
Lead Assessor

Date: 24 December 2019

4.1 Acknowledgement of Internal Responsibility and Confirmation of Assessment Findings

This is to acknowledge and confirm the assessment visits described in this report and the acceptance of the contents and findings in this assessment report.

Signed for and on behalf of
Keck Seng (Malaysia) Berhad



Mr. Ho Chung Kain
Director (Plantation & Sustainability)

Date: 24 December 2019

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 84 of 97

4.2 INTERTEK- RSPO P&C Certificate details for Keck Seng (M) Berhad

Certificate No:	RSPO 930688
Original Start date:	2 January 2013
Expiry date:	1 January 2023
New PalmTrace License Start date:	2 January 2020
Organization	Keck Seng (Malaysia) Berhad
Address of Head Office:	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.
RSPO Membership No:	2-0094-08-000-00
Plantation Management Unit:	Keck Seng (M) Berhad
Address of POM:	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.
Standards:	RSPO Principles and Criteria (Apr 2013); Malaysian National Interpretation (2014); RSPO Supply Chain Certification Standard (Jun 2017) for the Palm Oil Mill.
Certification scope:	Production of Crude Palm Oil and Palm Kernels
Supply Chain module for POM	Mass Balance (MB)

Details of the Mill and Supply bases covered by this certificate and the tonnage approved are:

Name	Address	GPS Reference		Mature Planted Area - ha	Certified (Titled) Area - ha
		Latitude	Longitude		
Masai POM (Capacity: 60 MT/hour)	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'25.9"	E 103°57'53.8"	-	-
Keck Seng Oil Palm Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'23.4"	E 103°54'36.3"	89.48	348.31
Tong Hing Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°29'45.0"	E 103°38'04.3"	0	663.71
Sg. Layang Estate	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°34'18.9"	E 103°58'55.9"	81.11	82.40
Kota Tinggi Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°33'33.1"	E 103°56'07.5"	239.31	240.05
Sin Lian Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°33'07.3"	E 103°57'39.5"	345.99	347.39
Lian Huap Oil Palm Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'08.7"	E 103°57'05.2"	446.52	464.84
Johore (Masai) Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°32'04.0"	E 103°57'08.3"	381.41	425.64
Lim & Lim Plantations	9 Miles, Kong Kong Road, 81757 Masai, Johor, Malaysia.	N 1°31'21.9"	E 103°59'39.2"	617.35	839.70

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 85 of 97

The annual certified tonnages produced at the PMU are detailed as follows:

Masai POM	Annual Tonnages (MT)
Certified FFB	45,000
Certified CPO	8,685
Certified PK	2,722
Supply chain module	Mass Balance (MB)

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 86 of 97

Appendix A:

Qualifications of Lead Assessor and Assessment Team

Dr. Ooi Cheng Lee (OCL) Lead Assessor / Team Leader / Technical Expert

(Palm Oil Mill, Environment, OHSAS, Social, HCV, Land Use and Supply Chain)

- PhD in Welding, Cranfield University, UK
- M.Sc. (Engineering) in Metallurgy, University of Birmingham, UK
- B.App.Sc (Hons), Science University of Malaysia
- Diploma in Translation for Science and Technology, Malaysia Translation Society

Dr. Ooi Cheng Lee is an IRCA Lead Auditor and Lead Tutor for ISO 9001. He is also involved in auditing in other integrated management systems. He has successfully completed the RSPO Lead Assessor Course for Principles and Criteria (RSPO P&C), RSPO Lead Auditor Course for Supply Chain Certifications (RSPO SCC), MSPO Lead Assessor Course for Principles and Criteria and MSPO Lead Assessor Course for Supply Chain Certification. He has been involved in the management of all types of system and process/product certification in Intertek. He has more than 35 years' work experience in product and process specifications, research & development, inspection and testing, quality assurance, engineering development, training, product certification, auditing and quality management system certification. He has conducted assessments of organizations in Malaysia, Singapore, Indonesia, Vietnam, Philippines, China, Myanmar, Cambodia and other regional countries. Assessments include those of rubber and oil palm plantations in Malaysia and Indonesia. His previous position as the General Manager of Lloyd's Register Quality Assurance (LRQA) Malaysia include the management of all types of systems certification, including that of environmental (ISO 14001), safety & health (OHSAS 18001) and Clean Development Mechanisms (CDM). He was previously the General Manager in Intertek Certification International Sdn. Bhd. He is a member of the Internal Review Panel for RSPO Assessment reports since May 2011. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2012.

Mr. Szali Hasni (SH) – Assessor / Technical Expert

(Environment, Conservation and HCV area)

- Bachelor of Science (Forestry)

Mr. Szali Hasni (SH) has over 25 years work experience in the forestry sector. He is an IRCA Auditor for ISO 9001 and auditor for the PEFC Chain-of-Custody Certification. He has successfully completed training in the Intertek In House RSPO P&C, MYNI Assessor course. He was a member in the stakeholder consultation and development of the Malaysian Criteria & Indicators (MC&I) for Forest management Certification. He has been involved in the auditing of Forest Management Certification for the Perak State Forestry Department and Pahang State Forestry Department. He has also been involved with a German based company in testing their criteria for carbon tracing in an oil palm plantation in 2011. He had also acted as the regional consultant to International Tropical Timber Organization (ITTO) for the Asia Pacific region in the Evaluation and Monitoring of Projects funded by the organization from 1994 to 1998. Projects funded are mainly forestry related such as reforestation, conservation, community forestry apart from other research-based projects. He is a member of the RSPO CB Assessment team which audited several RSPO certified Plantation Management Units since 2014.

Mr. Jumat Majid (JMD) – Assessor / Technical Expert

– BSc (Social Science)

Mr. Jumat Majid (JMD) has over 13 years work experience in the agriculture sector. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2008 and RSPO P&C MY-NI Lead Assessor course. He has also successfully completed training programs in Organic Agriculture Development and had performed organic agriculture inspections and assessments for more than 6 years. He has been involved in NGO work in the areas of social impact assessments within the South East Asia region. He is part of the RSPO CB Assessment team which audited RSPO certified Plantation Management Units since 2010.

Mr. Mohamad Amirul Saifullah bin Mohamad Senan – Assessor / Technical Expert

– Bachelor of Agricultural Science, Universiti Putra Malaysia

Mr. Mohamad Amirul Saifullah (MAS) has over 6 years work experience in the oil palm plantation sector. He has successfully completed the IRCA accredited Lead Auditor course in ISO 9001:2015 and RSPO P&C MY-NI Lead Assessor course.

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

**Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2**

Page 87 of 97

Appendix B:

Assessment Plan (Actual)

Date	Time	Assessors and Assessment Activity			
		Assessment Team			
21 Oct 2019 Mon (Day 1)	7.00 am – 10.00 am	Travel to Masai Palm Oil Mill			
	10.00 am – 10.30 am	Opening Meeting and Briefing at POM Office (to be attended by representatives from the Estates as well)			
	10.30 am – 12.30 pm	Document Review and Assessment by all Assessors on respective RSPO P&C: P1 to P8 at POM			
		<ul style="list-style-type: none"> • Verification of effectiveness of corrective actions for non-conformances • Review of Time Bound Plan • Verification for compliance with Minimum requirements for Multiple Management Units (MMU) 			
	12.30 pm – 1.30 pm	Lunch Break			
	1.30 pm - 5.30 pm	OCL	MAS	SH	JMD
		Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P4 Best Practices at Mill • SCC for POM 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues
	5.30 pm – 6.00 pm	Travel to Hotel & Break			
6.00 pm – 7.00 pm	Team Meeting and Discussion				

Date	Time	Assessors and Assessment Activity			
		OCL	MAS	SH	JMD
22 Oct 2019 Tues (Day 2)	8.30 am – 12.30pm	Site assessment at Lian Huap OP Plantations <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Site assessment at Lian Huap OP Plantations <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings 	Site assessment at Lian Huap OP Plantations <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Lian Huap OP Plantations <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues
	12.30 pm – 1.30 pm	Lunch Break			
	1.30 pm - 5.30 pm	Site assessment at Johor (Masai) Plantations <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations 	Site assessment at Johor (Masai) Plantations <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations 	Site assessment at Johor (Masai) Plantations <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations 	Site assessment at Johor (Masai) Plantations <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals &

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 88 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

		<ul style="list-style-type: none"> • P3 Economic & Financial Viability • P8 Continual Improvement 	<ul style="list-style-type: none"> • P4 Best Practices at Estates • P7 New Plantings 	<ul style="list-style-type: none"> • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Communities incl. Gender Issues
	5.30 pm – 6.30 pm	Travel to Hotel & Break			
	6.30 pm – 7.30 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity			
		OCL	MAS	SH	JMD
23 Oct 2019 Wed (Day 3)	8.30 am – 12.30pm	Site assessment at Sg. Layang Estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Site assessment at Sg. Layang Estate <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings 	Site assessment at Sg. Layang Estate P1 <ul style="list-style-type: none"> • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Sg. Layang Estate <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues
	12.30 pm – 1.30 pm	Lunch Break			
	1.30 pm - 5.30 pm	Site assessment at Kota Tinggi OP Plantations <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Site assessment at Kota Tinggi OP Plantations <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P4 Best Practices at Estates • P7 New Plantings 	Site assessment at Kota Tinggi OP Plantations <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P5 Environmental, Conservation, HCV & GHG • P8 Continual Improvement 	Site assessment at Kota Tinggi OP Plantations <ul style="list-style-type: none"> • P2 Laws & regulations • P6 Employees, Individuals & Communities incl. Gender Issues
	5.30 pm – 6.30 pm	Travel to Hotel & Break			
	6.30 pm – 7.30 pm	Team Meeting and Discussion			

Date	Time	Assessors and Assessment Activity			
		OCL	MAS	SH	JMD
24 Oct 2019 Thurs (Day 4)	8.30 am – 10.30 am	Site assessment at Palm Oil Mill <ul style="list-style-type: none"> • P1 Transparency • P2 Laws & regulations • P3 Economic & Financial Viability • P8 Continual Improvement 	Stakeholders' Consultation on the following categories (see Notes 1 and 2 below): <ul style="list-style-type: none"> • Contractors • Suppliers • Transporters • NGOs • Government Department / Agencies • Local Community 		
			Notes 1. It is mandatory for the PMU to inform Intertek and provide the information (as a minimum the no. of stakeholders in each applicable category and contact number) on the stakeholders <u>prior</u> to the assessment. 2. This will facilitate the random and impartial selection of stakeholders (including independent and organized		

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 89 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

		smallholders, where applicable) and to meet the sample size requirement
10.30am– 12.00 pm	Site assessment at POM or estates to follow up on any specific criteria/areas	
12.00 pm – 1.00 pm	Lunch Break	
1.00 pm – 2.00 pm	Preparation for Closing Meeting	
2.00 pm – 3.00 pm	Team Meeting and Discussions with POM Management Representative	
3.00 pm – 5.00 pm	Closing Meeting & Briefing at Palm Oil Mill Office	
5.00 pm onwards	Travel to Airport and flight back to KL	

INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

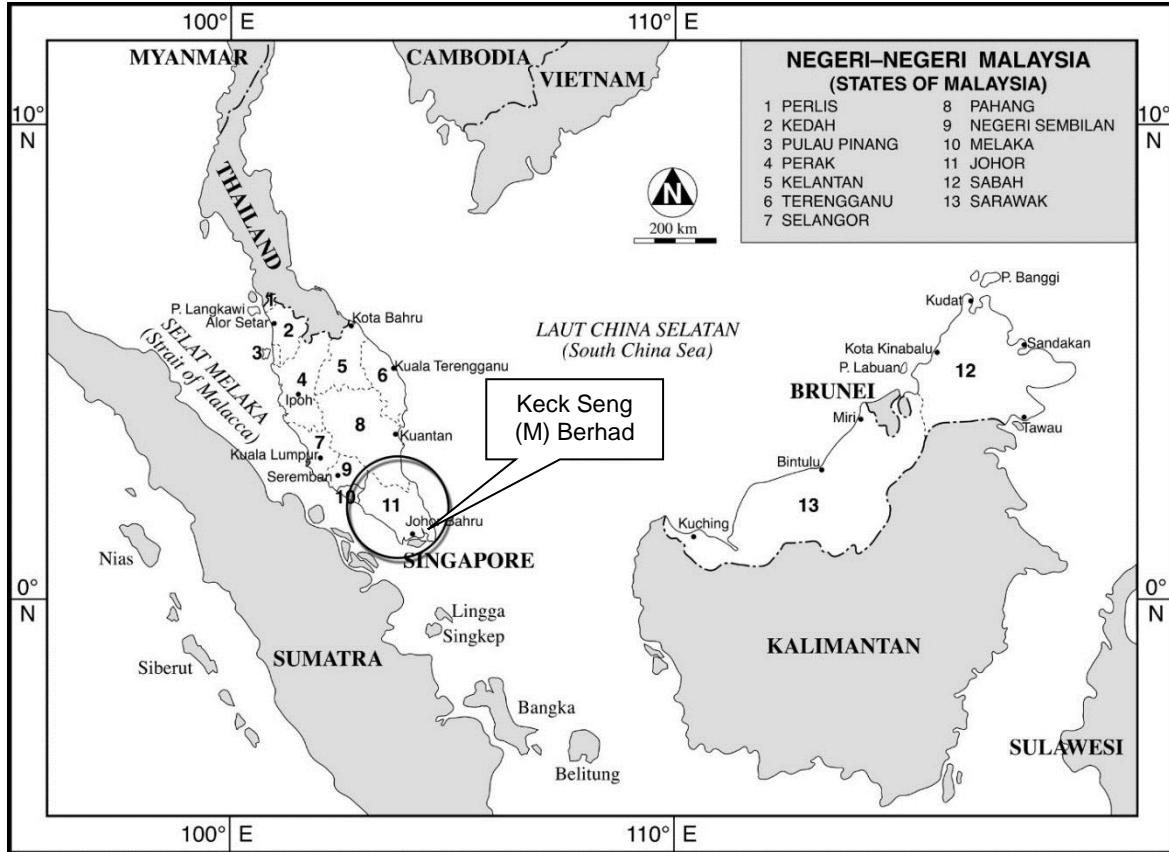
Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad

Page 90 of 97

Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Appendix C-1.1:

Location Map of Keck Seng (M) Berhad, Masai POM & Estates Grouping, Johor, Malaysia

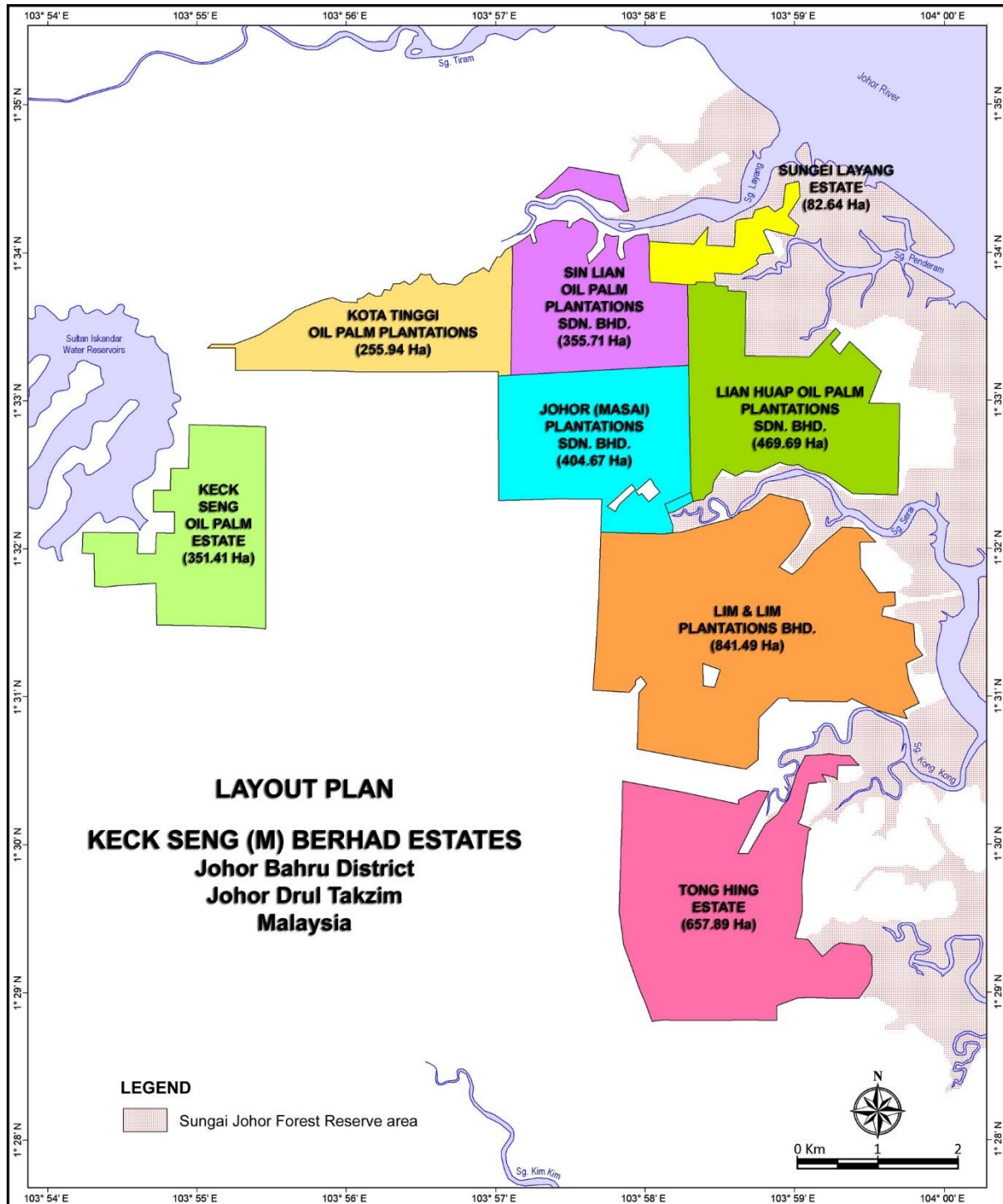


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Appendix C-2.1:

Location Layout of Keck Seng (M) Berhad - Estates

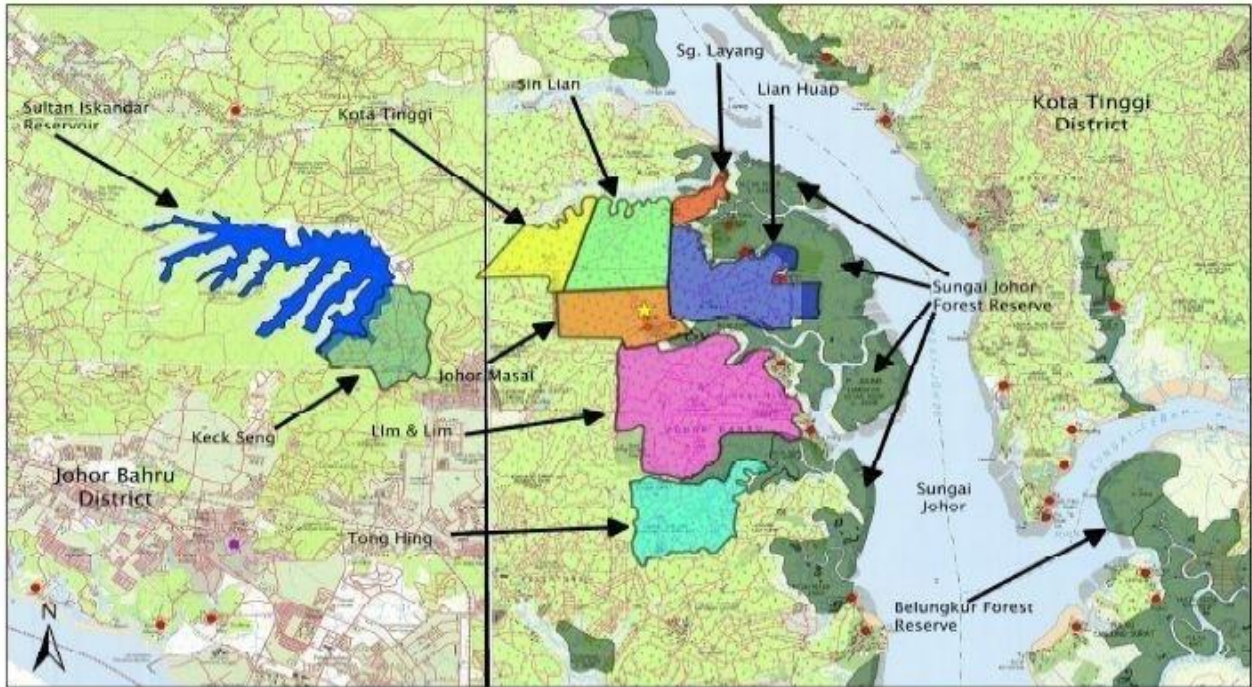


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Appendix C-2.2:

Landscape Map of Keck Seng (M) Berhad - Estates



Maps Of Keck Seng (M) Berhad, Plantation Division

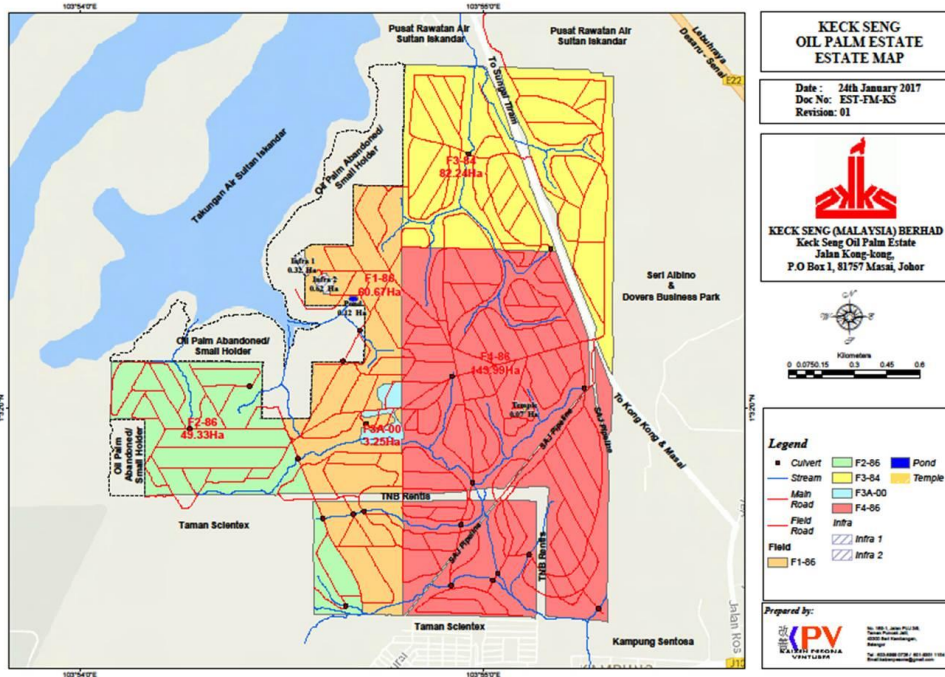
INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

(188296-W)

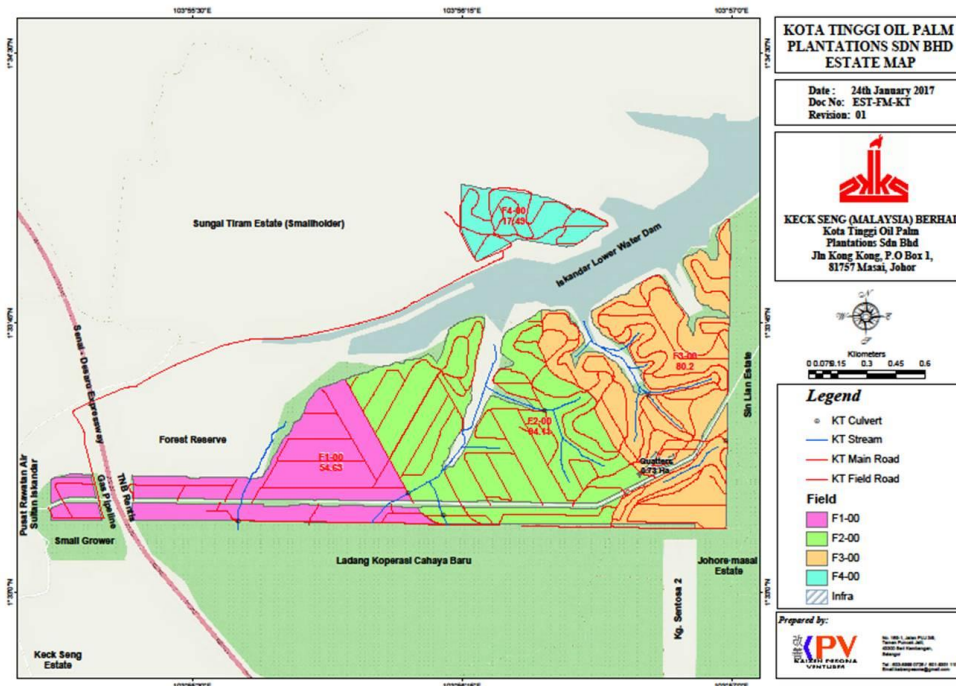
Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 93 of 97

Appendix C-3-1: Layout Map of Keck Seng Oil Palm Estate



Appendix C-3-2: Layout Map of Kota Tinggi Oil Palm Plantations

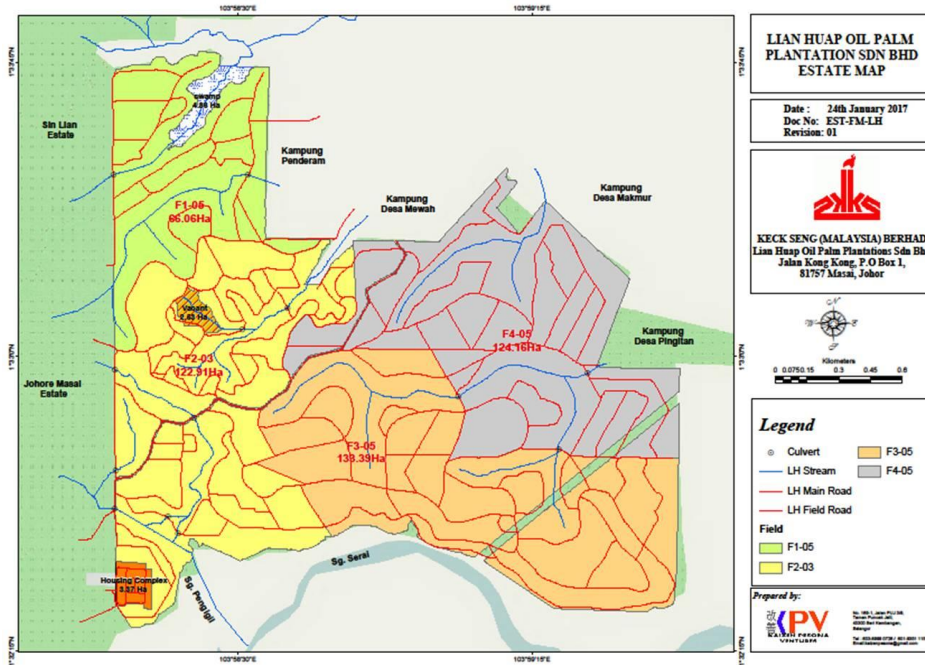


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

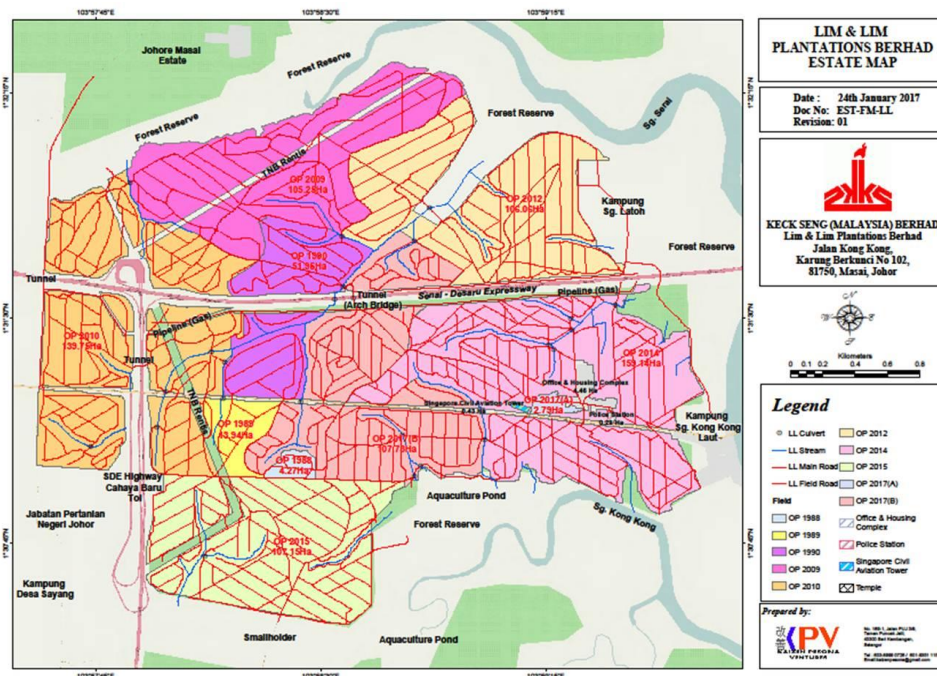
Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 94 of 97

Appendix C-3-3:
Layout Map of Lian Huap Oil Palm Plantations



Appendix C-3-4:
Layout Map of Lim & Lim Plantations

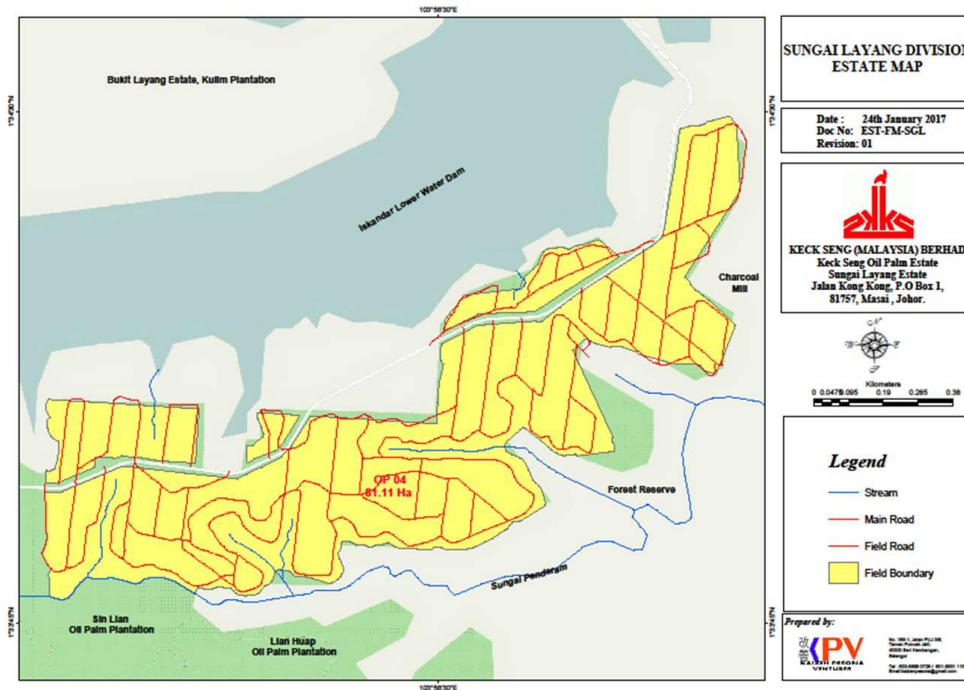


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

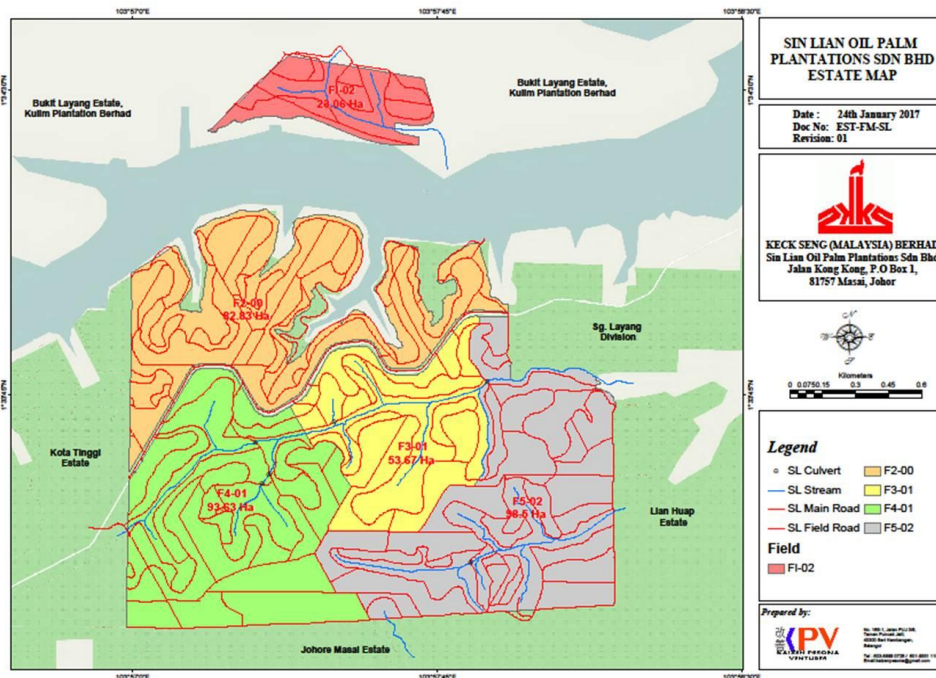
Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 95 of 97

**Appendix C-3-5:
Layout Map of Sg Layang Estate**



**Appendix C-3-6:
Layout Map of Sin Lian Oil Palm Plantations**

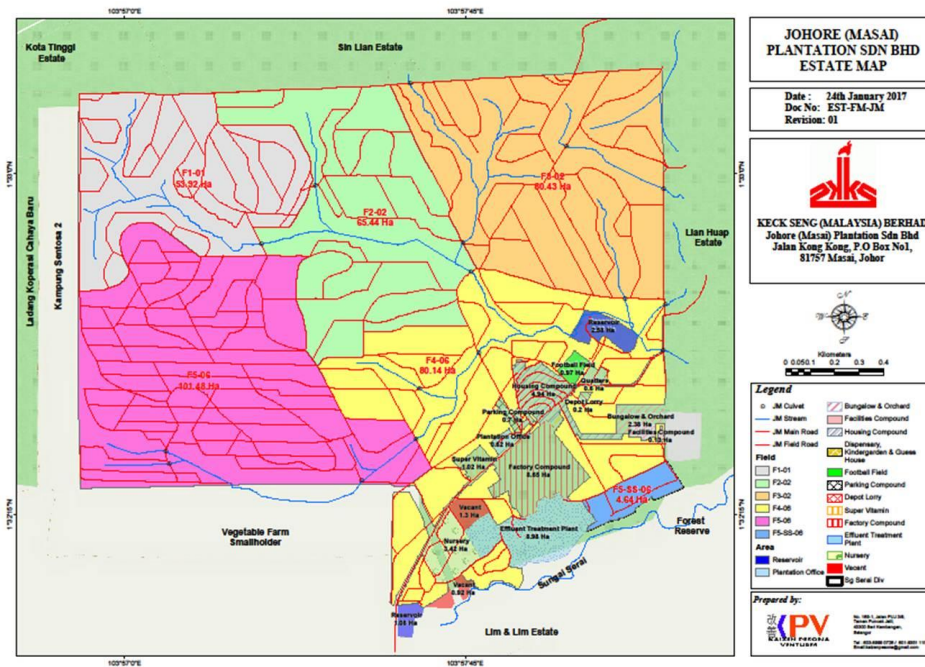


INTERTEK CERTIFICATION INTERNATIONAL SDN BHD

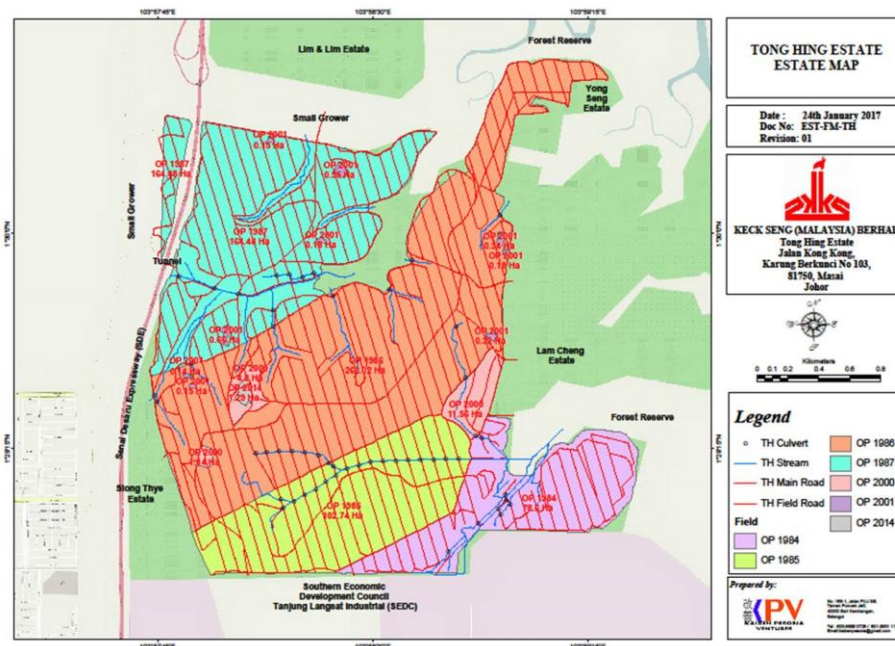
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Appendix C-3-7: Layout Map of Johore (Masai) Plantations



Appendix C-3-8: Layout Map of Tong Hing Estate



INTERTEK CERTIFICATION INTERNATIONAL SDN BHD
(188296-W)

Report No.: R9306/16-4 Keck Seng (Malaysia) Berhad
Masai POM & Estates Grouping: Surveillance Assessment ASA 1-2

Page 97 of 97

Appendix D:

Time Bound Plan

As at to-date Keck Seng (Malaysia) Berhad owns only one Plantation Management Unit (PMU) which is located at the Masai region, Johor, Malaysia and there are no other oil palm estates or mills owned at other parts of Malaysia, Indonesia or elsewhere. Time bound Plan for Keck Seng (Malaysia) Berhad has been fulfilled for its oil palm plantation management.

-- End of Report--