

**MALAYSIAN SUSTAINABLE PALM OIL  
- RECERTIFICATION ASSESSMENT  
Public Summary Report**

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

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

**Report Number: 9673697**

**Assessment Conducted by:**

BSI Services Malaysia,  
(DSM Accreditation Number: MSPO 09112018 CB 12)  
Suite 29.01 Level 29 The Gardens North Tower,  
Mid Valley City Lingkaran Syed Putra,  
59200 Kuala Lumpur  
Tel +60392129638 Fax +60392129639  
[www.bsigroup.com](http://www.bsigroup.com)

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## Section 1: Executive Summary

| <b>1.1 Organizational Information and Contact Person</b> |   |             |                        |
|--|---|-------------|------------------------|
| Company Name   | Keresia Plantations Sdn Bhd   |             |                        |
| Mill/Estate  | MPOB License No.  | Expiry Date |                        |
|  | Keresia POM: 510557004000   | 31/03/2021  |                        |
|  | Sujan Estate: 503656102000  | 28/02/2021  |                        |
|  | Jiba Estate: 503656102000   | 28/02/2021  |                        |
| Address  | Lot 1, Block 17, Lavang Land District, 97000 Bintulu, Sarawak, Malaysia |             |                        |
| Certification Unit                                       | Keresia Palm Oil Mill, Sujan Estate and Jiba Estate                     |             |                        |
| Contact Person Name                                      | A.K Kumaran   |             |                        |
| Website  | www.keresia.com.my  | E-mail      | kumaran@keresia.com.my |
| Telephone  | 012-8855870/74  | Facsimile   | N/A                    |

| <b>1.2 Certification Information</b>          |  |                       |             |
|---|--|-----------------------|-------------|
| Certificate Number                            | Mill: MSPO 644920<br>Plantations: MSPO 644925 (Jiba Estate)<br>: MSPO 644923 (Sujan Estate)  |                       |             |
| Issue Date                                    | 11/11/2015   | Expiry date           | 10/11/2025  |
| Scope of Certification                        | Mill: Production of Sustainable Palm Oil and Palm Oil Products<br>Estate: Production of Sustainable Oil Palm Fruits  |                       |             |
| Standard                                      | Palm Oil Mill: MS 2530-4:2013 Part 4: General principles for palm oil mills<br>Estate: MS 2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders |                       |             |
| Stage 1 Date                                  | N/A (The certification unit is RSPO certified)   |                       |             |
| Stage 2 / Initial Assessment Visit Date (IAV) | 22 - 25/07/2015  |                       |             |
| Continuous Assessment Visit Date (CAV) 1      | 05 - 08/12/2016  |                       |             |
| Continuous Assessment Visit Date (CAV) 2      | 07 - 10/11/2017  |                       |             |
| Continuous Assessment Visit Date (CAV) 3      | 23 - 25/10/2018  |                       |             |
| Continuous Assessment Visit Date (CAV) 4      | 17 - 19/09/2019  |                       |             |
| Recertification (RAV)                         | 21 - 25/09/2020  |                       |             |
| <b>Other Certifications</b>                   |  |                       |             |
| Certificate Number                            | Standard(s)  | Certificate Issued by | Expiry Date |

|                             |           |                                       |            |
|-----------------------------|-----------|---------------------------------------|------------|
| EU-ISCC-Cert-DE104-11422001 | ISCC EU   | GUT-Cert                              | 14/07/2021 |
| GGC-KERPSB-RSPO-CA1-2020    | RSPO      | Global Gateway Certifications Sdn Bhd | 20/10/2020 |
| MSPO 717982                 | MSPO SCCS | BSI Services Malaysia Sdn Bhd         | 24/10/2024 |

### 1.3 Location of Certification Unit

| Name of the Certification Unit<br>(Palm Oil Mill/ Estate/ Smallholder/<br>Independent Smallholder) | Site Address  | GPS Reference of the site office |          |
|--|---|----------------------------------|----------|
|  |   | Longitude                        | Latitude |
| Keresa POM   | Lot 1, Block 17, Lavang Land District, 97000 Bintulu, Sarawak, Malaysia | 113.60019                        | 3.16399  |
| Jiba Estate  | Lot 1, Block 17, Lavang Land District, 97000 Bintulu, Sarawak, Malaysia | 113.56311                        | 3.15513  |
| Sujan Estate   | Lot 1, Block 17, Lavang Land District, 97000 Bintulu, Sarawak, Malaysia | 113.60269                        | 3.17618  |

### 1.4 Certified Area

| Estate       | Total Planted<br>(Mature + Immature)<br>(ha) | HCV<br>(ha)   | Infrastructure<br>& Other<br>(ha) | Total Area<br>(ha) | % of Planted |
|--------------|--|---------------|-----------------------------------|--------------------|--------------|
| Jiba Estate  | 2,268.82                                     | 86.01         | 125.47                            | 2,480.30           | 91.51%       |
| Sujan Estate | 3,078.08                                     | 17.59         | 447.03                            | 3,542.70           | 86.89%       |
| <b>TOTAL</b> | <b>5,346.90</b>                              | <b>103.60</b> | <b>572.50</b>                     | <b>6,023.00</b>    |              |

### 1.5 Plantings & Cycle

| Estate       | Age (Years) |             |             |                 |             | Mature**        | Immature    |
|--------------|-------------|-------------|-------------|-----------------|-------------|-----------------|-------------|
|              | 0 - 3       | 4 - 10      | 11 - 20     | 21 - 25         | 26 - 30     |                 |             |
| Jiba Estate  | 0.00        | 0.00        | 0.00        | 2268.82         | 0.00        | 2268.82         | 0.00        |
| Sujan Estate | 0.00        | 0.00        | 0.00        | 3078.08         | 0.00        | 3,078.08        | 0.00        |
| <b>Total</b> | <b>0.00</b> | <b>0.00</b> | <b>0.00</b> | <b>5,346.90</b> | <b>0.00</b> | <b>5,346.90</b> | <b>0.00</b> |

### 1.6 Certified Tonnage of FFB

| Estate | Tonnage / year                     |                                 |                                   |
|--------|------------------------------------|---------------------------------|-----------------------------------|
|        | Estimated<br>(Oct 2019 - Sep 2020) | Actual<br>(Oct 2019 - Aug 2020) | Forecast<br>(Oct 2020 - Sep 2021) |
|        |                                    |                                 |                                   |

| Jiba Estate         | 37,700        | 35,177.87         | 35,708         |
|---------------------|---------------|-------------------|----------------|
| Sujan Estate        | 54,500        | 50,092.64         | 62,170         |
| Sungai Kubud Estate | N/A           | 55,206.93         | 71,246         |
| Wajang Estate       | N/A           | 4,377.47          | N/A            |
| <b>Total</b>        | <b>92,200</b> | <b>144,854.91</b> | <b>169,124</b> |

**Note:**

Wajang Estate: SGS-MSPO-MY20/1811030355 valid from 31/3/2020 – 30/3/2025

**1.7 Uncertified Tonnage of FFB**

| Estate       | Tonnage / year                     |                                 |                                   |
|--------------|------------------------------------|---------------------------------|-----------------------------------|
|              | Estimated<br>(Oct 2019 - Aug 2020) | Actual<br>(Oct 2019 - Aug 2020) | Forecast<br>(Oct 2020 - Sep 2021) |
| Dealer       | 119,000                            | 127,669.10                      | 130,000                           |
| Other Estate | 12,700                             | 8,768.30                        | 13,000                            |
| Smallholder  | 8,000                              | 9,150.55                        | 9,500                             |
| <b>Total</b> | <b>139,700</b>                     | <b>145,587.95</b>               | <b>152,500</b>                    |

**1.8 Certified Tonnage**

|                                    | Estimated<br>(Oct 2019 - Sept 2020) | Actual<br>(Oct 2019 - Aug 2020) | Forecast<br>(Oct 2020 - Sep 2021) |
|------------------------------------|-------------------------------------|---------------------------------|-----------------------------------|
|                                    | FFB                                 | FFB                             | FFB                               |
| <b>Mill Capacity:<br/>45 MT/hr</b> | <b>92,200</b>                       | <b>144,854.91</b>               | <b>169,124</b>                    |
| <b>SCC Model:<br/>MB</b>           | <b>CPO (OER: 20.80%)</b>            | <b>CPO (OER: 20.60%)</b>        | <b>CPO (OER: 20.70%)</b>          |
|                                    | 19,180.00                           | 29,840.11                       | 35,008.67                         |
|                                    | <b>PK (KER: 4.50 %)</b>             | <b>PK (KER: 4.25%)</b>          | <b>PK (KER: 4.30%)</b>            |
|                                    | 4,150.00                            | 6,162.92                        | 7,272.33                          |

**1.9 Actual Sold Volume (CPO)**

| CPO (MT) | MSPO Certified | Other Schemes Certified |      | Conventional | Total |
|----------|----------------|-------------------------|------|--------------|-------|
|          |                | ISCC                    | RSPO |              |       |
| 0.00     | 0.00           | 0.00                    | 0.00 | 0.00         | 0.00  |

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| <b>1.10 Actual Sold Volume (PK)</b> |                       |                                |             |                     |              |
|-------------------------------------|-----------------------|--------------------------------|-------------|---------------------|--------------|
| <b>PK (MT)</b>                      | <b>MSPO Certified</b> | <b>Other Schemes Certified</b> |             | <b>Conventional</b> | <b>Total</b> |
|                                     |                       | <b>ISCC</b>                    | <b>RSPO</b> |                     |              |
| 0.00                                | 0.00                  | 0.00                           | 0.00        | 0.00                | 0.00         |

## Section 2: Assessment Process

BSI is a leading global provider of management systems assessment and certification, with more than 80,000 certified locations and clients in over 190 countries. BSI Standards is the UK's National Standards Body. BSI provides independent, third-party certification of management systems.

### Assessment Methodology, Programme, Site Visits

This on-site assessment was conducted from 21-25/09/2020. The audit programme is included as item 2.3 Assessment Plan. The approach to the audit was to treat the Keresia Palm Oil Mill, Sujan Estate and Jiba Estate as a MSPO Certification Unit. A range of environmental and social factors were covered. This includes consideration of topography, palm age, proximity to areas with HBVs, declared conservation areas and local communities.

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

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

Public notification has been done on 17/8/2020. Meetings were held with stakeholders to seek their views on the performance of the company with respect to the MSPO requirements and aspects where they considered that improvements could be made. At the start of each meeting, the interviewer explained the purpose of the audit followed by an evaluation of the relationship between the stakeholder and the company before discussions proceeded. The interviewer recorded comments made by stakeholders and these have been incorporated into the assessment findings.

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

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

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

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

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

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

**Tentative Date of Next Visit: September 20, 2021 - September 24, 2021**

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

**2.1 BSI Assessment Team**

| Team Member Name       | Role<br>(Team Leader or Team member) | Qualifications<br>(Short description of the team members)   |
|------------------------|--------------------------------------|---|
| Muhammad Fadzli Masran | Team Leader                          | He holds Bachelor Degree in Forestry Science, graduated from University Putra Malaysia. He started his career as Assistant Manager at Kulim Plantations Sdn. Bhd. managing the day to day plantation operations. In his career at Kulim Plantation, Fadzli had accumulated more than 10 years of sustainability implementation experience including workers' welfare, workers' occupational, health & safety, environment conservation and protection at buffer areas and continuous improvement management plans. Fadzli had accumulated auditing experience when he was the internal auditor for ISO 9001 and ISO 14001 at Kulim Plantations. He has completed ISO IMS 9001, 14001, 45001 (OHS 18001) Lead Auditor Course in April 2018 and endorsed RSPO Lead Auditor Course in July 2018. Fluent in Bahasa Malaysia and English Language. During this assessment, he assessed on the aspects of mill and estate best practices, waste management, HCV, environmental and occupational safety & health. He is fluent in Bahasa Malaysia and English languages. |
| Vijay Kanna Pakirisamy | Team Member                          | He holds a bachelor's degree in Agribusiness Science Management with Honours from University Utara Malaysia in 2010. He gained his working exposure in the plantation sector, serving as an Assistant Manager with KL Kepong and IOI Plantations and as a Sr. Assistant Manager with United Plantations Berhad. Throughout his 10 year tenure in the oil palm industry, he has been part of the operations team that implements standards within the estate such as RSPO, MSPO, ISCC and FINWATCH. He has completed ISO IMS 9001, 14001, 45001(OHS 18001) Lead Auditor Course in November 2019, endorsed RSPO P&C Lead Auditor Course in October 2019 and endorsed MSPO Lead Auditor Course in November 2019. During this   |



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|  |  |  |
|--|--|--|
|  |  | assessment, he assessed on the aspects of Mill best practices, Estate best practices, workers welfare, stakeholder consultation, social, long-term economic viability. |
|--|--|--|

**2.2 Accompanying Persons**

| No. | Name | Role |
|-----|------|------|
|     | N/A  |      |

**2.3 Assessment Plan**

The Assessment plan was sent to the client prior to the assessment (attached assessment plan).

| Date                                    | Time          | Subjects   | MFM | VKP |
|---|---------------|--|-----|-----|
| Sunday<br>20/09/2020                    | PM            | Audit Team Travelling from KL - Bintulu  | √   | √   |
| Monday<br>21/09/2020<br><br>Jiba Estate | 08.30 - 09.00 | Opening Meeting: <ul style="list-style-type: none"> <li>Opening Presentation by Audit team leader.</li> <li>Confirmation of assessment scope and finalize Audit plan</li> </ul>  | √   | √   |
|   | 09.00 - 12.30 | Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.  | √   | √   |
|   | 12.30 - 13.30 | Lunch  | √   | √   |
|   | 13.30 - 16.30 | Continue with document review<br>Document review P1 – P6 (MSPO part 3),<br>P1: Management commitment and responsibility<br>P2: Transparency<br>P3: Compliance to legal requirement<br>P4: Social responsibility, health safety and employment condition,<br>P5: Environment, natural resources, biodiversity and ecosystem services and<br>P6: Best practices,<br>P7: Development of New Planting (if any) | √   | √   |

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| Date  | Time          | Subjects   | MFM | VKP |
|---|---------------|--|-----|-----|
| Tuesday<br>22/09/2020<br><br>Jiba Estate    | 08.30 - 12.00 | Continue with document review<br>Document review P1 – P6 (MSPO part 3),<br>P1: Management commitment and responsibility<br>P2: Transparency<br>P3: Compliance to legal requirement<br>P4: Social responsibility, health safety and employment condition,<br>P5: Environment, natural resources, biodiversity and ecosystem services and<br>P6: Best practices,<br>P7: Development of New Planting (if any) | √   | √   |
|   | 9.30 - 12.00  | Stakeholder consultations (Combine for mill and estates):<br>Consultation with relevant stakeholders which consists of various categories such as government agencies/enforcers, NGO, contractors, suppliers, surrounding communities (e.g. neighboring estates, smallholders, villages, workers representative, etc.), etc.   |     | √   |
|   | 12.00 - 12.30 | Interim Closing briefing.  | √   | √   |
|   | 12.30 - 13.30 | Lunch  | √   | √   |
| Sujan Estate                                | 13.30 - 16.30 | Document review P1 – P6 (MSPO part 3),<br>P1: Management commitment and responsibility<br>P2: Transparency<br>P3: Compliance to legal requirement<br>P4: Social responsibility, health safety and employment condition,<br>P5: Environment, natural resources, biodiversity and ecosystem services and<br>P6: Best practices,<br>P7: Development of New Planting (if any)                                  | √   | √   |
|   |               |  |     |     |
| Wednesday<br>23/09/2020<br><br>Sujan Estate | 08.30 - 12.30 | Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.  | √   | √   |
|   | 12.30 - 13.30 | Lunch  | √   | √   |

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| Date   | Time          | Subjects   | MFM | VKP |
|--|---------------|--|-----|-----|
|  | 13.30 - 16.30 | Continue with document review<br>Document review P1 – P6 (MSPO part 3),<br>P1: Management commitment and responsibility<br>P2: Transparency<br>P3: Compliance to legal requirement<br>P4: Social responsibility, health safety and employment condition,<br>P5: Environment, natural resources, biodiversity and ecosystem services and<br>P6: Best practices,<br>P7: Development of New Planting (if any)   | √   | √   |
|  | 16.30 - 17.00 | Interim Closing briefing.  | √   | √   |
| Thursday<br>24/09/2020<br><br>Sg. Kubud Estate | 08.30 - 12.00 | Field visit, boundary inspection, field operations, staff & workers interview, buffer zone, HCV area, IPM implementation, OSH&ERP, workshop, storage area (agrochemical, fertilizer, lubricant etc), agrochemical mixing area, Schedule waste management, worker housing, clinic, Landfill etc.<br><br>Document review P1 – P6 (MSPO part 3),<br>P1: Management commitment and responsibility<br>P2: Transparency<br>P3: Compliance to legal requirement<br>P4: Social responsibility, health safety and employment condition,<br>P5: Environment, natural resources, biodiversity and ecosystem services and<br>P6: Best practices,<br>P7: Development of New Planting (if any) | √   | √   |
|  | 12.00 - 12.30 | Interim Closing briefing.  | √   | √   |
|  | 12.30 - 13.30 | Lunch  | √   | √   |
| Keresas POM                                    | 13.30 - 16.30 | Continue with document review (MSPO part 4)<br>P1: Management commitment and responsibility<br>P2: Transparency<br>P3: Compliance to legal requirement<br>P4: Social responsibility, health safety and employment condition<br>P5: Environment, natural resources, biodiversity and ecosystem services<br>P6: Best practices   | √   | √   |
| Friday<br>25/09/2020<br><br>Keresas POM        | 08.30 - 12.30 | Inspection: FFB receiving, warehouse, workshop, wastes management & Landfill, Effluent Ponds, OSH & ERP, Environment issues, POME application, water treatment. Laboratory, weighbridge and palm product storage area, staff, workers and contractor interview, housing and facility inspection, clinic, etc.  | √   | √   |
|  | 12.30 - 13.30 | Lunch  | √   | √   |

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| Date                   | Time          | Subjects   | MFM | VKP |
|------------------------|---------------|--|-----|-----|
|                        | 13.30 - 16.00 | Continue with document review (MSP0 part 4)<br>P1: Management commitment and responsibility<br>P2: Transparency<br>P3: Compliance to legal requirement<br>P4: Social responsibility, health safety and employment condition<br>P5: Environment, natural resources, biodiversity and ecosystem services<br>P6: Best practices | √   | √   |
|                        | 16.00 - 16.30 | Preparation of audit report  | √   | √   |
|                        | 16.30 - 17.00 | Closing Meeting  | √   | √   |
| Saturday<br>26/09/2020 | PM            | Audit team travels to Bintulu  | √   | √   |

### Section 3: Assessment Findings

#### 3.1 Details of audit results

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

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

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

The nonconformity is listed below.

During the Certification Assessment there were two (2) Minor nonconformities raised. The Keresia Palm Oil Mill, Sujana Estate and Jiba Estate Certification unit submitted Corrective Action Plans for the nonconformity. Corrective action plans with respect to the nonconformity was reviewed by the BSI audit team and accepted.

The implementation of the corrective action plans to address the minor nonconformity will be followed up during the next surveillance assessment.

| Minor Nonconformities:      |   |                           |
|-----------------------------|---|---------------------------|
| Ref:                        | Area/Process: Jiba Estate   | Clause: Part 3 4.4.5.4    |
| 1962394-202009-N1           | Issue Date: 25/9/2020   | Due Date: Next Assessment |
| Requirements:               | Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.  |                           |
| Statement of Nonconformity: | Payment Conditions by Jiba Estate’s Contractor to the contractor’s workers were not in accordance with the Contractor’s Contract Agreement and Legal Requirements.  |                           |
| Objective Evidence:         | <p>Labour Ordinance Chapter 76 (1958 Ed.); Chapter XIV; Lawful Deductions; (Section 114) No deductions shall be made by an employer from the wages of an employee otherwise than in accordance with this Ordinance. (4) The following deductions shall not be made except at the request in writing of the employee and with the prior permission in writing of the Director General: (b) deductions in respect of repayments of advances of wages made to an employee under section 103 where interest is levied on the advances and deductions in respect of the payments of the interest so levied; (e) deductions in respect of the rental for accommodation and the cost of services, food and meals provided by the employer to the employee at the employee’s request or under the terms of the employee’s contract of service.</p> <p>There were deductions done by Contractor PNS Jaya Sdn Bhd (1301698 – M) on 2 of the sampled workers (IC Number: 840314-13-XXXX &amp; 880403-01-XXXX) for the month of June 2020, July 2020 &amp; Aug 2020. Deductions were stated in the pay slips as ‘advance of wages’ and ‘worker rations’. The contractor does not have the</p> |                           |

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|                        | request in writing of the employee nor the prior permission in writing of the Director General to deduct the employee's wages.   |
| Corrections:           | Mechanism of monitoring by estate clerk and executive-in-charge and to be verification from the Estate Manager on monthly basis in order to avoid repeated occurrence.<br><br>To brief the contractor on the legal regulations as stated in the Labour Ordinance Chapter 76 (1958 Ed.); Chapter XIV; Lawful Deductions; (Section 114). The contractor to adhere to legal requirements. |
| Root cause analysis:   | Poor monitoring from the estate management / PIC accordance to the SOP.  |
| Corrective Actions:    | An internal memorandum is given to the estate for continuous monitoring of pay slip of contractor's employees.<br><br>Estate clerk to check on any unlawful deductions by the contractor and report to the estate manager for further action. No unlawful deductions to be made by the contractor against the employees.   |
| Assessment Conclusion: | The effectiveness of CAP implementation will be assessed during next assessment.   |

**Major/Minor Nonconformities:**

|                             |  |                           |
|-----------------------------|--|---------------------------|
| Ref:                        | Area/Process: Keresa POM   | Clause: Part 4 4.5.3.3    |
| 1962394-202009-N2           | Issue Date: 25/9/2020  | Due Date: Next Assessment |
| Requirements:               | The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005 |                           |
| Statement of Nonconformity: | Mitigation measures to prevent/control spillage was not effectively implemented  |                           |
| Objective Evidence:         | During the site visit at the Keresa Mill Laboratory, it was noted that the temporary storage of spent chemical (SW430) was not stored in an appropriate container and the mitigation measures to prevent/control spillage was not effectively implemented.   |                           |
| Corrections:                | A proper skid tray will be provided to cater for spent chemical (SW430) residues. Those containers shall be label properly and dispose to a spent chemical drum kept at schedule waste store.  |                           |
| Root cause analysis:        | Lack of training by the PIC to the laboratory personnel.   |                           |
| Corrective Actions:         | To conduct awareness training annually to all lab personnel.<br><br>Weekly inspection to be carried out by the PIC and verified by the Senior Assistant Manager/ Mill Manager.   |                           |
| Assessment Conclusion:      | The effectiveness of CAP implementation will be assessed during next assessment.   |                           |

**Opportunity For Improvement**

|                     |               |         |
|---------------------|---------------|---------|
| Ref:                | Area/Process: | Clause: |
| Objective Evidence: | N/A           |         |

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| Noteworthy Positive Comments |     |
|------------------------------|-----|
|                              | N/A |

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

| Major/Minor Nonconformities: |   |                          |
|------------------------------|---|--------------------------|
| Ref:                         | Area/Process: Plantations   | Clause: 4.4.5.9 - Part 3 |
| 1822366-201904-M1            | Issue Date: 19/9/2019   | Due Date: 17/12/2019     |
| Requirements:                | Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.   |                          |
| Statement of Nonconformity:  | Wages on the pay slips was not in line with legal regulation.   |                          |
| Objective Evidence:          | <p>Verified on the Daily Muster Chit# 28276 for Stapang 3 dated 13/8/2019 found that workers have worked on public holiday on 13.08.2019 (2nd day of Hari Raya Haji). Total 5 harvesters and 2 loader involved. However, reviewed on the Daily FFB Record generated by the i-ECS for August 2019 found that no records of FFB for 13/8/2019 for the harvesters but tonnage for loaders on 13/8/2019 was captured in Daily FFB Despatched by Division August 2019. Interviewed with management confirmed that it is an offer day of work if there is an issuance of Daily Muster Chit and signed by Field Conductor, Assistant Manage and Manager. However, no evidence to show that the workers have been paid twice of the ordinary rate per piece as per Sarawak Labour Ordinance, Section 104, Subsection (6) (b). List of workers as per listed below :</p> <ol style="list-style-type: none"> <li>1. Emp. ID: 10679 (Loader)</li> <li>2. Emp. ID: 11963 (Loader)</li> <li>3. Emp. ID: 11569 (Harvester)</li> <li>4. Emp. ID: 11605 (Harvester)</li> <li>5. Emp. ID: 11701 (Harvester)</li> <li>6. Emp. ID: 12135 (Harvester)</li> <li>7. Emp. ID: 12225 (Harvester)</li> </ol> |                          |
| Corrections:                 | The balance wages for the 7 sample workers were paid on 25th September 2019.  |                          |
| Root cause analysis:         | Poor monitoring from the estate management on workers who worked on Public Holiday before keyed-in into iECS system (KPSB's checkroll system).  |                          |
| Corrective Actions:          | No work will be offered by the company on weekday rest and public holidays.   |                          |
| Assessment Conclusion:       | <p>Evidence submitted:</p> <ol style="list-style-type: none"> <li>i. Summary of the Month August and Piece Rated Wages Reports</li> <li>ii. Oil Palm Harvester Wages Report and Daily Bunches Report for August 2019</li> </ol>   |                          |

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|------------------------|---|
|                        | <p>iii. Record of payment for balance of salary for working on Public Holiday for 7 Sample Workers done on 25/9/2019</p> <p>iv. Internal Memo from Senior Manager, Sustainability/Estate Operations to Estates Managers on working on Rest day and Public Holidays dated 27/9/2019</p> <p>i. Briefing on working on Rest day and Public Holidays dated 23/9/2019, 27/9/2019 at Sujan Estate and 30/9/2019 at Jiba Estate</p> <p>The evidence submitted was found to be sufficient. Nonetheless, the effectiveness of implementation of corrective action plan shall be verified in the next assessment.</p> <p>Thus, the major NCR is closed on 11/10/2019.</p> |
| Verification Statement | No reoccurrence of non-conformity. The evidences sighted found adequate and effectively implemented. Thus, the major NC was effectively closed.   |

**Major/Minor Nonconformities:**

|                             |  |   |
|-----------------------------|--|---|
| Ref:<br>1822366-201904-N1   | Area/Process: Palm Oil mill<br>Issue Date: 19/9/2019   | Clause: 4.4.4.2 - Part 4<br>Due Date: 25/9/2020 |
| Requirements:               | The occupational safety and health plan should cover the following:<br>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.  |   |
| Statement of Nonconformity: | The monitoring of accident records and submission of accident report is not effectively implemented.   |   |
| Objective Evidence:         | JKKP 8 was submitted on annually basis. Latest submission for 2018 was submitted on 17/1/2019. However, it was found that the accident record was not include accident occur on 2 May 2018 (Gasifier plant accident) |   |
| Corrections:                | 1) To appoint person in-charge.<br>2) To resent JKKP 8 KMSB for the year 2018 to DOSH.   |   |
| Root cause analysis:        | Mechanism of reviewing not effective and no spell-out in SOP.  |   |
| Corrective Actions:         | 1) To establish procedures and describe the mechanism of checking.<br>2) To prepare checklist for monitoring purpose.  |   |
| Assessment Conclusion:      | The evidence of the correction and corrective action were adequate to close the NCR. Effectiveness of the implementation shall be verified in the next assessment.   |   |
| Verification Statement      | The mill has submitted accident report to DOSH through MyKKP. JKKP 8 for FY 2019 for both estates was submitted on 11/1/2020.<br><br>The implementation of the CAP was effective. The NC is effectively closed.      |   |

**Major/Minor Nonconformities:**

|                           |  |   |
|---------------------------|--|---|
| Ref:<br>1822366-201904-N2 | Area/Process: Palm Oil mill<br>Issue Date: 19/9/2019 | Clause: 4.5.3.2 Part 4<br>Due Date: 25/9/2020 |
|---------------------------|--|---|



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|                             |  |
|-----------------------------|--|
| Requirements:               | A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:<br>a) Identifying and monitoring sources of waste and pollution.<br>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.  |
| Statement of Nonconformity: | The waste management plan is not effectively implemented and monitored.  |
| Objective Evidence:         | Noted during document review in the scheduled waste inventory records, the latest SW disposal was done on 11/3/2019.<br><br>The first generation of SW 305 was on 17/3/2019 and yet to be disposed until the audit conducted which is more than 180 days without any evidence of notification or approval letter from DOE.   |
| Corrections:                | Proper inventory is now maintained and storage period monitored. The stock of scheduled waste has been dispatch to waste manager.  |
| Root cause analysis:        | The management were ignorant on the fact that they should not exceeded the 180 days storage period and if for any reason there is a need to extend storage period prior permission should be sought from the DOE. There was insufficient stock for the waste manager to collect economically.  |
| Corrective Actions:         | Proper inventory will always will be maintained along with monitoring of storage period.   |
| Assessment Conclusion:      | The evidence of the correction and corrective action were adequate to close the NCR. Effectiveness of the implementation shall be verified in the next assessment.   |
| Verification Statement      | The mill monitored the inventory of scheduled on monthly basis and reported to DOE through system. Sighted the inventory records through E-SWISS for the month of July and August 2020<br><br>The mill visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.<br><br>Sighted the sampled of Scheduled Waste Disposal<br>10/8/2020, SW 430, C/N no. 12755<br>10/8/2020, SW 417, C/N no. 10627<br>10/8/2020, SW 306, C/N no. 10628<br>10/8/2020, SW 305, C/N no. 12756<br><br>The implementation of the CAP was effective. The NC is effectively closed. |

**Major/Minor Nonconformities:**

|                   |   |                          |
|-------------------|---|--------------------------|
| Ref:              | Area/Process: Palm Oil mill   | Clause: 4.3.1.4 - Part 4 |
| 1822366-201904-N3 | Issue Date: 19/9/2019   | Due Date: 25/9/2020      |
| Requirements:     | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. |                          |

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|-----------------------------|---|
| Statement of Nonconformity: | Monitoring compliance and regulatory requirements not effectively monitor.  |
| Objective Evidence:         | <p>It was observed that, the expiry of PLKS for following foreign worker as follows;<br/>           Operating Units Name of Workers &amp; Expiry date Date of submission to Imigresen KERESA POM</p> <ol style="list-style-type: none"> <li>1. Fidarlus – 10.10.2019</li> <li>2. Umar Sahid Zarkasih – 10.10.2019</li> <li>3. Uray Rezeki – 10.10.2019 4th September 2019</li> <li>4. Hajimi Jono – 10.10.2019</li> <li>5. Hermanto Yanto – 01.10.2019</li> </ol> <p>Based on the SOP Foreign Workers Employment (KERESA Plantations Sdn. Bhd. &amp; KERESA MILL SDN. BHD.), under 2.7 Renewal of Work Permit / PLKS</p> <p>a) The Human Resource Department will apply for the extension three (3) months before the expiry date</p> |
| Corrections:                | <ol style="list-style-type: none"> <li>1) Mechanism of monitoring by estate clerk and executive in-charge and verified by the Estate Manager on monthly basis to avoid delays in renewal. The estate personnel involved to coordinate with HR Kuching.</li> <li>2) Revision on company SOP-Renewal procedures of work permit/PLKS.</li> </ol>   |
| Root cause analysis:        | Mechanism of reviewing is not effective and PIC failed to follow SOP.   |
| Corrective Actions:         | <ol style="list-style-type: none"> <li>1) To prepare a standard internal memorandum format for renewal of work permit by estate and mill clerk.</li> <li>2) Monthly monitoring on expiry date of permit and passport by estate and mill's clerk and these to be coordinated with the HR department.</li> </ol>  |
| Assessment Conclusion:      | The evidence of the correction and corrective action were adequate to close the NCR. Effectiveness of the implementation shall be verified in the next assessment.  |
| Verification Statement      | <p>The management have appointed Ms. Julia AK Andrew Kere (Sustainability &amp; Compliance Executive) as the Legal Representative for the estates as stated in the appointment letter dated 17th February 2020 undersigned by the Assistant General Manager – Operations/Sustainability.</p> <p>All permits and licenses were verified and were found to be valid at time of the audit. The implementation of the CAP was effective. The NC is effectively closed.</p>  |

**Major/Minor Nonconformities:**

|                           |   |                          |
|---------------------------|---|--------------------------|
| Ref:<br>1822366-201904-N4 | Area/Process: Plantations   | Clause: 4.5.3.2 - Part 3 |
|                           | Issue Date: 19/9/2019   | Due Date: 25/9/2020      |
| Requirements:             | <p>A waste management plan shall be developed and implemented, to avoid or reduce pollution.</p> <p>The waste management plan should include measure for:</p> |                          |

|                             |  |
|-----------------------------|--|
|                             | a) Identifying and monitoring sources of waste and pollution. b) Improving the efficiency and recycling potential of mill by-products by converting them into value added products.  |
| Statement of Nonconformity: | The waste management plan is not effectively implemented and monitored.  |
| Objective Evidence:         | Sujan Estate<br><br>Noted during document review in the scheduled waste inventory records, the latest SW disposal was done on 11/3/2019.<br><br>The first generation of SW 305 and 306 was on 1/3/2019 and yet to be disposed until the audit conducted which is more than 180 days without any evidence of notification or approval letter from DOE.  |
| Corrections:                | Proper inventory is now maintained and storage period monitored. The stock of scheduled waste has been dispatch to waste manager.  |
| Root cause analysis:        | The management was ignorant on the fact that they should not exceeded the 180 days storage period and if for any reason there is a need to extend storage period prior permission should be sought from the DOE. There was insufficient stock for the waste manager to collect economically.   |
| Corrective Actions:         | Proper inventory will always will be maintained along with monitoring of storage period.   |
| Assessment Conclusion:      | The evidence of the correction and corrective action were adequate to close the NCR. Effectiveness of the implementation shall be verified in the next assessment.   |
| Verification Statement      | The estate maintain the inventory of scheduled waste generated and documented in the Fifth Scheduled form. Sighted the inventory records for the month of February till August 2020.<br><br>Sighted the sampled of Scheduled Waste Disposal<br>20/2/2020, SW 305, C/N no. 2020022016KZV7IO<br>26/8/2020, SW 102, C/N no. 2020082716MXRA12<br>26/8/2020, SW 305, C/N no. 2020082716OIR7NB<br>26/8/2020, SW 102, C/N no. 2020082716WLBZ7V<br>26/8/2020, SW 410, C/N no. 20200827165LY38B<br><br>The implementation of the CAP was effective. The NC is effectively closed. |

**Major/Minor Nonconformities:**

|                             |   |                          |
|-----------------------------|---|--------------------------|
| Ref:<br>1822366-201904-N5   | Area/Process: Palm Oil mill   | Clause: 4.3.1.4 - Part 3 |
|                             | Issue Date: 19/9/2019   | Due Date: 25/9/2020      |
| Requirements:               | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements. |                          |
| Statement of Nonconformity: | Monitoring compliance and regulatory requirements not effectively monitor.  |                          |
| Objective Evidence:         | A. SUJAN Estate   |                          |

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|-------------------------------|--|
|                               | <p>i) Deduction of petrol appear in the payslip for following workers;</p> <ol style="list-style-type: none"> <li>1. Jupri bin Sarong AT 855066 – Payslip 31.10.2018 – RM 298.11</li> <li>2. Aldi bin Malli AU 048131 – Payslip 31.10.2018 - RM 246.41</li> <li>3. Abdul Malik C0215994 – Payslip 31.10.2018 - RM 117.00</li> </ol> <p>The deduction was made without obtain permission in writing from Director of Labour according to Sarawak Labour Ordinance, Section 114 (4ii) It was observed that, the expiry of PLKS for following foreign worker as follows;</p> <p>Operating Units Name of Workers &amp; Expiry date Date of submission to Imigresen</p> <p>SUJAN ESTATE</p> <ol style="list-style-type: none"> <li>1. Azis Lahing – 06.09.2019</li> <li>2. Debrina Halla – 02.10.2019</li> <li>3. Feri Fadli – 27.07.2019 3rd September 2019</li> <li>4. Hanapi Situju – 01.03.2019</li> <li>5. Indah – 08.10.2019</li> </ol> <p>B. JIBA Estate</p> <p>ii) It was observed that, the expiry of PLKS for following foreign worker as follows;</p> <p>Operating Units Name of Workers &amp; Expiry date Date of submission to Imigresen</p> <p>JIBA ESTATE</p> <ol style="list-style-type: none"> <li>1. Abdul Takose – 13.10.2019</li> <li>2. Ardan Heri Irfandi – 19.09.2019 3rd September 2019</li> <li>3. Arif Norianto – 13.09.2019 Based on the SOP Foreign Workers Employment (KERESA Plantations Sdn. Bhd &amp; KERESA MILL SDN. BHD.), under 2.7 Renewal of Work Permit / PLKS a)</li> </ol> <p>The Human Resource Department will apply for the extension three (3) months before the expiry date</p> |
| <p>Corrections:</p>           | <ol style="list-style-type: none"> <li>1) To apply permit from JTK as per employees request.</li> <li>2) Mechanism of monitoring by estate clerk and executive in-charge to effective and verified by the Manager on monthly basis to avoid delays in renewal. The estate personnel involved to coordinate with HR Kuching.</li> </ol>   |
| <p>Root cause analysis:</p>   | <ol style="list-style-type: none"> <li>1) No permit obtained from the Director General of Labour Sarawak for lawful deduction.</li> <li>2) Mechanism of reviewing is not effective and PIC failed to follow SOP.</li> </ol>  |
| <p>Corrective Actions:</p>    | <ol style="list-style-type: none"> <li>1) No unlawful deduction to be made to the employee prior obtaining permit from JTK.</li> <li>2) To prepare a standard internal memorandum format for renewal of work permit by estate and mill’s clerks.</li> <li>3) Monthly monitoring of workers permit and passport on expiry date by estate and mill’s clerk and to coordinate with the HR department.</li> </ol>  |
| <p>Assessment Conclusion:</p> | <p>The evidence of the correction and corrective action were adequate to close the</p>   |

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|------------------------|--|
|                        | NCR. Effectiveness of the implementation shall be verified in the next assessment.   |
| Verification Statement | <p>The management does not conduct any unlawful deductions for the workers anymore. This was evident during the verification of the sampled workers payslips in both estates. Water and electricity were provided free of charge to the workers. PIC was appointed by the management to monitor the workers passports expiry and renewal in both estates. The sampled workers passport indicated all had valid work permits.</p> <p>The implementation of the CAP was effective. The NC is effectively closed.</p> |

**3.4 Summary of the Nonconformities and Status**

| CAR Ref.          | CLASS | ISSUED    | STATUS                                     |
|-------------------|-------|-----------|--|
| 1822366-201904-M1 | Major | 19/9/2019 | Closed on 11/10/2019                       |
| 1822366-201904-N1 | Minor | 19/9/2019 | Closed on 25/9/2020                        |
| 1822366-201904-N2 | Minor | 19/9/2019 | Closed on 25/9/2020                        |
| 1822366-201904-N3 | Minor | 19/9/2019 | Closed on 25/9/2020                        |
| 1822366-201904-N4 | Minor | 19/9/2019 | Closed on 25/9/2020                        |
| 1822366-201904-N5 | Minor | 19/9/2019 | Closed on 25/9/2020                        |
| 1962394-202009-N1 | Minor | 25/9/2020 | Open. To be review during next assessment. |
| 1962394-202009-N2 | Minor | 25/9/2020 | Open. To be review during next assessment. |



**3.5 Issues Raised by Stakeholders**

| Stakeholders comment |  |
|----------------------|--|
| <b>1</b>             | <p><b>Feedbacks:</b></p> <p>K.C. Chan (Contractor) – They have very good repo with Keresas’s Management. Payments are all done in a timely manner. The management often includes them in all stakeholder meetings.</p> |
|                      | <p><b>Management Responses:</b></p> <p>Positive comments noted.</p>  |
|                      | <p><b>Audit Team Findings:</b></p> <p>No further issue.</p>  |
| <b>2</b>             | <p><b>Feedbacks:</b></p> <p>Tielo (Canteen Operator) – Management supports the canteen business and aids with any assistance when required.</p>  |
|                      | <p><b>Management Responses:</b></p> <p>Positive comments noted.</p>  |
|                      | <p><b>Audit Team Findings:</b></p>   |

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|----------|--|
|          | No further issue.  |
| <b>3</b> | <b>Feedbacks:</b><br>Wagro (Chemical Supplier) – Wagro has been doing business as a chemical supplier with Keresia Plantation for many years. They have a very good understanding between the two organisations. All payments are done in a timely manner. |
|          | <b>Management Responses:</b><br>Positive comments noted.   |
|          | <b>Audit Team Findings:</b><br>No further issue.   |
| <b>4</b> | <b>Feedbacks:</b><br>TK Majong (Tuai Rumah) - Keresia Plantation has provided a lot of assistance to the neighbouring communities as and when required such as providing water tanks and machineries for works done at the villages.                       |
|          | <b>Management Responses:</b><br>Positive comments noted.   |
|          | <b>Audit Team Findings:</b><br>No further issue.   |
| <b>5</b> | <b>Feedbacks:</b><br>Wong Yuk Zung (Contractor) - They have very good repo with Keresia’s Management. Payments are all done in a timely manner. The management often includes them in all stakeholder meetings.  |
|          | <b>Management Responses:</b><br>Positive comments noted.   |
|          | <b>Audit Team Findings:</b><br>No further issue.   |

**Section 4: Assessment Conclusion and Recommendation**

| <b>Acknowledgement of Internal Responsibility and Formal Sign-off of Assessment Findings</b>   |   |
|--|---|
| Based on the findings during the assessment Keresia Palm Oil Mill, Sujan Estate and Jiba Estate Certification Unit complies with the MS 2530-3:2013 and MS 2530-4:2013. It is recommended that the certification of Keresia Palm Oil Mill, Sujan Estate and Jiba Estate Certification Unit is approved and/or continued. |   |
| <b>Acknowledgement of Assessment Findings</b>  | <b>Report Prepared by</b>   |
| <b>Name:</b><br>A.K.Kumaran  | <b>Name:</b><br>Muhammad Fadzli Masran  |
| <b>Company name:</b><br>Keresia Plantations Sdn Bhd  | <b>Company name:</b><br>BSI Services Malaysia Sdn. Bhd.   |
| <b>Title:</b><br>General Manager   | <b>Title:</b><br>Client Manager   |
| <b>Signature:</b><br>   | <b>Signature:</b><br> |
| <b>Date:</b> 14/12/2020  | <b>Date:</b> 30/11/2020   |

**Appendix A: Summary of the findings by Principles and Criteria**

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

| Criterion / Indicator   |  | Assessment Findings   | Compliance |
|---|--|---|------------|
| <b>4.1 Principle 1: Management commitment &amp; responsibility</b>    |  |   |            |
| <b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b> |  |   |            |
| <b>4.1.1.1</b>  | A policy for the implementation of MSPO shall be established.<br><b>- Major compliance -</b>   | Keresia Plantation Sdn. Bhd. have established a policy for the implementation of MSPO undersigned by the Senior Group General Manager dated on April 2015. The policy has been communicated to all staffs and personals with the latest communication dated 16.07.2020 (Jiba Estate) and 08.09.2020 (Sujan Estate).   | Complied   |
| <b>4.1.1.2</b>  | The policy shall also emphasize commitment to continual improvement.<br><b>- Major compliance -</b>  | The MSPO Policy emphasizes on the commitment to sustainable development and continuous improvement on growing and milling operations through MSPO implementations and principles as stated in the policy.   | Complied   |
| <b>Criterion 4.1.2 – Internal Audit</b>                               |  |   |            |
| <b>4.1.2.1</b>  | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.<br><b>- Major compliance -</b> | The MSPO Internal Audit Procedure (KERESA/MSPO/QP-10; Rev 2; Revision date: 05.01.2020) has been established. The procedure states that the internal audit shall be conducted to ensure that the implementation of the Company’s Management System is in line with the defined policies, objectives, procedures and other applicable requirements. The procedure states the frequency of the audit is to be carried out at least once (1) yearly.<br><br>As per the MSPO Internal Audit Procedure, Keresia Plantations have conducted MSPO internal audit for Jiba Estate and Sujan Estate on a yearly basis. The details of the Internal Audit are as below. | Complied   |



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| Criterion / Indicator |   | Assessment Findings  | Compliance |
|-----------------------|---|--|------------|
|                       |   | <ol style="list-style-type: none"> <li>1. Jiba Estate conducted the Internal Audit on 16.07.2020. The audit summary findings indicated that there were 2 Major findings from Principle 4 and 1 Minor Finding from Principle 4.</li> <li>2. Sujan Estate conducted the Internal Audit on 15.07.2020. The audit summary findings indicated that there were 1 Major finding from Principle 4 and 1 Minor finding from Principle 4.</li> </ol>   |            |
| <b>4.1.2.2</b>        | <p>The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.</p> <p><b>- Major compliance -</b></p> | <p>The MSPO Internal Audit Procedure (KERESA/MSPO/QP-10; Rev 2; Revision date: 05.01.2020) has been documented and available for verification.</p> <p><u>Jiba Estate</u><br/>The Internal Audit was led by Mr. Thilaganathan (Lead Auditor). The Internal Audit dated 16.07.2020 raised 2 major findings and 1 Minor findings. A Corrective Action Request &amp; Response (Document Number: MSPO/J/IA-CAP/NC01) was raised where the description of non-conformance, root cause analysis, corrective action plan and verification is identified and stated.</p> <p><u>Sujan Estate</u><br/>The Internal Audit was led by Mr. Thilaganathan (Lead Auditor). The Internal Audit dated 15.07.2020 raised 1 major finding and 1 Minor findings. A Corrective Action Request &amp; Response (Document Number: MSPO/J/IA-CAP/NC01) was raised where the description of non-conformance, root cause analysis, corrective action plan and verification is identified and stated. The Corrective Action was produced, and the non-conformance was closed on 27.07.2020.</p> | Complied   |

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| Criterion / Indicator                          |  | Assessment Findings   | Compliance |
|--|--|---|------------|
| <b>4.1.2.3</b>                                 | Report shall be made available to the management for their review.<br><br>- <b>Major compliance</b> -  | The MSPO Internal Audit Procedure (KERESA/MSPO/QP-10; Rev 2; Revision date: 05.01.2020) states that the internal audit report is to be provided to the auditee during the closing meeting or within 2 weeks of the date the audit is conducted.<br><br>The MSPO Internal Audit Report was available at both estates for verification.   | Complied   |
| <b>Criterion 4.1.3 – Management Review</b>     |  |   |            |
| <b>4.1.3.1</b>                                 | The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.<br><br>- <b>Major compliance</b> - | The Management Review Procedure (First Editions; Version 2.0) dated January 2020 was established.<br><br>MSPO Management Review was conducted simultaneously for Jiba Estate and Sujan Estate on 30 <sup>th</sup> July 2020. The management review minutes meeting was available for verification. The meeting mainly discussed on the Internal Audit that had just been conducted in both the estates.   | Complied   |
| <b>Criterion 4.1.4 – Continual Improvement</b> |  |   |            |
| <b>4.1.4.1</b>                                 | The action plan for continual improvement shall be based on consideration of the main social and environmental impact and opportunities of the company.<br><br>- <b>Major compliance</b> -   | Keresia Plantations Sdn Bhd have developed a Continuous Improvement Plan (Update 1 <sup>st</sup> January 2020). Among the improvements that have been identified are:<br><br>1. Economic Values: Better Management Systems. <ul style="list-style-type: none"> <li>• Maintain documentation register &amp; updates.</li> <li>• Plantation records register &amp; updates</li> <li>• Monthly workplace inspections</li> <li>• Action requests systems introduced</li> <li>• Review if records &amp; documentation</li> </ul> | Complied   |

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|                       | <p>2. Social Values: Healthy &amp; Safety at Workplace</p> <ul style="list-style-type: none"> <li>• OSH site audit &amp; workplace assessment</li> <li>• OSH policy and plan drafted &amp; issued</li> <li>• List of major infra works to improve OSH compliance</li> <li>• OSH Training: Chemical Handling, Safe Harvesting Practices &amp; Emergency Response Plan.</li> </ul> <p>3. Environmental Values: Control of Pollution &amp; Significant Impacts on Environment (Action 2)</p> <ul style="list-style-type: none"> <li>• Waste management guidelines &amp; Implementation</li> <li>• Water Quality</li> <li>• Environmental &amp; Biodiversity review</li> <li>• Buffer Zone &amp; Riparian demarcation guidelines &amp; implementation.</li> <li>• Trimester Environmental Audit</li> </ul> <p>4. Social Values: Core Labour Standards</p> <ul style="list-style-type: none"> <li>• Social Policies drafted &amp; circulated grievance procedure, equal rights, OSH, Environment, FOA, JCC, Sexual Harassment, OSH &amp; Grievance Procedures.</li> <li>• Training and re-training on social policies: sexual harassment, OSH &amp; Grievance Procedures.</li> <li>• Annual Consultation with workers/staffs.</li> <li>• Monthly meeting with worker’s representatives</li> </ul> |            |

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|   |   | <p>5. Community: Action Plan</p> <ul style="list-style-type: none"> <li>Improving recording of benefits/ investment in community.</li> <li>Smallholder certification pilot initiative (POPSI)</li> <li>Road &amp; Fertilizer subsidy / support mechanism.</li> </ul>  |            |
| <b>4.1.4.2</b>  | <p>The company shall establish a system to improve practices in line with new information and techniques or new industry standards and technology (where applicable) that are available and feasible for adoption.</p> <p><b>- Major compliance -</b></p> | <p>An iECS Checkroll System has been introduced in Jiba Estate and Sujan Estate to replace the previous Manual Checkroll System.</p> <p>The advantages of iECS Checkroll System is to benefit the company as follows:</p> <ul style="list-style-type: none"> <li>Increase in Data Entry &amp; Processing efficiency.</li> <li>Reduce the need for physical Input Forms (Reduce Cost)</li> <li>Fast check roll processing at the month end.</li> <li>Efficient information monitoring and tracking.</li> <li>Reduce depending on manpower to manually calculate data.</li> </ul> | Complied   |
| <b>4.1.4.3</b>  | <p>An action plan to provide the necessary resources including training, to implement the new techniques or new industry standard or technology (where applicable) shall be established.</p> <p><b>- Major compliance -</b></p>                           | <p>Training and briefing about the new implementation of iECS was conducted at Jiba Estate on 1st April 2019 to the management staffs that consist of the Senior Manager, Manager, Assistant Manager, Field Staff and Admin Staff.</p>  | Complied   |
| 4.2 Principle 2: Transparency   |   |   |            |
| Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements |   |   |            |
| <b>4.2.1.1</b>  | <p>The management shall communicate the information requested by the relevant stakeholders in the appropriate languages and</p>   | <p>Jiba Estate dan Sujan Estate have maintained records of requests and responses, Land titles/user rights, Safety and health plan, assessments relating to environmental and social impact, Plan for pollution</p>   | Complied   |

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|   | forms, except those limited by commercial confidentiality or disclosure that could result in negative environmental or social outcomes.<br><br>- <b>Major compliance</b> -  | prevention, Records of complaints and grievances, Plan for continuous improvement. These documents are all available upon request.   |            |
| 4.2.1.2   | Management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.<br><br>- <b>Major compliance</b> - | Jiba Estate and Sujan Estate holds copies of every management documents that are required to be publicly available. Copies of the document such as Impact Assessments relating to environmental and social, plan for pollution preventions, records of complaints and grievances were available on request.<br><br>All these documents were sighted in the estate offices. Requests for official documents through the estate office will have to go through the estate manager/assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.                                | Complied   |
| <b>Criterion 4.2.2 – Transparent method of communication and consultation</b> |   |  |            |
| 4.2.2.1   | Procedures shall be established for consultation and communication with the relevant stakeholders.<br><br>- <b>Major compliance</b> -   | KERESA Plantations Sdn. Bhd. have established Procedures for Communication of Social Policies (Chapter 3, Reference No: SOC 3.1, Date issue: Dec 2009, Version 1) and Complaints & Grievances Procedure (Reference No: SOC 3.2, Version 1) that define the responsibilities and actions required for receiving, recording and responding to enquiries and requests from internal and external stakeholders.<br><br>The procedure outlines the process of communication on the social policies, lodging grievances and monitoring implementation. The Standard Operating Procedure has identified mechanisms for consultation and communication with the relevant stakeholders. | Complied   |

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|                       |   | <p>Jiba Estate and Sujan Estate have implemented the "Communication and Consultation Management Guidelines" as evidenced by the maintenance of filing systems for recording written requests for assistance and information. Sighted the file for Workers Complaints available at the estates.</p> <p>Regular communication with stakeholders was done through organized meetings. Sighted the meeting minutes as below:</p> <ol style="list-style-type: none"> <li>1. Workers Monthly Dialogue: 15<sup>th</sup> July 2020 – 20<sup>th</sup> July 2020.</li> <li>2. Workers Monthly Dialogue: 26<sup>th</sup> February 2020.</li> <li>3. Meeting with 'Tuai – Tuai Rumah' (Heads of Long Houses) – 23.01.2020</li> <li>4. Meeting with Contractors – 05.06.2020</li> </ol> <p>Estates has shown a good communication, by publishing the flow chart of Procedure "Pengurusan Aduan Pekerja/Stakeholder" at the notice board in front of estate office and housing complex. The feedback can be forwarded to the estate management or to Suggestion Box located at the muster ground and office.</p> <p>Interviews with Stakeholders confirmed that both estates have an open approach to communication with staff, workers and local communities.</p> |            |
| <b>4.2.2.2</b>        | <p>A management official should be nominated to be responsible for issues related to Indicator 1 at each operating unit.</p> <p><b>- Minor compliance -</b></p> | <p>The management has appointed Ms. Suzella Demie (Sustainability and Compliance Executive) as the Communication Representative for the mill as stated in the appointment letter as Social Management Representative dated 17<sup>th</sup> February 2020 undersigned by the Assistant General Manager – Operations/Sustainability.</p>   | Complied   |

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| <b>4.2.2.3</b>                        | List of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders should be properly maintained.<br><br>- <b>Major compliance</b> - | Jiba Estate - Sighted latest stakeholders list updated on 07.09.2020.<br>Sujan Estate - Sighted latest stakeholders list updated on 03.06.2020.<br><br>Stakeholder list include the supplier, contractor, smallholders, external stakeholders, villagers, long house & government agency such as DOSH, MPOB, DOE, Labour department & etc.<br><br>Joint consultative committee (JCC) meeting, internal stakeholder meeting that involve worker representative and chaired by Mr. Thilaganathan, Senior Manager Sustainability & Estate Operations. The latest meeting was conducted on 15.07.2020. All issues have been discussed with current action plan has been established.<br><br>Woman & Children Association of Keresia Plantations conduct regular meetings to address the issues such as sexual harassment, domestic violence and also to organize activities among the women community of the estates. The latest Women & Children Association Meeting was conducted on 22 <sup>nd</sup> January 2020. | Complied   |
| <b>Criterion 4.2.3 – Traceability</b> |  |   |            |
| <b>4.2.3.1</b>                        | The management shall establish, implement and maintain a standard operating procedure to comply with the requirements for traceability of the relevant product(s).<br><br>- <b>Major compliance</b> -    | SOP on the Traceability of FFB Production (Doc Number: SOP/ISCC/KPSB/EST 1) was established dated 01 March 2011, reviewed on 25.10.2019.  | Complied   |
| <b>4.2.3.2</b>                        | The management shall conduct regular inspections on compliance with the established traceability system.<br><br>- <b>Major compliance</b> -  | Traceability Audit was carried out on monthly basis by the Sustainably Department on the harvesting teams at both estates. Regular Inspections are done to ensure the traceability system is well implemented.  | Complied   |

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|  |  | <p>The details of the records include Block No, FFB Driver Daily Collection (Bunch), Average Bunch Weight, Total Weight and division which show the traceability from estate field to the mill.</p> <p>Sighted the traceability audit report for Jiba Estate and Sujan Estate dated 03.08.2020</p>  |            |
| <b>4.2.3.3</b>   | <p>The management should identify and assign suitable employees to implement and maintain the traceability system.</p> <p><b>- Minor compliance -</b></p>              | <p>The management has appointed Ms. Alicesa Anak Ramba (Sustainability &amp; Compliance Executive) as the Traceability Representative for the estates as stated in the appointment letter dated 17<sup>th</sup> February 2020 undersigned by the Assistant General Manager – Operations/Sustainability.</p>   | Complied   |
| <b>4.2.3.4</b>   | <p>Records of sales, delivery or transportation of FFB shall be maintained.</p> <p><b>- Major compliance -</b></p>   | <p>Delivery of FFB from Jiba Estate and Sujan Estate from field to Keres Mill was monitored closely by respective estate managements.</p> <p>Sighted the records of delivery or transportation of FFB. These records are maintained, and the documents are kept by the estates and mill.</p>  | Complied   |
| <b>4.3 Principle 3: Compliance to legal requirements</b> |  |   |            |
| <b>Criterion 4.3.1 – Regulatory requirements</b>         |  |   |            |
| <b>4.3.1.1</b>   | <p>All operations are in compliance with the applicable local, state, national and ratified international laws and regulations.</p> <p><b>- Major compliance -</b></p> | <p>KERESA Plantation Sdn. Bhd has maintained the systems for documentation, checking and assessment of legal compliance with applicable laws and regulations.</p> <p>Inspection of records showed that the both estates has maintained legal compliance with statutory requirements.</p> <p>Sample of permit and license sighted as listed belows :</p> <p>1. MPOB License no. 503656102000, valid till 28/2/2021</p> | Complied   |



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|                       |  | 2. MPOB Nursery License no. 516060011000, valid till 31/10/2021<br>3. Businesses, Professions and Trading License no. 993508, valid till 14/4/2021<br>4. Storage of Petroleum License no. A 35557, valid till 31/12/2020<br>5. Diesel permit no. Q003222 valid till 13/4/2021   |            |
| <b>4.3.1.2</b>        | The management shall list all laws applicable to their operations in a legal requirements register.<br><b>- Major compliance -</b>                                 | A Legal Compliance procedure has been established (KP 16 Mechanism for ensuring legal compliance dated 15 Mar 2010). All operating units have Legal & Other Requirements Register (LORR) covering all the necessary regulatory requirements. The management have reviewed and updated the LORR at both estates on 02.07.2020.<br><br>All the new legal requirements were included in the legal register accordingly which includes: <ul style="list-style-type: none"> <li>• Minimum Wages 2020</li> <li>• Akta Pencegahan dan Pegawalan Penyakit Berjangkit 1988</li> <li>• Movement Control Order 2020</li> </ul> | Complied   |
| <b>4.3.1.3</b>        | The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.<br><b>- Major compliance -</b> | Tracking systems to identify changes in the relevant regulations are available through head office, website information and the information are communicated from the Group Head Office.<br><br>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented.  | Complied   |
| <b>4.3.1.4</b>        | The management should assign a person responsible to monitor compliance and to track and update the changes in regulatory requirements.                            | The management have appointed Ms. Julia AK Andrew Kere (Sustainability & Compliance Executive) as the Legal Representative for the estates as stated in the appointment letter dated 17 <sup>th</sup> February 2020 undersigned by the Assistant General Manager – Operations/Sustainability.   | Complied   |

| Criterion / Indicator                     |   | Assessment Findings  | Compliance |         |    |                          |       |         |          |
|---|---|--|------------|---------|----|--------------------------|-------|---------|----------|
| - Minor compliance -                      |   |  |            |         |    |                          |       |         |          |
| <b>Criterion 4.3.2 – Lands use rights</b> |   |  |            |         |    |                          |       |         |          |
| <b>4.3.2.1</b>                            | The management shall ensure that their oil palm cultivation activities do not diminish the land use rights of other users.<br><br>- Major compliance -      | Based on the results of documentations, site visit and stakeholder consultation, no evidence that the oil palm cultivation activities diminished the land use rights of others.  | Complied   |         |    |                          |       |         |          |
| <b>4.3.2.2</b>                            | The management shall provide documents showing legal ownership or lease, history of land tenure and the actual use of the land.<br><br>- Major compliance - | The estate leased the land directly from Sarawak State government and the land title from Sarawak State government was available for review.<br><br><table border="1"> <thead> <tr> <th>Land Title</th> <th>Lot no.</th> <th>Ha</th> </tr> </thead> <tbody> <tr> <td>(H16-10 (5.2) &amp; BP 9/12B</td> <td>Lot 1</td> <td>6023.00</td> </tr> </tbody> </table>                               | Land Title | Lot no. | Ha | (H16-10 (5.2) & BP 9/12B | Lot 1 | 6023.00 | Complied |
| Land Title                                | Lot no.   | Ha   |            |         |    |                          |       |         |          |
| (H16-10 (5.2) & BP 9/12B                  | Lot 1   | 6023.00  |            |         |    |                          |       |         |          |
| <b>4.3.2.3</b>                            | Legal perimeter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.<br><br>- Major compliance -           | Estates visited clearly demarcated the legal boundary with pole as sighted during site visit as follows:<br><br>JE<br><br>Legal boundary was clearly demarcated with blue color wooden poles. The estate has established the map for boundary markers around the estate. Sighted the boundary marking no 89 (03° 09' 08.1" N, 113° 33' 03.6"E) atfield J9701 adjacent to NCR land.<br><br>SE | Complied   |         |    |                          |       |         |          |

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|  |  | Legal boundary was clearly demarcated with wooden pole. Sighted the boundary marking no. 83 (03° 10' 46.6" N, 113° 37' 16.2"E) at field S06K3 adjacent to state land.   |            |
| <b>4.3.2.4</b>   | Where there are, or have been, disputes, documented proof of legal acquisition of land title and fair compensation that have been or are being made to previous owners and occupants; shall be made available and that these should have been accepted with free prior informed consent (FPIC).<br><br>- <b>Minor compliance</b> - | There were no land disputes noted during the audit at Jiba Estate and Sujan Estate as the estates have the legal ownership documents which is under the Keresia Plantation Sdn. Bhd. Interview with the stakeholders also indicated that they did not have any disputes with the estates pertaining to legal acquisition of land title. | Complied   |
| <b>Criterion 4.3.3 – Customary rights</b>  |  |   |            |
| <b>4.3.3.1</b>   | Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.<br><br>- <b>Major compliance</b> -   | There is no customary land in or surrounding all the estates under Keresia Plantation Sdn. Bhd. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership.  | Complied   |
| <b>4.3.3.2</b>   | Maps of an appropriate scale showing extent of recognized customary rights land, if any, should be made available.<br><br>- <b>Minor compliance</b> -  | There is no customary land in or surrounding all the estates under Keresia Plantation Sdn. Bhd. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership.  | Complied   |
| <b>4.3.3.3</b>   | Negotiation and FPIC shall be recorded and copies of negotiated agreements should be made available.<br><br>- <b>Major compliance</b> -  | There is no customary land in or surrounding all the estates under Keresia Plantation Sdn. Bhd. There are also no land disputes or claims involving these estates. The estate has proper legal land titles for the land ownership.  | Complied   |
| <b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b> |  |   |            |
| <b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>                                 |  |   |            |

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| 4.4.1.1   | <p>Social impact should be identified and plans are implemented to mitigate the negative impacts and promote the positive ones.</p> <p><b>- Minor compliance -</b></p> | <p>Social Impact Assessment is done annually by the Sustainability &amp; Compliance Department by conducting a satisfaction survey among a sampled number of workers. The summary report is available in the Report of Satisfaction Survey – Social impact Assessment dated August 2020.</p> <p>Based on the report it was concluded that most of the workers were satisfied with the work terms and conditions, social provisions, environment, safety and health and communication. Besides that, they were unsatisfied on annual leaves, leave application and social activities. This was identified as mainly due to the SOPs implemented during the Movement Control Order 2020 amid the Covid 19 Pandemic.</p> | Complied   |
| <b>Criterion 4.4.2: Complaints and grievances</b> |  |   |            |
| 4.4.2.1   | <p>A system for dealing with complaints and grievances shall be established and documented.</p> <p><b>- Major compliance -</b></p>                                     | <p>Keresa Plantations has established the procedure (Chapter 3: Complaints &amp; Grievance Procedures dated: December 2009, Revised April 2019) to deal with complaints and grievances.</p> <p>The procedure clearly states the types of complaints that can be raised, who can make the complains and grievances, how the complaints can be made, cascading the complaints to the higher personals, recording of the complaints, investigation of the complaints and action to be taken for the complaints.</p> <p>A flow chart is available to show the steps taken to address a complaint or grievances in the estates.</p>  | Complied   |
| 4.4.2.2   | <p>The system shall be able to resolve disputes in an effective, timely and appropriate manner that is accepted by all parties.</p>                                    | <p>Inspection of records at the estates indicated that written communications were replied promptly, and the correspondence are kept in a file (File Aduan &amp; Cadangan Pekerja). Complaints forms seen are responded and completed within 5 working day.</p>   | Complied   |

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| <p><b>- Major compliance -</b></p>   | <p>Sighted samples of complaints as below;</p> <p><u>Jiba Estate</u><br/>           Complaints: Mr. Rifan on 05.08.2019<br/>           Issue: The worker requested for the management to allow outsiders transport van to enter the estate premises for 2 days after the salary day for the workers to go to the nearest town to withdraw money and buy provisions. Currently the Transport Van is not allowed to enter the estate and wait at the AP Post outside the estate.</p> <p>Management Response: Estate Manager on 06.08.2019<br/>           Response: Management has agreed to allow a selected number of Transport Van to enter the estate premises to fetch the workers to the nearest town for 2 days after the salary day.</p> <p><u>Sujan Estate</u><br/>           Complaints: Mr. Junaedi on 07.08.2019<br/>           Issue: The ceiling fan in his house was not functioning.</p> <p>Management Response: Geoffrey Ngali on 08.08.2019<br/>           Response: Management received the report and have repaired the faulty ceiling fan on 08.08.2019.</p> |                 |
| <p><b>4.4.2.3</b> A complaint form should be made available at the premises, where employees and affected stakeholders can make a complaint.</p> | <p>The estate maintains a generic 'complaint form' and 'maintenance and repairing report' for receiving and responding to requests and complaints from employees and relevant stakeholders. This form is</p>   | <p>Complied</p> |

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|   | - <b>Minor compliance</b> -   | <p>available in the estate office. Workers and relevant stakeholders are free to voice out their complaints or suggestions through this method.</p> <p>The management have also made available a suggestion box at the muster ground for the workers and relevant stakeholders to write their complaints or suggestions. The written complaints or suggestions are recorded in a log book for further action to be taken by the management.</p>   |            |
| 4.4.2.4   | <p>Employees and the surrounding communities should be made aware that complaints or suggestions can be made any time.</p> <p>- <b>Minor compliance</b> -</p>             | <p>Employees &amp; Stakeholders are made aware that the complaints or suggestions can be made at any time to the management. They are frequently reminded during the meetings conducted with the workers representatives and leaders of the long houses.</p> <p>During the interview with the employees and surrounding communities, it was understood that they are aware that complaints or suggestions can be made any time and the modes available for them to voice out the complaints or suggestions.</p> | Complied   |
| 4.4.2.5   | <p>Complaints and resolutions for the last 24 months shall be documented and made available to affected stakeholders upon request.</p> <p>- <b>Major compliance</b> -</p> | <p>The management retain complaints and resolution records for the last 24 months in accordance to the Complaints &amp; Grievances Procedures. Sighted the Complaints and Grievances File consist of records for the last 24 months.</p>  | Complied   |
| <b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development |   |   |            |
| 4.4.3.1   | <p>Growers should contribute to local development in consultation with the local communities.</p> <p>- <b>Minor compliance</b> -</p>                                      | <p>Both estates are have contributed to local development. The contribution was made to the internal and external stakeholders. Among the management contributions are as follows: -</p>  | Complied   |

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|   |   | External Stakeholder  | Internal Stakeholder   |            |
|   |   | Provided 32 units of Water Tanks to Rumah Lichong (Longhouse) amounting to RM 17, 280.00.   | Rice Distribution on 19 <sup>th</sup> September 2020 for a total of 442 workers amounting to RM 6, 188.00 at Jiba Estate and Sujan Estate. |            |
|   |   |   | Purchase of furniture's for Estate Staffs amounting to RM 3, 900.00  |            |
|   |   |   | All estate workers are given RM 200.00 monthly as an Emergency Allowance to help them during the MCO & RMCO                                |            |
| <b>Criterion 4.4.4: Employees safety and health</b> |   |   |  |            |
| <b>4.4.4.1</b>                                      | An occupational safety and health policy and plan shall be documented, effectively communicated and implemented.<br><br>- <b>Major compliance</b> - | Keresa Plantation Sdn. Bhd. has established Occupational Safety and Health Policy signed by the Managing Director dated 17/10/2017. In the policy stated the company commitment to ensure and promote the safety work environment for the workers and operations. The policy was communicated through training, briefing and displayed on notice board.<br><br>The estates visited has established safety and health plan FY 2020 covering on training, OSH audit, workplace inspection, OSH meeting and etc. |  | Complied   |

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|                       |  | <p>Sighted the implementation of the Safety and Health Plan as follows:</p> <ol style="list-style-type: none"> <li>1. Medical surveillance has been conducted on 24/6/2020 by OHD with reg. no. HQ/18/DOC/00/00137. 9 workers from Jiba Estate has been sent for surveillance and found fit to work and chemical handlers.</li> <li>2. Medical surveillance has been conducted on 24/6/2020 by OHD with reg. no. HQ/18/DOC/00/00187. 10 workers from Sujan Estate has been sent for surveillance and found fit to work and chemical handlers.</li> <li>3. Sighted the visit reports by the Sustainability and Compliance Department for Inspection on Labour Line, Stores, Genset, Landfil and Diesel refuelling dated 18/9/2020. The inspection to monitor on the spillage of chemical/lubricant/fuel and safety aspect at the inspection area.</li> <li>4. Latest CHRA for estates visited has been conducted 26/1/2018 by certified assessor with reg. no. HQ/14/ASS/00/343. Refer report no. HQ/14/ASS/00/343-2018/001. All the recommendation in the CHRA has been addressed by the estate.</li> </ol> |            |
| <b>4.4.4.2</b>        | <p>The occupational safety and health plan shall cover the following:</p> <ol style="list-style-type: none"> <li>a) A safety and health policy, which is communicated and implemented.</li> <li>b) The risks of all operations shall be assessed and documented.</li> <li>c) An awareness and training programme which includes the following requirements for employees exposed to pesticides:</li> </ol> | <p>Keresa Plantation Sdn. Bhd. has established Occupational Safety and Health Policy signed by the Managing Director dated 17/10/2017. In the policy stated the company commitment to ensure and promote the safety work environment for the workers and operations. The policy was communicated through training, briefing and displayed on notice board.</p>  | Complied   |



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| <ul style="list-style-type: none"> <li>i. all employees involved shall be adequately trained on safe working practices</li> <li>ii. all precautions attached to products shall be properly observed and applied</li> <li>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</li> <li>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</li> <li>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust must have knowledge and access to latest national regulations and collective agreements.</li> <li>g) The management shall conduct regular two-way communication with their employees where issues affecting their business such as employee's health, safety and welfare are discussed openly. Records from such meeting are kept and the concerns of the employees and any remedial actions taken are recorded.</li> <li>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</li> </ul> | <p>The estates visited assess risk for all operations and documented in the HIRARC register. The HIRARC was reviewed at minimum of once every 2 year or when accident occur. The estates has established HIRARC review committee consist of representative from each estate.</p> <p>The latest HIRARC review for change in operation was conducted on 4/12/2019 for changes in weeding operation.</p> <p>Latest review was conducted 24/3/2020 for additional HIRARC on COVID 19.</p> <p>The estates visited has established training program including for pesticides handlers. The training was given by the Manager, Asst. Manager, Supervisor or Chemical/Equipment Supplier with knowledge on chemical handling. Sighted the training records as stated in criteria 4.4.6.1.</p> <p>The estates visited provided appropriate PPE for all pesticides handlers such as safety eyewear, wellington boot, apron, nitrile gloves and mask. Sighted the weekly PPE condition inspection report and PPE issuance records as follows:</p> <p>Jiba Estate</p> <ol style="list-style-type: none"> <li>1. Fertilizer applicator dated 4/8/2020, 20/3/2020, 15/2/2020, 11/2/2020</li> <li>2. Sprayers dated 29/7/2020, 4/8/2020, 29/8/2020, and 5/2/2020.</li> </ol> <p>Sujan Estate</p> <ol style="list-style-type: none"> <li>3. Fertilizer applicator dated 6/8/2020</li> <li>4. Sprayers dated 6/8/2020, 4/8/2020</li> </ol> |            |

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| <p>i) Employees trained in First Aid should be present at all field operations. A First Aid Kit equipped with approved contents should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p> | <p>Keresa Plantations Sdn. Bhd. has established SOP for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000 documented in Safe &amp; Standard Operating Procedure for Oil Palm Plantations (SSOP) dated January 2011. Refer document no. KP2-5 on Estate upkeep, crop evacuation, chemical and agrochemical management, transportation of workers, utilities management, pest control, highly toxic pesticides, working at height etc.</p> <p>At the estate, there is an appointed OSH Coordinator (Sustainability and Compliance Exec) who is responsible for organizing safety training, meetings and investigation and reporting of accidents and Incidents.</p> <p>The estates visited has established Safety and Health committee lead by the Sr. Manager Sustainability/Estate Operation. The committee consist of secretary, employer and employee representative from both estate. The committee conduct meeting on quarterly basis.</p> <p>Latest meeting was conducted on 20/2/2020, 14/5/2020 and 6/8/2020</p> <p>Keresa Plantations Sdn. Bhd. has established SOP for Emergency Response as follows:</p> <ul style="list-style-type: none"> <li>i. ERP for Fire</li> <li>ii. ERP for Bund Break</li> <li>iii. ERP for Chemical and Fertilizer Spillage</li> </ul> |            |

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|                       | <p>iv. ERP for Suicide Attempt and Prevention</p> <p>v. ERP for Bush Fire</p> <p>vi. ERP for injury and illness require Medical attentions</p> <p>vii. ERP for flood</p> <p>ix. ERP for poisoning</p> <p>x. ERP for workplace violence.</p> <p>The estate visited has established the emergency response team consist of ERT Commander, Fire Equipment Tem, Fire Fighting and Rescue Team, Evacuation Team and First Aid Team.</p> <p>Sighted the latest training report and training material for ERP/fire drill conducted on 28/5/2020. 11 minutes was take for evacuation during the fire drill.</p> <p>During interview with the employee at both estates visited noted the understanding of emergency response procedure if there any emergency happen at the line site.</p> <p>First Aid Kits are provided at various work sites at the estates and inspection confirmed these had been appropriately stocked. Noted during interview with the mandores shows the understanding on basic first aid treatment. The estates visited continuously provided training on the first aid treatment to the responsible person. Sighted the sampled training as per criteria 4.4.6.1.</p> <p>All accidents are investigated and reported to Head Office. Seen the accident and injury report has been summarized on monthly basis for Keresa Plantation.</p> |            |

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|   |  | Both estates visited has submitted accident report to DOSH through MyKKP. JKPP 8 for FY 2019 for both estates was submitted on 17/1/2020. 3 accident cases was recorded FY 2019 with 107 LTA.   |            |
| <b>Criterion 4.4.5: Employment conditions</b> |  |   |            |
| <b>4.4.5.1</b>                                | <p>The management shall establish policy on good social practices regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and effectively communicated to the employees.</p> <p><b>- Major compliance -</b></p>  | <p>The management has established a policy on good social ethics regarding human rights such as Human Rights Policy dated 30.11.17, Equal Rights Policy dated 1st December 2009, Prevention of Sexual Harassment &amp; Domestic Violence in the Workplace Policy dated 1st December 2009, Freedom of Association Policy dated 1st December 2009, etc. has been signed off by Managing Director of the group.</p> <p>The "Keresas Sustainability Policy" is displayed in notice boards inside the office as well as outside the office. The policy also publicly available through the official website: <a href="http://www.keresas.com.my">http://www.keresas.com.my</a></p> <p>The policy has been communicated to all workers and stakeholders during morning muster briefings, displayed at strategic places such as office and line sites and communicated during meetings with the workers and relevant stakeholders.</p> | Complied   |
| <b>4.4.5.2</b>                                | <p>The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p> | <p>Keresas Plantation Sdn. Bhd. has established Equal Rights Policy, signed by Managing Director dated 1<sup>st</sup> December 2009 to ensure equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>Inspection of a sample of pay records and interviews of staff and workers at the both estates did not identify any issues related to discrimination.</p>   | Complied   |

| Criterion / Indicator |  | Assessment Findings   | Compliance             |             |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |          |
|-----------------------|--|---|------------------------|-------------|----|--------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|----------|
| 4.4.5.3               | <p>Management shall ensure that employees' pay and conditions meet legal or industry minimum standards and as per agreed Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p> | <p>There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are in accordance with the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. During the interview with the staff and workers, it was confirmed that they are paid adequately in accordance with the legal and industry standards.</p> <p>Sampled Workers checked for Employment Agreement and Play Slips for the respective estates;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Jiba Estate</th> <th>No</th> <th>Sujan Estate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Worker ID: 10082</td> <td>1</td> <td>Worker ID: 11891</td> </tr> <tr> <td>2</td> <td>Worker ID: 11413</td> <td>2</td> <td>Worker ID: 11142</td> </tr> <tr> <td>3</td> <td>Worker ID: 11789</td> <td>3</td> <td>Worker ID: 11796</td> </tr> <tr> <td>4</td> <td>Worker ID: 12038</td> <td>4</td> <td>Worker ID: 10736</td> </tr> <tr> <td>5</td> <td>Worker ID: 10177</td> <td>5</td> <td>Worker ID: 10657</td> </tr> </tbody> </table> | No                     | Jiba Estate | No | Sujan Estate | 1 | Worker ID: 10082 | 1 | Worker ID: 11891 | 2 | Worker ID: 11413 | 2 | Worker ID: 11142 | 3 | Worker ID: 11789 | 3 | Worker ID: 11796 | 4 | Worker ID: 12038 | 4 | Worker ID: 10736 | 5 | Worker ID: 10177 | 5 | Worker ID: 10657 | Complied |
| No                    | Jiba Estate  | No  | Sujan Estate           |             |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |          |
| 1                     | Worker ID: 10082   | 1   | Worker ID: 11891       |             |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |          |
| 2                     | Worker ID: 11413   | 2   | Worker ID: 11142       |             |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |          |
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| 4                     | Worker ID: 12038   | 4   | Worker ID: 10736       |             |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |          |
| 5                     | Worker ID: 10177   | 5   | Worker ID: 10657       |             |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |          |
| 4.4.5.4               | <p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>   | <p>Keresa Plantation Sdn. Bhd. have an agreed contract agreement with all contractors available for verification. The contract clearly stated that the contractor must strictly follow all applicable national and ratified international laws.</p> <p>Interviews with contractor's employees indicated that they understand their contracts with their employers. They acknowledged that they were paid in accordance with the minimum wages' requirement.</p>   | Minor Non - compliance |             |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |          |

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|                       | <p><i>Labour Ordinance Chapter 76 (1958 Ed.); Chapter XIV; Lawful Deductions; (Section 114) No deductions shall be made by an employer from the wages of an employee otherwise than in accordance with this Ordinance. (4) The following deductions shall not be made except at the request in writing of the employee and with the prior permission in writing of the Director General: (b) deductions in respect of repayments of advances of wages made to an employee under section 103 where interest is levied on the advances and deductions in respect of the payments of the interest so levied; (e) deductions in respect of the rental for accommodation and the cost of services, food and meals provided by the employer to the employee at the employee's request or under the terms of the employee's contract of service.</i></p> <p><i>There were deductions done by Contractor PNS Jaya Sdn Bhd (1301698 – M) on 2 of the sampled workers (IC Number: 840314-13-XXXX &amp; 880403-01-XXXX) for the month of June 2020, July 2020 &amp; Aug 2020. Deductions were stated in the pay slips as 'advance of wages' and 'worker rations'. The contractor does not have the request in writing of the employee nor the prior permission in writing of the Director General to deduct the employee's wages.</i></p> |  |
| <p><b>4.4.5.5</b></p> | <p>The management shall establish records that provide an accurate account of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p>  | <p>Keresa Plantation Sdn. Bhd. has a register of all staffs and workers at the premise. The detail includes full name, gender, date of birth, date joined and job title. The copy of passport and permit etc. were maintained in the employee's personnel files.</p> <p>Complied</p> |

| Criterion / Indicator   | Assessment Findings   | Compliance      |                  |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |                 |
|---|---|-----------------|------------------|----|--------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|-----------------|
| <p><b>4.4.5.6</b> All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract is available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p> | <p>There are Employment Contracts for all staffs and workers including foreign workers. Pay and conditions are documented in the employment contract and are in accordance with the Minimum Wages Standards. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker for the respective estates and the management representatives.</p> <p>Sampled the contract agreements of the following workers in both the estates.</p> <table border="1" data-bbox="1048 799 1868 1121"> <thead> <tr> <th>No</th> <th>Jiba Estate</th> <th>No</th> <th>Sujan Estate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Worker ID: 10082</td> <td>1</td> <td>Worker ID: 11891</td> </tr> <tr> <td>2</td> <td>Worker ID: 11413</td> <td>2</td> <td>Worker ID: 11142</td> </tr> <tr> <td>3</td> <td>Worker ID: 11789</td> <td>3</td> <td>Worker ID: 11796</td> </tr> <tr> <td>4</td> <td>Worker ID: 12038</td> <td>4</td> <td>Worker ID: 10736</td> </tr> <tr> <td>5</td> <td>Worker ID: 10177</td> <td>5</td> <td>Worker ID: 10657</td> </tr> </tbody> </table> | No              | Jiba Estate      | No | Sujan Estate | 1 | Worker ID: 10082 | 1 | Worker ID: 11891 | 2 | Worker ID: 11413 | 2 | Worker ID: 11142 | 3 | Worker ID: 11789 | 3 | Worker ID: 11796 | 4 | Worker ID: 12038 | 4 | Worker ID: 10736 | 5 | Worker ID: 10177 | 5 | Worker ID: 10657 | <p>Complied</p> |
| No  | Jiba Estate   | No              | Sujan Estate     |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |                 |
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| <p><b>4.4.5.7</b> The management shall establish a time recording system that makes working hours and overtime transparent for both employees and employer.</p> <p><b>- Major compliance -</b></p>  | <p>Working hours is 8 hours a day from Monday to Saturday. The overtime offered is a maximum of 104 hours which is in accordance to Malaysian Law.</p> <p>Both estates maintain a checkroll book to record the worker's attendance during the morning muster. The muster book is available for verification.</p>  | <p>Complied</p> |                  |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |                 |

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|-----------------------|--|---|------------------|-------------|----|--------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|---|------------------|----------|
| 4.4.5.8               | <p>The working hours and breaks of each individual employee as indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed and shall always be compensated at the rate applicable and shall meet the applicable legal requirement.</p> <p><b>- Major compliance -</b></p> | <p>The working hours and break time have been clearly stated in the Employment Contract.</p> <p>Sighted in the Contract Agreement the rate of overtime which is agreed by both parties.</p> <p>There is no complaint received regarding payment or forced to work on overtime during site interview.</p>  | Complied         |             |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |          |
| 4.4.5.9               | <p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>  | <p>Salary slips clearly shows the calculations of gross salary, all legal deductions and net salary of a worker. Workers interviewed confirmed that they are being paid in accordance with the minimum wage requirements.</p> <p>Individual payslips were distributed to all workers on salary day. A copy of payslip is also kept in the estate office.</p> <p>Sampled the payslip for following workers;</p> <table border="1"> <thead> <tr> <th>No</th> <th>Jiba Estate</th> <th>No</th> <th>Sujan Estate</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Worker ID: 10082</td> <td>1</td> <td>Worker ID: 11891</td> </tr> <tr> <td>2</td> <td>Worker ID: 11413</td> <td>2</td> <td>Worker ID: 11142</td> </tr> <tr> <td>3</td> <td>Worker ID: 11789</td> <td>3</td> <td>Worker ID: 11796</td> </tr> <tr> <td>4</td> <td>Worker ID: 12038</td> <td>4</td> <td>Worker ID: 10736</td> </tr> <tr> <td>5</td> <td>Worker ID: 10177</td> <td>5</td> <td>Worker ID: 10657</td> </tr> </tbody> </table> | No               | Jiba Estate | No | Sujan Estate | 1 | Worker ID: 10082 | 1 | Worker ID: 11891 | 2 | Worker ID: 11413 | 2 | Worker ID: 11142 | 3 | Worker ID: 11789 | 3 | Worker ID: 11796 | 4 | Worker ID: 12038 | 4 | Worker ID: 10736 | 5 | Worker ID: 10177 | 5 | Worker ID: 10657 | Complied |
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| 4.4.5.10              | <p>Other forms of social benefits should be offered by the employer to employees, their families or the community such as incentives</p>   | <p>Interviews with local and foreign workers indicated that they are satisfied with the standard of housing and facilities provided by Keresa Plantation. Electricity and water are provided without charges. Keresa</p>  | Complied         |             |    |              |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |   |                  |          |



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| <p>for good work performance, bonus payment, professional development, medical care and health provisions.</p> <p><b>- Minor compliance -</b></p>  | <p>Plantation Sdn. Bhd. has provided transport from Jiba Estate, Sujan Estate and Keresa Mill for children to school located at Jiba Estate. Health Clinic has been provided for the employees and family members with free treatment.</p> <p>Outturn incentive for daily attendance on the muster and incentive of contract extension for foreign workers if they renew for three year and above. Local employees have yearly bonus based on personal performance.</p> <p>Due to the Covid 19 Pandemic all workers are provided with Emergency Allowance to help them during the crisis.</p>  |            |
| <p><b>4.4.5.11</b> In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities in compliance with the Workers' Minimum Standards Housing and Amenities Act 1990 (Act 446) or any other applicable legislation.</p> <p><b>- Major compliance -</b></p> | <p>Residents at all estate housing have access to facilities established by the company, such as health clinic, sports field, community hall, crèche, and places of worship. The estates provide electricity and water to all workers for free. Additional to that, all workers are given monthly emergency allowance due to the ongoing Covid-19 Pandemic to manage the crisis.</p> <p>The Medical Assistant conducts weekly Labourline and Housing Inspection at the Workers Quarters to ensure that the area is maintained at an acceptable standard. Sighted the weekly Labourline and Housing Inspection Records in both estates.</p> | Complied   |
| <p><b>4.4.5.12</b> The management shall establish a policy and provide guidelines to prevent all forms of sexual harassment and violence at the workplace.</p> <p><b>- Major compliance -</b></p>  | <p>Keresa Plantation Sdn. Bhd. has established Prevention of Sexual Harassment &amp; Domestic Violence in the Workplace Policy signed by Managing Director dated 1st December 2009 and displayed at strategic locations. Interviews of internal and external stakeholders confirmed awareness and understanding of the Policy.</p>   | Complied   |

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|                       |   | Woman & Children Association of Keresa Plantations conduct regular meetings to address the issues such as sexual harassment, domestic violence and also to organize activities among the women community of the estates. The latest Women & Children Association Meeting was conducted on 22 <sup>nd</sup> January 2020.  |            |
| <b>4.4.5.13</b>       | <p>The management shall respect the right of all employees to form or join trade union and allow workers own representative(s) to facilitate collective bargaining in accordance with applicable laws and regulations. Employees shall be given the freedom to join a trade union relevant to the industry or to organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p> | <p>Keresa Plantation Sdn. Bhd. has established Freedom of Association Policy signed by Managing Director dated 1st December 2009 and displayed at strategic locations. Interviews of internal and external stakeholders confirmed awareness and understanding of the Policy.</p> <p>Interviews of staff and workers confirmed both estates support freedom of association. At the estates, there is a local committee made up of workers representatives elected by workers. Joint Consultative Committee Meeting has been conducted for the internal stakeholder with the company management staffs. The last meeting for all estates were conducted on 09.02.2020 at Sujan Office, Chaired by En. Thilaganathan, Senior Manager Sustainability &amp; Estate Operations. Interview of Staff and Workers also confirmed their awareness of freedom of association but there were no worker unions being formed at the moment.</p> | Complied   |
| <b>4.4.5.14</b>       | <p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation. Work by children is acceptable on family farms, under adult supervision, and when not interfering with their education programmes. Children shall not exposed to hazardous working conditions.</p> <p><b>- Major compliance -</b></p>  | <p>Keresa Plantations have a Minimum Age Policy dated 1 December 2009 undersigned by the managing Director that states the commitment of the organization to ensure that the plantations and mill will not use child labour, those below the age of 18.</p> <p>Inspection of a sample of personnel files at the estate's office confirmed recruits' ages were checked against their Identity Card for Malaysian workers or their passport in the case of foreign workers. Under-age persons were not observed at any of the work locations visited.</p>   | Complied   |

| Criterion / Indicator                           | Assessment Findings  | Compliance   |                 |
|---|--|--|-----------------|
| <b>Criterion 4.4.6:</b> Training and competency |  |  |                 |
| <p><b>4.4.6.1</b></p>                           | <p>All employees, contractors and relevant smallholders are appropriately trained. A training programme (appropriate to the scale of the organization) that includes regular assessment of training needs and documentation, including records of training shall be kept.</p> <p><b>- Major compliance -</b></p> | <p>The estates visited conducted training need analysis to identify training required for the employee.</p> <p>The estate visited as established the training plan base on the training need analysis conducted. Sighted the sampled training records as follows:</p> <p>Jiba Estate</p> <ol style="list-style-type: none"> <li>1. Company Policies, SOP and SSOP for Estate Personnel and Admin training dated 16/7/2020               <ol style="list-style-type: none"> <li>a. Company Policies and regulation</li> <li>b. Sustainability Standards and P&amp;C</li> <li>c. Safety and Health awareness</li> <li>d. Grievances Procedure</li> <li>e. Environmental Awareness</li> <li>f. First Aid and Emergency Respond Procedure</li> </ol> </li> <li>2. Company Policies, SOP and SSOP for contractors training dated 9/9/2020               <ol style="list-style-type: none"> <li>a. Company Policies and regulation</li> <li>b. Sustainability Standards and P&amp;C</li> <li>c. Safety and Health awareness</li> </ol> </li> </ol> | <p>Complied</p> |

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|                       | <ul style="list-style-type: none"> <li>d. Grievances Procedure</li> <li>e. Environmental Awareness</li> </ul> <p>3. Occupational Safety, Health and Hygiene Policy training dated 21/1/2020</p> <p>4. Tractor Driver and Heavy machineries training dated 6/9/2020</p> <ul style="list-style-type: none"> <li>a. Estate policy and regulation</li> <li>b. SOP and SSOP for tractor and heavy machineries handlers</li> <li>c. PPE awareness</li> <li>d. Road Safety signage</li> <li>e. SSOP for vehicle, roads, service maintenance</li> <li>f. SOP for first aid treatment</li> <li>g. River bufferzone awareness</li> <li>h. Scheduled waste handling</li> </ul> <p>5. Sprayers training dated 11/9/2020</p> <ul style="list-style-type: none"> <li>a. SOP and SSOP for spraying</li> <li>b. PPE Awareness</li> <li>c. Warning label and signage</li> <li>d. SSOP for vehicle, roads, service maintenance</li> </ul> |            |

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|                       | <ul style="list-style-type: none"> <li>e. SOP for first aid treatment</li> <li>f. River bufferzone awareness</li> <li>g. SOP for pesticide handling and storage</li> <li>h. SOP for triple rinsing and SDS</li> </ul> <p>6. Loose fruit collectors training dated 18/9/2020</p> <p>7. Harvester training dated 5/9/2020</p> <p>8. SOP and SSOP for harvesting training dated 22/6/2020, 23/7/2020 and 24/7/2020</p> <p>Sujan Estate</p> <ul style="list-style-type: none"> <li>1. Sprayers training dated 13/8/2020               <ul style="list-style-type: none"> <li>a. SOP and SSOP for spraying</li> <li>b. PPE Awareness</li> <li>c. Warning label and signage</li> <li>d. SSOP for vehicle, roads, service maintenance</li> <li>e. SOP for first aid treatment</li> <li>f. River bufferzone awareness</li> <li>g. SOP for pesticide handling and storage</li> <li>h. SOP for triple rinsing and SDS</li> </ul> </li> <li>2. Harvester training dated 5/8/2020               <ul style="list-style-type: none"> <li>a. SOP and SSOP for harvesting</li> </ul> </li> </ul> |            |

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|                       |   | <ul style="list-style-type: none"> <li>b. PPE Awareness</li> <li>c. Warning label and signage</li> <li>d. SSOP for harvesting</li> <li>e. SOP for first aid treatment</li> <li>a. ` Warning label and signage</li> <li>b. SOP for first aid treatment</li> <li>c. River bufferzone awareness</li> </ul> <p>3. Fertiliser application training dated 5/8/2020</p> <ul style="list-style-type: none"> <li>f. SOP and SSOP for harvesting</li> <li>g. PPE Awareness</li> <li>h. Warning label and signage</li> <li>i. SSOP for manuring</li> <li>j. SOP for first aid treatment</li> <li>d. Warning label and signage</li> <li>e. SOP for first aid treatment</li> <li>f. River bufferzone awareness</li> <li>g. Scheduled waste handling</li> <li>h. SOP for triple rinsing</li> </ul> |            |
| <b>4.4.6.2</b>        | Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and | Both estates has conducted training needs assessment prior to prepare the annual training plan for the year 2020 for all the employee groups including new and existing workers and staffs. Training programs are  | Complied   |

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|   | <p>competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p>  | <p>based on worker’s competency requirements. Workers must be properly trained before assigned to the respective work units.</p> <p>On-site observation or assessment will be carried out by field staff and assistant to monitor training effectiveness.</p> <p>The estate has also conducted assessment to the training attendees to assess the effectiveness of the training conducted. Base on the results, training needs analysis was conducted to identify training requirement of the employees.</p> |            |
| <b>4.4.6.3</b>  | <p>A continuous training programme should be planned and implemented to ensure that all employees are well trained in their job function and responsibility, in accordance to the documented training procedure.</p> <p><b>- Minor compliance -</b></p> | <p>The estates visited has established training program FY 2020 base on training need analysis conducted. The training program covers Policy, operation, OSH, environmental and others.</p> <p>The program involve the executive, staff/field supervisor, workers and contractors. The identified training was programmed throughout the year.</p>   | Complied   |
| <b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b> |   |  |            |
| <b>Criterion 4.5.1: Environmental Management Plan</b>                                       |   |  |            |
| <b>4.5.1.1</b>  | <p>An environmental policy and management plan in compliance with the relevant country and state environmental laws shall be developed, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>                                | <p>Keresa Plantations Sdn. Bhd. has established Environmental Policy signed by the Managing Director dated 27/12/2016. In the policy stated the company commitment to ensure and promote clean environment for all its employee and operations. The policy was communicated to all workers through briefing and displayed on the notice board.</p>   | Complied   |
| <b>4.5.1.2</b>  | <p>The environmental management plan shall cover the following:</p>   | <p>The estates visited has established SOP for aspect and impacts analysis and documented in Procedure Manual for Identification of</p>  | Complied   |

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|                       | a) An environmental policy and objectives;<br>b) The aspects and impacts analysis of all operations.<br><b>- Major compliance -</b>  | <p>Environmental Aspects and Evaluations of Environmental Impacts. Refer document no. KPSB 1/2012 dated 01/01/2012. The scoring and evaluation criteria provided in this Manual.</p> <p>The estate has conducted the environmental aspects and impacts analysis documented in Environmental Aspects and impacts Register. The assessment was reviewed on annually basis. Latest review was conducted on 7/1/2020.</p> <p>The estate also conducted Environmental Monitoring Report on quarterly basis and submitted to Natural Resource and Environmental Board Sarawak as required. Sighted the report for first quarter conducted on 18 -19/2/2020 and second quarter conducted on 14 – 15/5/2020.</p> <p>The management plan with mitigation measures has been established for each activities with significant impacts to the environment base on the Environmental Aspect and Impact Assessment and Environmental Monitoring Report.</p> |            |
| <b>4.5.1.3</b>        | An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, effectively implemented and monitored.<br><b>- Major compliance -</b> | <p>The estates visited has documented improvement plan to mitigate negative impacts and promote activities with positive impacts in the Significant Environmental Aspects and impacts Register. Sighted sampled the implementation as follows:</p> <p>Jiba Estate</p> <ol style="list-style-type: none"> <li>Sighted the visit reports by the Sustainability and Compliance Department for Inspection on Labour Line, Stores, Genset, Landfil and Diesel refuelling dated 18/9/2020. The inspection to monitor on the spillage of chemical/lubricant/fuel at the inspection area.</li> </ol>  | Complied   |



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|                       |   | 2. Sighted the visit reports by the Sustainability and Compliance Department for centralize manuring and spraying gang in Jiba Estate to monitor the spraying application.<br>3. Training on prohibition of spraying and manuring at bufferzone area has been conducted on 29/1/2020, 16/1/2020 and 15/5/2020.   |            |
| <b>4.5.1.4</b>        | A programme to promote the positive impacts should be included in the continual improvement plan.<br><b>- Minor compliance -</b>  | Both estates visited has established program to promote activities with positive impacts and has been included in several management plan. Sighted the sampled implementation of the management plan to promote positive impacts as follows:<br>1. The estate monitor the recycle waste generated in the estate and recorded in the Waste monitoring form. Sighted the recycle waste monitoring for the month of August and September 2020.<br>2. The estates visited implemented the IPM by planting beneficial plant such as <i>Tunera subulata</i> and <i>Cassia cobanensis</i><br>3. Silt trap, sediment ponds and suitable drainage system has been established at the replanting area as sighted at current replanting field of field J9816. | Complied   |
| <b>4.5.1.5</b>        | An awareness and training programme shall be established and implemented to ensure that all employees understand the policy and objectives of the environmental management and improvement plans and are working towards achieving the objectives.<br><b>- Major compliance -</b> | Annual training program of the estate includes environmental awareness and compliance related trainings to the executives, staffs and workers.   | Complied   |
| <b>4.5.1.6</b>        | Management shall organize regular meetings with employees   | Environmental related matters were discussed during HSE meeting. No issue related to environmental was raised during this meeting. Workers   | Complied   |

| Criterion / Indicator  |   | Assessment Findings   | Compliance |      |       |          |      |      |          |      |      |          |      |      |          |      |       |          |      |      |          |      |      |          |
|--|---|---|------------|------|-------|----------|------|------|----------|------|------|----------|------|------|----------|------|-------|----------|------|------|----------|------|------|----------|
|  | where their concerns about environmental quality are discussed.<br><b>- Major compliance -</b>  | interview reveal that they are encouraged to discuss environmental issues with the management.  |            |      |       |          |      |      |          |      |      |          |      |      |          |      |       |          |      |      |          |      |      |          |
| <b>Criterion 4.5.2:</b> Efficiency of energy use and use of renewable energy |   |   |            |      |       |          |      |      |          |      |      |          |      |      |          |      |       |          |      |      |          |      |      |          |
| <b>4.5.2.1</b>   | Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within an appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity and energy efficiency in the operations over the base period.<br><b>- Major compliance -</b> | <p>The estates visited has established management plan to assess the usage of the non-renewable energy in the estate and documented in the GHG Emission – Reduction/Minimization Plan. Sighted the implementation of the management plan as follows:</p> <p>1. The estates has established a baseline for diesel consumption per FFB produce at 3.5 L/ha. The estates monitor the diesel consumption on monthly basis. Sighted the monitoring records as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Jiba</th> <th>Sujan</th> </tr> </thead> <tbody> <tr> <td>Jan 2020</td> <td>8.47</td> <td>3.05</td> </tr> <tr> <td>Feb 2020</td> <td>7.61</td> <td>3.73</td> </tr> <tr> <td>Mar 2020</td> <td>8.82</td> <td>3.55</td> </tr> <tr> <td>Apr 2020</td> <td>7.77</td> <td>33.56</td> </tr> <tr> <td>May 2020</td> <td>7.85</td> <td>3.31</td> </tr> <tr> <td>Jun 2020</td> <td>8.70</td> <td>3.95</td> </tr> </tbody> </table> | Month      | Jiba | Sujan | Jan 2020 | 8.47 | 3.05 | Feb 2020 | 7.61 | 3.73 | Mar 2020 | 8.82 | 3.55 | Apr 2020 | 7.77 | 33.56 | May 2020 | 7.85 | 3.31 | Jun 2020 | 8.70 | 3.95 | Complied |
| Month  | Jiba  | Sujan   |            |      |       |          |      |      |          |      |      |          |      |      |          |      |       |          |      |      |          |      |      |          |
| Jan 2020   | 8.47  | 3.05  |            |      |       |          |      |      |          |      |      |          |      |      |          |      |       |          |      |      |          |      |      |          |
| Feb 2020   | 7.61  | 3.73  |            |      |       |          |      |      |          |      |      |          |      |      |          |      |       |          |      |      |          |      |      |          |
| Mar 2020   | 8.82  | 3.55  |            |      |       |          |      |      |          |      |      |          |      |      |          |      |       |          |      |      |          |      |      |          |
| Apr 2020   | 7.77  | 33.56   |            |      |       |          |      |      |          |      |      |          |      |      |          |      |       |          |      |      |          |      |      |          |
| May 2020   | 7.85  | 3.31  |            |      |       |          |      |      |          |      |      |          |      |      |          |      |       |          |      |      |          |      |      |          |
| Jun 2020   | 8.70  | 3.95  |            |      |       |          |      |      |          |      |      |          |      |      |          |      |       |          |      |      |          |      |      |          |

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|---|---|--|------------------------|------|------------|
|   |   | Jul 2020   | 6.08                   | 4.22 |            |
|   |   | Aug 2020   | 6.64                   | 3.73 |            |
|   |   | 2. The estates has replacing old tractors by renting new tractors. Sighted 6 new rental tractors at Sujan Estates and 1 rental tractors at Jiba Estate.<br><br>Kubud 2 mid mounted grader 2, 2 tractor, 1 backhoe                    |                        |      |            |
| <b>4.5.2.2</b>  | The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.<br><br><b>- Major compliance -</b> | The estate visited estimates the usage of diesel for their operations in the annual budget. Mitigation plan to optimize the usage of non-renewable energy in the estate documented in the environmental management plan established. |                        |      | Complied   |
| <b>4.5.2.3</b>  | The use of renewable energy should be applied where possible.<br><br><b>- Minor compliance -</b>  | No renewable energy use at the estates visited.  |                        |      | Complied   |
| <b>Criterion 4.5.3: Waste management and disposal</b> |   |  |                        |      |            |
| <b>4.5.3.1</b>  | All waste products and sources of pollution shall be identified and documented.<br><br><b>- Major compliance -</b>  | The estates visited has identified the waste and its source of pollution and documented in Waste Register and Management. Waste identified as follows:   |                        |      | Complied   |
|   |   | Estate fields<br>i. Palm biomass   | Workshop<br>i. Filters |      |            |

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|                       |  | <ul style="list-style-type: none"> <li>ii. Chemical containers</li> <li>iii. Fertiliser bags</li> <li>iv. Plastic Polybags</li> </ul> <p>Estate Nursery</p> <ul style="list-style-type: none"> <li>i. Plastic polybags</li> <li>ii. Bormal bins</li> </ul> <p>Store Chemicals</p> <ul style="list-style-type: none"> <li>i. Chemical containers</li> <li>ii. Cardboard boxes</li> </ul> <p>Store fertilizers</p> <ul style="list-style-type: none"> <li>i. Fertilizers bags</li> </ul> <p>Genset room</p> <ul style="list-style-type: none"> <li>i. Filters</li> <li>ii. Lubricant</li> <li>iii. Battery</li> <li>iv. Rags and gloves</li> </ul> <p>Water treatment plant</p> <ul style="list-style-type: none"> <li>i. chemical solution and solvents</li> <li>ii. chemical containers</li> </ul> | <ul style="list-style-type: none"> <li>ii. Lubricant</li> <li>iii. Battery</li> <li>iv. Rags and gloves</li> <li>v. Tyres</li> <li>vi. Scrap iron</li> <li>vii. chemical solution and solvents</li> <li>viii. chemical containers</li> </ul> <p>Construction sites</p> <ul style="list-style-type: none"> <li>i. Wood</li> <li>ii. Cement debris</li> </ul> <p>Lineste</p> <ul style="list-style-type: none"> <li>i. Sewage</li> <li>ii. Greywater</li> </ul> <p>Clinic</p> <ul style="list-style-type: none"> <li>i. Clinical waste</li> </ul> |            |

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| <b>4.5.3.2</b>        | <p>A waste management plan to avoid or reduce pollution shall be developed and implemented. The waste management plan should include measures for:</p> <ul style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution</li> <li>b) Improving the efficiency of resource utilization and recycling of potential wastes as nutrients or converting them into value-added by-products</li> </ul> <p><b>- Major compliance -</b></p> | <p>The estates visited has established waste management plan base on the waste identification conducted and documented in Waste Management procedure in Keresia Plantation Sdn. Bhd. and Keresia Mill Sdn. Bhd. and Environmental Monitoring Report. Sighted the implementation of the management plan for both estates visited as follows:</p> <ol style="list-style-type: none"> <li>1. Domestic were collected 3 time a week and disposed at designated landfill. Sighted the domestic was collection records for the month of June, July and August 2020.</li> <li>2. The estate monitor the recycle waste generated in the estate and recorded in the Waste monitoring form. Sighted the recycle waste monitoring for the month of August and September 2020.</li> <li>3. The estate maintain the inventory of scheduled waste generated and documented in the Fifth Scheduled form. Sighted the inventory records for the month of February till August 2020.</li> </ol> | Complied   |
| <b>4.5.3.3</b>        | <p>The management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environment Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal.</p> <p><b>- Major compliance -</b></p>   | <p>SOP for scheduled waste dated 15/10/2009 was established. For scheduled wastes, the handling was done according to the legal requirement where a scheduled waste store was constructed in each operating unit for storage.</p> <p>The estates visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Sighted the sampled of Scheduled Waste Disposal</p> <ol style="list-style-type: none"> <li>1. 20/2/2020, SW 305, C/N no. 2020022016KZV7IO</li> </ol>  | Complied   |

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|                       |  | 2. 26/8/2020, SW 102, C/N no. 2020082716MXRA12<br>3. 26/8/2020, SW 305, C/N no. 2020082716OIR7NB<br>4. 26/8/2020, SW 102, C/N no. 2020082716WLBZ7V<br>5. 26/8/2020, SW 410, C/N no. 20200827165LY38B<br><br>For clinical waste, collection was conducted by the appointed VMO and has been disposed through licensed contractors. The VMO submitted a copy of records of clinical waste collection for disposal by Pathlab to the estate for references. Sighted the collection records by the VMO dated 20/3/2020 and 5/7/2020 and collection by Pathlab dated 28/4/2020 and 19/9/2020. |            |
| <b>4.5.3.4</b>        | Empty pesticide containers shall be punctured and disposed in an environmentally and socially responsible way, such that there is no risk of contamination of water sources or to human health. The disposal instructions on manufacturer's labels should be adhered to. Reference should be made to the national programme on recycling of used HDPE pesticide containers.<br><br><b>- Major compliance -</b> | Empty pesticides container were triple rinse and puncture and stored at designated store before being disposed through approved disposer. The estates maintain the inventory and recorded in Triple rinsing log book.<br><br>Sighted the disposal records as follows:<br>1. Receiving Note: Empty Pesticide Container no. B0046 dated 26/8/2020<br>2. Receiving Note: Empty Pesticide Container no. B0047 dated 21/8/2020  | Complied   |
| <b>4.5.3.5</b>        | Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourses.<br><br><b>- Minor compliance -</b>  | Domestic waste was collected 3 times week and disposed at designated landfill located far from housing area.<br><br>Jiba Estate  | Complied   |

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|   |  | <p>Sighted the landfill area located in field P9701 located at 710 m from the housing area. Sighted only domestic waste were disposed in the landfill as per SOP established.</p> <p>Sujan Estate</p> <p>Sighted the landfill area located in field P05K2 located at 1400 m from the housing area. Sighted only domestic waste were disposed in the landfill as per SOP established.</p>   |            |
| <b>Criterion 4.5.4:</b> Reduction of pollution and emission |  |  |            |
| <b>4.5.4.1</b>  | <p>An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, scheduled wastes, solid wastes and effluent.</p> <p><b>- Major compliance -</b></p>             | <p>The established environmental management plan has covered the environmental aspects and impacts based on Keresa Plantations &amp; Mill.</p> <p>The Environmental Aspect &amp; Impact assessment has been reviewed. The assessment is conducted according to the Procedure Manual – Identification of Environmental Aspects and Evaluations of Environmental Impacts Ref: KPSB 1/2012 dated 01/01/2012. The scoring and evaluation criteria provided in this Manual.</p> | Complied   |
| <b>4.5.4.2</b>  | <p>An action plan to reduce identified significant pollutants and emissions shall be established and implemented.</p> <p><b>- Major compliance -</b></p>   | <p>Environmental improvement plan include assessment of all polluting activities within the estate operation such as waste, air emissions and water discharges.</p>  | Complied   |
| <b>Criterion 4.5.5:</b> Natural water resources             |  |  |            |
| <b>4.5.5.1</b>  | <p>The management shall establish a water management plan to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> | <p>Keresa Certification Unit has developed its Water Management Plan. It monitored water quality of outgoing waters to identify any adverse effect from the mill and estate activities. The plan takes into account the efficient use of resources, ensure amongst others that the use of</p>  | Complied   |

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| <p>a. Assessment of water usage and sources of supply.</p> <p>b. Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the estate’s current activities.</p> <p>c. Ways to optimize water and nutrient usage to reduce wastage (e.g. having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p>d. Protection of water courses and wetlands, including maintaining and restoring appropriate riparian buffer zones at or before planting or replanting, along all natural waterways within the estate.</p> <p>e. Where natural vegetation in riparian areas has been removed, a plan with a timetable for restoration shall be established and implemented.</p> <p>f. Where bore well is being use for water supply, the level of the ground water table should be measured at least annually.</p> <p><b>- Major compliance -</b></p> | <p>water did not impact on other users, avoid contamination of ground and surface water, and appropriate treatment of mill effluent. The WMP also promote to meet water conservation requirements under Sarawak Water Resource Enactment 1998 and Interim National Water Standards for Malaysia.</p> <p>The visited estates have maintained their allocated riparian zones in accordance to their established guideline (Riparian/Buffer Zone management Guideline, dated Dec 2016).</p> <p>In Jiba Estate, sighted at riparian buffer zone at Sg. Mano in field J9816 (currently replanting area), the estate leave 1 rows of the old palm as a riparian buffer zone for the river. The vegetation along the river is well established and no evidence of chemical application along the boundary.</p> <p>Based on site visit at Sujan Estate, it was noted that there was no trace of agrochemical application at the allocated riparian zones. The zones were also clearly demarcated using wooden pegs painted with red &amp; white as sighted at Sg. Sujan riparian zone in field P0501.</p> <p>Interview with the sprayers showed that the workers understand the restriction and the consequence of agrochemicals application in the riparian zones.</p> <p>The estates visited continuously monitor the river water quality. Latest report available was for the month of January to March 2020 as submitted to Natural Resource and Environment Board Sarawak. Sighted the certificate of analysis no. KPSB/19-02/045 for the sampled collected on 19/2/2020 attached in the report. The results found complied with respective NWQS class IIA and IIB.</p> |            |



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|   |  | <p>For peat area, Keresha has established Best Management Practices of Oil Palm Cultivation on Peat Land Water Management.</p> <p>The estate monitor the peat subsidence level every 6 months. Sighted the peat subsidence records for April 2020.</p> <p>Piezometer reading were conducted on weekly basis. Sighted the Piezometer reading records as todate September FY 2020</p> |            |
| <b>4.5.5.2</b>  | <p>No construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p> <p><b>- Minor compliance -</b></p>  | <p>There were no construction of bunds, weirs and dams across main rivers or waterways passing through an estate.</p>   | Complied   |
| <b>4.5.5.3</b>  | <p>Water harvesting practices should be implemented (e.g. water from road-side drains can be directed and stored in conservation terraces and various natural receptacles).</p> <p><b>- Minor compliance -</b></p>   | <p>Water management plan includes rain water harvesting, desilting of road side drains and etc.</p> <p>For housing complex, the rain water harvesting was used for cleaning housing compound and etc.</p>   | Complied   |
| <b>Criterion 4.5.6: Status of rare, threatened, or endangered species and high biodiversity value</b> |  |   |            |
| <b>4.5.6.1</b>  | <p>Information shall be collated that includes both the planted area itself and relevant wider landscape-level considerations (such as wildlife corridors). This information should cover:</p> <p>a) Identification of high biodiversity value habitats, such as rare and threatened ecosystems, that could be significantly affected by the grower(s) activities.</p> <p>b) Conservation status (<i>e.g.</i> The International Union on Conservation of Nature and Natural Resources (IUCN) status on legal protection, population status and habitat</p> | <p>Keresha Plantations has conducted biodiversity assessment and documented in report for Environmental and Biodiversity Review dated May 2010 conducted by Wild Asia. Based on the report, the site-specific short-term and long-term HCV Management Plans.</p> <p>There was no HCV and rare, threatened, or endangered species being identified within the estate area.</p>       | Complied   |

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

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|---|--|--|------------|
|   |  | <p>replanting shall be in compliance with the approved Environment Impact Assessment (EIA) by Natural Resource and Environmental Board of Sarawak.</p> <p>There was no trace of open burning observed during the site visit.</p>   |            |
| 4.5.7.2                                 | <p>A special approval from the relevant authorities shall be sought in areas where the previous crop is highly diseased and where there is a significant risk of disease spread or continuation into the next crop.</p> <p><b>- Major compliance -</b></p> | No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.  | Complied   |
| 4.5.7.3                                 | <p>Where controlled burning is allowed, it shall be carried out as prescribed by the Environmental Quality (Declared Activities) (Open Burning) Order 2003 or other applicable laws.</p> <p><b>- Major compliance -</b></p>                                | No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction.  | Complied   |
| 4.5.7.4                                 | <p>Previous crops should be felled or mowed down, chipped and shredded, windrowed or pulverized or ploughed and mulched.</p> <p><b>- Minor compliance -</b></p>  | No open burning noted based on the records on the land clearing and felling for the replanting at visited estates. Method of land clearing and preparation was used such as felling & chipping, cambering/land forming and path construction as sighted at current replanting operations in field J9816. | Complied   |
| <b>4.6 Principle 6: Best Practices</b>  |  |  |            |
| <b>Criterion 4.6.1: Site Management</b> |  |  |            |
| 4.6.1.1                                 | <p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p>   | Keresa Plantations has established SOP for the estates as a guidance on the daily estate operation. Refer Keresa Plantations Sdn. Bhd. –   | Complied   |

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|------------------------------------|---|------------|
| <p><b>- Major compliance -</b></p> | <p>Standard Operations &amp; Procedures, Ver. 2, Effective date 1/1/2009.<br/>           The SOP covers on:</p> <ol style="list-style-type: none"> <li>1. Muster Call</li> <li>2. Nursery</li> <li>3. Establishment</li> <li>4. General Maintenance</li> <li>5. Harvesting and Pruning</li> <li>6. Operational Procedures</li> <li>7. Conservation Measures</li> </ol> <p>Keresa Plantations has established system to monitor and control of best practice implementation at its estate. Sighted the sampled reports as follows:</p> <ol style="list-style-type: none"> <li>a. Sustainability and Compliance Department visit               <ul style="list-style-type: none"> <li>Sujan Estate                   <ol style="list-style-type: none"> <li>a. Sighted the visit report from 23/6/2020 for visit conducted on 29/5/2020, 10/6/2020 and 17/6/2020, covers on Crop Production. Harvesting, Weeding, Manuring and Roads</li> </ol> </li> <li>Jiba Estate</li> </ul> </li> <li>b. Sighted the visit report dated 18/7/2020 for visit conducted on 26/6/2020 and 15/7/2020, covers on Crop Production, Harvesting, Weeding, Manuring and Roads.</li> </ol> |            |

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|---|--|--|------------|-----------|-----------|----------|
|   |  | Agronomist visit.<br><br>c. Latest agronomist visit was conducted on 8 – 9 October 2019. The reports covers on Rainfall, Palm Growth, Yield, Nutritional Status, Fertiliser Recommendations, and Crop Losses.  |            |           |           |          |
| <b>4.6.1.2</b>  | Where oil palm is grown within permitted levels on sloping land, appropriate soil conservation measures shall be implemented to prevent both soil erosion as well as siltation of drains and waterways. Measures shall be put in place to prevent contamination of surface and groundwater through runoff of either soil, nutrients or chemicals.<br><br><b>- Major compliance -</b> | The management strategy for planting on slopes is addressed in the Keresa Plantations SOP (Section 3.0 Development). Based on the SOP, terrace to be constructed at slopes exceeding 8° gradients. Cover crop shall also be planted to minimize erosion. The implementation of the Procedure was evident during field visit. | Complied   |           |           |          |
| <b>4.6.1.3</b>  | A visual identification or reference system shall be established for each field.<br><br><b>- Major compliance -</b>  | Visual identification has been established for each field and divided into division and blocks. Each block is named by road and visual identification (field marker) erected for reference. Cross checked with the records on site ID and field ID in the system found to be consistent.                                     | Complied   |           |           |          |
| <b>Criterion 4.6.2: Economic and financial viability plan</b> |  |  |            |           |           |          |
| <b>4.6.2.1</b>  | A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.<br><br><b>- Major compliance -</b>   | Keresa Plantations has established 5 years business plan as a guidance for daily estate operations. Sighted the 5 year business plan FY 2021 – 2025.   | Complied   |           |           |          |
| <b>4.6.2.2</b>  | Where applicable, an annual replanting programme shall be established. Long term replanting programme should be established and review annually, where applicable every 3-5  | Keresa Plantation has established Replanting schedule as follows:<br><table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%;"></td> <td style="width: 33%; text-align: center;">Jan - Mar</td> <td style="width: 33%; text-align: center;">Sep - Dec</td> </tr> </table>              |            | Jan - Mar | Sep - Dec | Complied |
|   | Jan - Mar  | Sep - Dec  |            |           |           |          |

| Criterion / Indicator |  | Assessment Findings   |        |        | Compliance |
|-----------------------|--|---|--------|--------|------------|
|                       | years.<br>- <b>Major compliance</b> -  | 2020  |        | 358.72 |            |
|                       |  | 2021  | 328.24 | 369.94 |            |
|                       |  | 2022  | 272.07 | 360.07 |            |
|                       |  | 2023  | 363.12 | 294.95 |            |
|                       |  | 2024  | 241.05 | 276.32 |            |
| <b>4.6.2.3</b>        | The business or management plan may contain:<br>a) Attention to quality of planting materials and FFB<br>b) Crop projection: site yield potential, age profile, FFB yield trends<br>c) Cost of production : cost per tonne of FFB<br>d) Price forecast<br>e) e) Financial indicators : cost benefit, discounted cash flow, return on investment<br>- <b>Major compliance</b> - | The business plan established consist of elements such as:<br>1. Mature hectare<br>2. Estimated FFB price<br>3. Yield per hectare<br>4. Estimated FFB production<br>5. Upkeep and Maintenance (Total Cost, Cost/ha and Cost/ton)<br>6. Harvesting (Total Cost, Cost/ha and Cost/ton)<br>7. General Charges (Total Cost, Cost/ha and Cost/ton)<br>8. Total Cost (Total Cost, Cost/ha and Cost/ton)<br>9. Income<br>10. Profit and Loss |        |        | Complied   |
| <b>4.6.2.4</b>        | The management plan shall be effectively implemented and the achievement of the goals and objectives shall be regularly monitored, periodically reviewed and documented.   | Management has the working sheet/ costing book for all the field operation for realization. Sampled the sanitation schedule for 2019 in   |        |        | Complied   |

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|--|--|---|------------|
|  | - Major compliance -   | monthly basis by manager for implementation of profit and loss monitoring.  |            |
| <b>Criterion 4.6.3: Transparent and fair price dealing</b> |  |   |            |
| 4.6.3.1  | Pricing mechanisms for the products and other services shall be documented and effectively implemented.<br>- Major compliance -                                  | The pricing method has been clearly stated in the contract and contractors are explained on the terms of contracts prior to the signing of contract.  | Complied   |
| 4.6.3.2  | All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.<br>- Major compliance -                                   | Sample contract and payment record verification together with interviews of estates management found that the payments have been made as per contract.<br><br>For Jiba Estate, Sampled Contractor (PNS JAYA Sdn. Bhd.). Refer to tax invoice #K-R0001 dated 31 <sup>st</sup> August 2020 amounted RM 97,562.50. Payment is to be made on 28 <sup>th</sup> September 2020.<br><br>For Sujan Estate, sample contractor (All Planters Tractor (Sarawak Sdn. Bhd)). Refer to tax invoice #INV2007303072 dated 30.07.2020 amounted RM 23,250.00. Payment has been made on 08 <sup>th</sup> September 2020 (Recipient's Reference: 200908021450). | Complied   |
| <b>Criterion 4.6.4: Contractor</b>                         |  |   |            |
| 4.6.4.1  | Where contractors are engaged, they shall understand the MSPO requirements and shall provide the required documentation and information.<br>- Major compliance - | KERESA Plantation Sdn. Bhd. has educated the contractors on MSPO. Latest MSPO awareness briefing to contractors was conducted on 05.06.2020. Interview with the contractors found that they understood the MSPO requirements.   | Complied   |

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|-----------------------|--|---|------------|
|                       |  | <p>All the contractors are aware that estate is certified under MSPO. Therefore, the contractors have been instructed by the estate management to follow the MSPO standard requirement.</p> <p>The policies were already communicated through the tender process and once the contract sign by both parties. The contractors shall be subjected to the management system audits by auditors assigned by the management as and when deemed necessary as stated in the contract agreement.</p>  |            |
| <b>4.6.4.2</b>        | <p>The management shall provide evidence of agreed contracts with the contractor.</p> <p><b>- Major compliance -</b></p> | <p>Keresa Plantation Sdn. Bhd. has prepared a standard contract for all the contractors. The signed copy of the contract available at the estate office. Sample of contract agreement as follows;</p> <p><u>Jiba Estate</u></p> <ol style="list-style-type: none"> <li>1. WH Contractor <ul style="list-style-type: none"> <li>• Project: Replanting Works for Year 2020 – Field No. J9816M, Jiba Estate – 111.99 Ha</li> <li>• Date: 13 July 2020</li> <li>• Expiry Date: 31 December 2020</li> </ul> </li> <li>2. PNS Jaya Sdn Bhd <ul style="list-style-type: none"> <li>• Project: Replanting Works for Year 2020 – Field No. J9819M, Jiba Estate – 121.01 Ha</li> <li>• Date: 13 July 2020</li> <li>• Expiry Date: 31 December 2020</li> </ul> </li> <li>3. Yi Send Trading <ul style="list-style-type: none"> <li>• Project: Replanting Works for Year 2020 – Field No. J9815M, Jiba Estate – 125.72Ha</li> <li>• Date: 13 July 2020</li> </ul> </li> </ol> | Complied   |



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| Criterion / Indicator                               |  | Assessment Findings   | Compliance |
|---|--|---|------------|
|   |  | <ul style="list-style-type: none"> <li>• Expiry Date: 31 December 2020</li> </ul> <p>4. Unify Service</p> <ul style="list-style-type: none"> <li>• Project: Field Road Block Hard Soil Topping</li> <li>• Date: 05 March 2020</li> <li>• Expiry Date: 31 May 2020</li> </ul> <p><u>Sujan Estate</u></p> <ul style="list-style-type: none"> <li>• All-Planters Tractor (Sarawak) Sdn. Bhd.</li> <li>• Master Rental Agreement (Tractor Rental)</li> <li>• Date: 01.05.2019</li> <li>• Expiry Date: 30.04.2024</li> </ul> |            |
| <b>4.6.4.3</b>                                      | The management shall accept MSPO approved auditors to verify assessments through a physical inspection if required.<br><br>- <b>Minor compliance</b> -   | Keresa Plantation Sdn. Bhd. has no objections to allow BSI auditors to verify the assessment through physical inspection as and when required in accordance with the MSPO Standards.  | Complied   |
| <b>4.6.4.4</b>                                      | The management shall be responsible for the observance of the control points applicable to the tasks performed by the contractor, by checking and signing the assessment of the contractor for each task and season contracted.<br><br>- <b>Major compliance</b> - | Sample contract and payment record verification together with interviews of estates management found that the payments have been made as per contract. The management monitored by checking and signing the assessment of the contractor for each task before the payment was made.   | Complied   |
| <b>4.7 Principle 7: Development of new planting</b> |  |   |            |
| <b>Criterion 4.7.1:</b> High biodiversity value     |  |   |            |

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

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|--|--|--|------------|
| 4.7.3.2  | SEIAs shall include previous land use or history and involve independent consultation as per national and state regulations, via participatory methodology which includes external stakeholders.<br><b>- Major compliance -</b>  | No development of new planting in the estate | NA         |
| 4.7.3.3  | The results of the SEIA shall be incorporated into an appropriate management plan and operational procedures developed, implemented, monitored and reviewed.<br><b>- Major compliance -</b>  | No development of new planting in the estate | NA         |
| 4.7.3.4  | Where the development includes smallholder schemes of above 500ha in total or small estates, the impacts and implications of how each scheme or small estate is to be managed should be documented and a plan to manage the impacts developed, implemented, monitored and reviewed.<br><b>- Minor compliance -</b> | No development of new planting in the estate | NA         |
| <b>Criterion 4.7.4: Soil and topographic information</b> |  |  |            |
| 4.7.4.1  | Information on soil types shall be adequate to establish the long-term suitability of the land for oil palm cultivation.<br><b>- Major compliance -</b>  | No development of new planting in the estate | NA         |
| 4.7.4.2  | Topographic information shall be adequate to guide the planning of planting programmes, drainage and irrigation systems, roads and other infrastructure.   | No development of new planting in the estate | NA         |

| Criterion / Indicator   |  | Assessment Findings                          | Compliance |
|---|--|--|------------|
| - Major compliance -  |  |  |            |
| <b>Criterion 4.7.5:</b> Planting on steep terrain, marginal and fragile soils |  |  |            |
| <b>4.7.5.1</b>  | Extensive planting on steep terrain, marginal and fragile soils shall be avoided unless permitted by local, state and national laws.<br><br>- Major compliance -   | No development of new planting in the estate | NA         |
| <b>4.7.5.2</b>  | Where planting on fragile and marginal soils is proposed, plans shall be developed and implemented to protect them and to minimize adverse impacts (e.g. hydrological) or significantly increased risks (e.g. fire risk) in areas outside the plantation.<br><br>- Major compliance -                      | No development of new planting in the estate | NA         |
| <b>4.7.5.3</b>  | Marginal and fragile soils, including excessive gradients and peat soils, shall be identified prior to conversion.<br><br>- Major compliance -   | No development of new planting in the estate | NA         |
| <b>Criterion 4.7.6:</b> Customary land  |  |  |            |
| <b>4.7.6.1</b>  | No new plantings are established on recognised customary land without the owners' free, prior and informed consent, dealt with through a documented system that enables indigenous peoples, local communities and other stakeholders to express their views through their own representative institutions. | No development of new planting in the estate | NA         |

| Criterion / Indicator |  | Assessment Findings                          | Compliance |
|-----------------------|--|--|------------|
|                       | - <b>Major compliance</b> -  |  |            |
| 4.7.6.2               | Where new plantings on recognised customary lands are acceptable, management plans and operations should maintain sacred sites.<br><br>- <b>Minor compliance</b> -   | No development of new planting in the estate | NA         |
| 4.7.6.3               | Where recognized customary or legally owned lands have been taken-over, the documentary proof of the transfer of rights and of payment or provision of agreed compensation shall be made available.<br><br>- <b>Major compliance</b> - | No development of new planting in the estate | NA         |
| 4.7.6.4               | The owner of recognised customary land shall be compensated for any agreed land acquisitions and relinquishment of rights, subject to their free prior informed consent and negotiated agreement.<br><br>- <b>Major compliance</b> -   | No development of new planting in the estate | NA         |
| 4.7.6.5               | Identification and assessment of legal and recognised customary rights shall be documented.<br><br>- <b>Major compliance</b> -   | No development of new planting in the estate | NA         |
| 4.7.6.6               | A system for identifying people entitled to compensation and for calculating and distributing fair compensation shall be established and implemented.<br><br>- <b>Major compliance</b> -   | No development of new planting in the estate | NA         |

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

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

| Criterion / Indicator   |  | Assessment Findings   | Compliance |
|---|--|---|------------|
| 4.1 Principle 1: Management commitment & responsibility               |  |   |            |
| <b>Criterion 4.1.1 – Malaysian Sustainable Palm Oil (MSPO) Policy</b> |  |   |            |
| <b>4.1.1.1</b>  | Policy for the implementation of MSPO shall be established.<br><b>- Major compliance -</b>   | Keresia Plantation Sdn. Bhd. have established a policy for the implementation of MSPO undersigned by the Senior Group General Manager dated on April 2015. The policy has been communicated to all workers, staffs, stakeholders and contractors with the latest communication dated 14.07.2020.  | Complied   |
| <b>4.1.1.2</b>  | The policy shall also emphasize on the commitment to continual improvement with the objective of improving the milling operation.<br><b>- Major compliance -</b>           | The MSPO Policy emphasizes on the commitment to sustainable development and continuous improvement on growing and milling operations through MSPO implementations and principles as stated in the policy.   | Complied   |
| <b>Criterion 4.1.2 – Internal Audit</b>                               |  |   |            |
| <b>4.1.2.1</b>  | Internal audit shall be planned and conducted regularly to determine the strong and weak points and potential area for further improvement.<br><b>- Major compliance -</b> | The MSPO Internal Audit Procedure (KERESA/MSPO/QP-10; Rev 2; Revision date: 05.01.2020) has been established. The procedure states that the internal audit shall be conducted to ensure that the implementation of the Company’s Management System is in line with the defined policies, objectives, procedures and other applicable requirements. The procedure states the frequency of the audit is to be carried out at least once (1) yearly.<br><br>As per the MSPO Internal Audit Procedure, Keresia Plantations have conducted MSPO internal audit for Keresia Mill on a yearly basis. | Complied   |

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|--|--|---|------------|
|  |  | Keres Mill conducted the Internal Audit on 14.07.2020. The audit summary findings indicated that there were 2 Major findings from Principle 4.  |            |
| <b>4.1.2.2</b>                             | The internal audit procedures and audit results shall be documented and evaluated, followed by the identification of strengths and root causes of nonconformities, in order to implement the necessary corrective action.<br><br>- <b>Major compliance</b> - | The MSPO Internal Audit Procedure (KERESA/MSPO/QP-10; Rev 2; Revision date: 05.01.2020) has been documented and available for verification.<br><br>The Internal Audit was led by Mr. Thilaganathan (Lead Auditor). The Internal Audit dated 14.07.2020 raised 2 major findings. A Corrective Action Request & Response (Document Number: MSPO/J/IA-CAP/NC01) was raised where the description of non-conformance, root cause analysis, corrective action plan and verification is identified and stated. The 2 major NC was closed out on 30 <sup>th</sup> July 2020. | Complied   |
| <b>4.1.2.3</b>                             | Reports shall be made available to the management for their review.<br><br>- <b>Major compliance</b> -   | The MSPO Internal Audit Procedure (KERESA/MSPO/QP-10; Rev 2; Revision date: 05.01.2020) states that the internal audit report is to be provided to the auditee during the closing meeting or within 2 weeks of the date the audit is conducted.<br><br>The MSPO Internal Audit Report was available at the mill for verification.   | Complied   |
| <b>Criterion 4.1.3 – Management Review</b> |  |   |            |
| <b>4.1.3.1</b>                             | The management shall periodically review the continuous suitability, adequacy and effectiveness of the requirements for effective implementation of MSPO and decide on any changes, improvement and modification.<br><br>- <b>Major compliance</b> -         | The Management Review Procedure (First Editions; Version 2.0) dated January 2020 was established.<br><br>MSPO Management Review was conducted on 30 <sup>th</sup> July 2020. The management review minutes meeting was available for verification. The meeting mainly discussed on the Internal Audit that had just been conducted in both the estates.   | Complied   |



| Criterion / Indicator                          | Assessment Findings  | Compliance  |                 |
|--|--|---|-----------------|
| Criterion 4.1.4 – <b>Continual Improvement</b> |  |   |                 |
| <b>4.1.4.1</b>                                 | <p>The action plan for continual improvement shall be based on a consideration of the main social and environmental impact and opportunities for the company.</p> <p><b>- Major compliance -</b></p> | <p>Keresa Plantations Sdn Bhd have developed a Continuous Improvement Plan (Update 1<sup>st</sup> January 2020). Among the improvements that have been identified are:</p> <ul style="list-style-type: none"> <li>6. Economic Value: Key Performance Indicators.               <ul style="list-style-type: none"> <li>• Focus on Mill technical areas (conveyors)</li> <li>• Gasifier</li> <li>• To increase OER value</li> </ul> </li> <li>7. Economic Values: Better Management Systems.               <ul style="list-style-type: none"> <li>• Maintain documentation register &amp; updates.</li> <li>• Plantation/Mill records register &amp; updates</li> <li>• Monthly managers workplace inspections</li> <li>• Action requests systems introduced</li> <li>• Public Records board for Plantation/Mill</li> </ul> </li> <li>8. Social Values: Healthy &amp; Safety at Workplace               <ul style="list-style-type: none"> <li>• OSH site audit &amp; workplace assessment</li> <li>• OSH policy and plan drafted &amp; issued</li> <li>• List of major infra works to improve OSH compliance</li> <li>• OSH Training: Chemical Handling, Safe Harvesting Practices &amp; Emergency Response Plan.</li> </ul> </li> </ul> | <p>Complied</p> |

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|                       | <p>9. Environmental Values: Control of Pollution &amp; Significant Impacts on Environment (Action 1)</p> <ul style="list-style-type: none"> <li>• Waste management guidelines &amp; Implementation</li> <li>• Water Quality</li> <li>• Environmental &amp; Biodiversity review</li> <li>• Buffer Zone &amp; Riparian demarcation guidelines &amp; implementation.</li> <li>• Trimester Environmental Audit</li> </ul> <p>10. Environmental Values: Control of Pollution &amp; Significant Impacts on Environment (Action 2)</p> <ul style="list-style-type: none"> <li>• Pome discharge (100% Compliance)</li> <li>• Stack (100 % Compliance)</li> <li>• Waste Management</li> <li>• Water Quality</li> <li>• Soil Erosion</li> <li>• Biodiversity</li> <li>• Pesticides</li> </ul> <p>11. Social Values: Core Labour Standards</p> <ul style="list-style-type: none"> <li>• Social Policies drafted &amp; circulated grievance procedure, equal rights, OSH, Environment, FOA, JCC, Sexual Harassment, OSH &amp; Grievance Procedures.</li> </ul> |            |

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|   |   | <ul style="list-style-type: none"> <li>• Training and re-training on social policies: sexual harassment, OSH &amp; Grievance Procedures.</li> <li>• Annual Consultation with workers/staffs.</li> <li>• Monthly meeting with worker’s representatives</li> </ul> <p>12. Community: Action Plan</p> <ul style="list-style-type: none"> <li>• Improving recording of benefits/ investment in community.</li> <li>• Smallholder certification pilot initiative (POPSI)</li> <li>• Road &amp; Fertilizer subsidy / support mechanism.</li> </ul> |            |
| <b>4.1.4.2</b>  | <p>The company should establish a system to improve practices in line with new information and techniques; and for disseminating this information throughout the workforce.</p> <p><b>- Major compliance -</b></p>                    | <p>The new technology that will be introduced for 2019 in KERESA POM are:</p> <p>1. Electrostatic Preceptor (ESP) fix at boiler chimney. The new technology is a devise that remove fibre particle like dust and smoke from a flowing gas using the force the induce electrostatic charge.</p>   | Complied   |
| 4.2 Principle 2: Transparency   |   |  |            |
| Criterion 4.2.1 – Transparency of information and documents relevant to MSPO requirements |   |  |            |
| <b>4.2.1.1</b>  | <p>The management shall communicate adequate information to other stakeholder on environmental, social and legal issues relevant to sustainable practices in the relevant languages and forms.</p> <p><b>- Major compliance -</b></p> | <p>Keresa Mill have maintained records of requests and responses, Land titles/user rights, Safety and health plan, assessments relating to environmental and social impact, Plan for pollution prevention, Records of complaints and grievances, Plan for continuous improvement. These documents are all available upon request.</p>  | Complied   |

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| 4.2.1.2   | <p>The management documents shall be publicly available, except where this is prevented by commercial confidentiality or where disclosure of information would result in negative environmental or social outcomes.</p> <p><b>- Major compliance -</b></p> | <p>Keres a Mill hold copies of every management documents that are required to be publicly available. Copies of the document such as Impact Assessments relating to environmental and social, plan for pollution preventions, records of complaints and grievances were available on request.</p> <p>All these documents were sighted in the mill offices. Requests for official documents through the mill office will have to go through the mill manager/assistant in charge, whom will make the decision as to whether the information can be shared to or viewed by the person requesting the information or document.</p>   | Complied   |
| <b>Criterion 4.2.2 – Transparent method of communication and consultation</b> |  |   |            |
| 4.2.2.1   | <p>Procedures shall be established for consultation and communication with the relevant stakeholders.</p> <p><b>- Major compliance -</b></p>   | <p>KERESA Mill has established Procedures for Communication of Social Policies (Chapter 3, Reference No: SOC 3.1, Date issue: Dec 2009, Version 1) and Complaints &amp; Grievances Procedure (Reference No: SOC 3.2, Version 1) that define the responsibilities and actions required for receiving, recording and responding to enquiries and requests from internal and external stakeholders.</p> <p>The procedure outlines the process of communication on the social policies, lodging grievances and monitoring implementation. The Standard Operating Procedure has identified mechanism for consultation and communication with the relevant stakeholders.</p> <p>Keres a Mill implemented the “Communication and Consultation Management guidelines” as evidenced by the maintenance of filing systems for recording written requests for assistance and information. Inspection of a sample of records found that requests for information were received only from Government Departments</p> | Complied   |

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|                       |  | <p>(DOE, DOSH, MPOB) and complaint form from the local communities. Furthermore, worker &amp; smallholder survey has been conducted from time to time for establishing active communication. POM has shown a good communication, by publish the flow chart of Procedure "Pengurusan Aduan Pekerja/Stakeholder" at the notice board in front of the Mill office and housing complex. The feedback can be forward to the Mill management to Complain box muster ground and office.</p> <p>Interviews with Stakeholders confirmed that the mill has an open approach to communication with staff, workers and local communities.</p>                |            |
| 4.2.2.2               | <p>The management shall nominate management officials at the operating unit responsible for issues related to <i>indicator 1</i>.</p> <p><b>- Minor compliance -</b></p>   | <p>The management has appointed Mr. Satish Kumar (Sr. Assistant Mill Manager) as the Communication Representative for the mill as stated in the appointment letter as Social Management Representative dated 03<sup>rd</sup> January 2020 undersigned by the Assistant General Manager – Operations/Sustainability.</p>  | Complied   |
| 4.2.2.3               | <p>A list of stakeholders, records of all consultation and communication and records of action taken in response to input from stakeholders shall be properly maintained.</p> <p><b>- Major compliance -</b></p> | <p>Sighted latest stakeholders list updated on 03<sup>rd</sup> October 2020. Stakeholder list include the supplier, contractor, smallholders, external stakeholders' plantation, villagers, long house &amp; government agency such as DOSH, MPOB, DOE, Labour department &amp; etc.</p> <p>Joint consultative committee (JCC) meeting, internal stakeholder meeting that involve worker representative and chaired by Mr. Thilaganathan, Senior Manager Sustainability &amp; Estate Operations. The latest meeting was conducted on 17<sup>th</sup> June 2020. All issued has been discussed with current action plan has been established.</p> | Complied   |

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|                                       |  | Request from government agency was made by visit log book such as MPOB, DOE and DOSH. The action has been taken accordingly and recorded.   |            |
| <b>Criterion 4.2.3 – Traceability</b> |  |   |            |
| <b>4.2.3.1</b>                        | The management shall commit itself to implement and maintain the requirements for the traceability and shall establish a standard operation procedure for traceability.<br><br>- <b>Major compliance</b> - | SOP on the Traceability of FFB Production (Doc Number: SOP/ISCC/KPSB/EST 1) was established dated 01 March 2011, reviewed on 25.10.2019.  | Complied   |
| <b>4.2.3.2</b>                        | The management shall conduct regular inspections on compliance with the established traceability system.<br><br>- <b>Major compliance</b> -  | Traceability Audit was carried out on monthly basis by the Sustainability Department at the mill. Regular Inspections are done to ensure the traceability system is well implemented.<br><br>Sighted the traceability audit report for Keresas Mill dated 21.08.2020.                             | Complied   |
| <b>4.2.3.3</b>                        | The management shall identified and assign suitable employees to implement and maintain traceability system.<br><br>- <b>Minor compliance</b> -  | The management has appointed Ms. Alicesa Anak Ramba (Sustainability & Compliance Executive) as the Traceability Representative for the estates as stated in the appointment letter dated 17 <sup>th</sup> February 2020 undersigned by the Assistant General Manager – Operations/Sustainability. | Complied   |
| <b>4.2.3.4</b>                        | Records of storage, sales, delivery or transportation of crude palm oil and palm kernel shall be maintained.<br><br>- <b>Major compliance</b> -  | Records of FFB received, storage and delivery of CPO and PK are well maintained in the mill. Sighted the records books and weighbridge tickets of incoming and outgoing product at the mill.<br><br>Sampled the records of outgoing CPO and PK as below:  | Complied   |

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|  |   | <ol style="list-style-type: none"> <li>1. CPO <ul style="list-style-type: none"> <li>• Customer: Bintulu edible Oils Sdn Bhd</li> <li>• Transporter: Xiang Fa Transport Sdn Bhd</li> <li>• Product: CPO SQ</li> <li>• Date: 23.09.2020</li> <li>• Ticket Number: 011504</li> <li>• Nett Weight: 40, 430 kg</li> </ul> </li> <li>2. PKO <ul style="list-style-type: none"> <li>• Customer: Bintulu Edible Oils</li> <li>• Transporter: Keresa Transporter Sdn Bhd</li> <li>• Product: Palm Kernel</li> <li>• Date:23.09.2020</li> <li>• Ticket Number: 011508</li> <li>• Nett Weight: 31, 290 kg</li> </ul> </li> </ol> |            |
| <b>4.3 Principle 3: Compliance to legal requirements</b> |   |  |            |
| <b>Criterion 4.3.1 – Regulatory requirements</b>         |   |  |            |
| <b>4.3.1.1</b>   | All operations shall be in compliance with applicable local, state, national and ratified international laws and regulations. | KERESA Mill has maintained the systems for documentation, checking and assessment of legal compliance with applicable laws and regulations.  | Complied   |

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|                       | - Major compliance -  | <p>Inspection of records showed that the mill maintained legal compliance with statutory requirements.</p> <ul style="list-style-type: none"> <li>i. MPOB License no. 510557004000 valid till 31/3/2021</li> <li>ii. Diesel license no. Q003125 valid till 14/10/2020</li> <li>iii. Trading license no. 984918 valid till 13/2/2021</li> <li>iv. DOE n License no. 003095 with Compliance schedule no. JPPKS_Bintulu/2020/003095A valid till 30/6/2021</li> <li>v. DOE Contradiction License no. 003422 with Compliance schedule no. JPLP(UB)/2019/003422 valid till 4/6/2020. The mill has applied for extension and payment has been made to DOE on 26/8/2020.</li> <li>vi. Weighbridge permit for equipment no. B1536026 with security sticker no.Q0073592.1KQ dated 15/3/2020</li> <li>vii. Unfired pressured vessel permit no.: <ul style="list-style-type: none"> <li>a. SW PMD 85 valid till 25/12/2020</li> <li>b. SW PMD 1131 valid till 7/10/2020</li> <li>c. SW PMT 80269 valid till 1/10/2021</li> </ul> </li> <li>viii. AESP for Confined Space <ul style="list-style-type: none"> <li>a. NW-NSWKB-AE-1243-W valid till 8/5/2021</li> <li>b. NW-NSWKB-AE-1247-W valid till 8/5/2021</li> </ul> </li> <li>ix. CePSWaM cert. no. CePSWaM/198529</li> <li>x. CePPOME cert. no. CePPOME/170950</li> <li>xi. CSWIP cert. no. 383766</li> </ul> |            |
| <b>4.3.1.2</b>        | The management shall list all relevant laws related to their operations in a legal requirements register. | A Legal Compliance procedure has been established (KP 16 Mechanism for ensuring legal compliance dated 15 Mar 2010). All operating units have Legal & Other Requirements Register (LORR)   | Complied   |



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|   | - <b>Major compliance</b> -   | <p>covering all the necessary regulatory requirements. The management have reviewed and updated the LORR at both estates on 02.07.2020.</p> <p>All the new legal requirements were included in the legal register accordingly which includes:</p> <ul style="list-style-type: none"> <li>• Minimum Wages 2020</li> <li>• Akta Pencegahan dan Pegawalan Penyakit Berjangkit 1988</li> <li>• Movement Control Order 2020</li> </ul> |            |
| <b>4.3.1.3</b>                            | <p>The legal requirements register shall be updated as and when there are any new amendments or any new regulations coming into force.</p> <p>- <b>Major compliance</b> -</p> | <p>Tracking systems to identify changes in the relevant regulations are available through head office, website information and the information are communicated from the Group Head Office.</p> <p>On the site verification, interviews with office personnel and records indicate that the system is appropriate to the operations. Tracking system on any changes in the law been well implemented.</p>                         | Complied   |
| <b>4.3.1.4</b>                            | <p>The management should assign a person responsible to monitor compliance and to track update the changes in regulatory requirements.</p> <p>- <b>Minor compliance</b> -</p> | <p>The management have appointed Ms. Julia AK Andrew Kere (Sustainability &amp; Compliance Executive) as the Legal Representative for the estates as stated in the appointment letter dated 17<sup>th</sup> February 2020 undersigned by the Assistant General Manager – Operations/Sustainability.</p>   | Complied   |
| <b>Criterion 4.3.2 – Lands use rights</b> |   |   |            |
| <b>4.3.2.1</b>                            | <p>The management shall ensure that their oil palm milling activities do not diminish the land use rights of other users.</p> <p>- <b>Major compliance</b> -</p>              | <p>Keresia Mill operation is on lease land. There are documents in place showing legal ownership or lease and a history of land tenure. As reported during the last assessment, estate was developed on State Lease Land, issued by Department of Land and Survey; Bintulu Division dated 28 December 1996 for 99 years (between 01 January</p>   | Complied   |

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|   |   | 1981 and 01 January 2080) over an area of 6,023 ha in Lot No. 1 Block 17 Lavang Land District, Bintulu Sarawak.  |            |
| 4.3.2.2                                   | The management shall provide documents showing legal ownership or lease, history of land tenure and the actual legal use of the land.<br>- <b>Major compliance</b> -  | Keresia Mill operation is on lease land. There are documents in place showing legal ownership or lease and a history of land tenure. As reported during the last assessment, estate was developed on State Lease Land, issued by Department of Land and Survey; Bintulu Division dated 28 December 1996 for 99 years (between 01 January 1981 and 01 January 2080) over an area of 6,023 ha in Lot No. 1 Block 17 Lavang Land District, Bintulu Sarawak. | Complied   |
| 4.3.2.3                                   | Legal parameter boundary markers should be clearly demarcated and visibly maintained on the ground where practicable.<br>- <b>Major compliance</b> -  | Keresia mill was within the perimeter of Sujana estate. The boundary between the mill and the estate was clearly separated using the perimeter fencing.  | Complied   |
| 4.3.2.4                                   | Where there are, or haven been disputes, documented proof of legal acquisition of land and fair compensation that have been or are being made to previous owners and occupants; shall made available and that these should have been accepted with free prior informed consent (FPIC).<br>- <b>Minor compliance</b> - | There were no land disputes noted during the audit at Keresia Mill as the mill has the legal ownership documents which was under the Keresia Mill Sdn. Bhd.  | Complied   |
| <b>Criterion 4.3.3 – Customary rights</b> |   |  |            |
| 4.3.3.1                                   | Where lands are encumbered by customary rights, the company shall demonstrate that these rights are understood and are not being threatened or reduced.<br>- <b>Major compliance</b> -  | The POM was built under Jiba land titles area. There is no customary land within or surrounding the POM. There are also no land disputes or claims involving the POM. The company has proper legal land titles for the land ownership.   | Complied   |

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| 4.3.3.2  | Maps of an appropriate scale showing extent of recognized customary rights shall be made available.<br>- <b>Minor compliance</b> -                                 | The POM was built under Jiba land titles area. There is no customary land within or surrounding the POM. There are also no land disputes or claims involving the POM. The company has proper legal land titles for the land ownership.  | Complied   |
| 4.3.3.3  | Negotiation and FPIC shall be recorded and copies of the relevant agreements should be made available.<br>- <b>Major compliance</b> -                              | The POM was built under Jiba land titles area. There is no customary land within or surrounding the POM. There are also no land disputes or claims involving the POM. The company has proper legal land titles for the land ownership.  | Complied   |
| <b>4.4 Principle 4: Social responsibility, health, safety and employment condition</b> |  |   |            |
| <b>Criterion 4.4.1: Social Impact Assessment (SIA)</b>                                 |  |   |            |
| 4.4.1.1  | Social impacts should be identified and plans should be implemented to mitigate the negative impacts and promote the positive ones.<br>- <b>Minor compliance</b> - | <p>Social Impact Assessment is done annually by the Sustainability &amp; Compliance Department by conducting a satisfaction survey among a sampled number of workers. The summary report is available in the Report of Satisfaction Survey – Social impact Assessment dated August 2020.</p> <p>Based on the report it was concluded that most of the workers were satisfied with the work terms and conditions, social provisions, environment, safety and health and communication. Besides that, they were unsatisfied on annual leaves, leave application and social activities. This was identified as mainly due to the SOPs implemented during the Movement Control Order 2020 amid the Covid 19 Pandemic.</p> | Complied   |
| <b>Criterion 4.4.2: Complaints and grievances</b>                                      |  |   |            |

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| 4.4.2.1               | <p>A system for dealing with complaints and grievances shall be established and documented.</p> <p><b>- Major compliance -</b></p>                                      | <p>Keresia Plantations Sdn. Bhd. has established the procedure (Chapter 3: Complaints &amp; Grievance Procedures dated: December 2009, Revised April 2019) to deal with complaints and grievances.</p> <p>The procedure clearly states the types of complaints that can be raised, who can make the complains and grievances, how the complaints can be made, cascading the complaints to the higher personals, recording of the complaints, investigation of the complaints and action to be taken for the complaints.</p> <p>A flow chart is available to show the steps taken to address a complaint or grievances in the mill.</p>             | Complied   |
| 4.4.2.2               | <p>The system shall be able to resolve dispute in an effective, timely and appropriate manner, which is accepted by all parties.</p> <p><b>- Major compliance -</b></p> | <p>Inspection of records at the mill indicated that written communications were replied promptly, and the correspondence are kept in a file (File Aduan &amp; Cadangan Pekerja). Complaints forms seen are responded and completed within 5 working day.</p> <p>Sighted samples of complaints as below;</p> <p>Complaint By: Mr. Welly Suma on 19.08.2020<br/>           Issue: Air-conditioning at the Weighbridge Office was faulty.<br/>           Response By: Mill Manager on 23.09.2019<br/>           Response: Management has instructed the Electrical Personal to repair the faulty air-conditioning. Repair was done on 23.09.2020.</p> | Complied   |
| 4.4.2.3               | <p>A complaint form should be made available at the premises, where employees and affected stakeholders can make complaints.</p> <p><b>- Minor compliance -</b></p>     | <p>The mill maintains a generic 'complaint form' and 'maintenance and repairing report' for receiving and responding to requests and complaints from employees and relevant stakeholders. This form is available in the mill office. Workers and relevant stakeholders are</p>   | Complied   |

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|  |   | <p>free to voice out their complaints or suggestions through this method.</p> <p>The management have also made available a suggestion box at the muster ground for the workers and relevant stakeholders to write their complaints or suggestions. The written complaints or suggestions are recorded in a log book for further action to be taken by the management.</p>   |            |
| <b>4.4.2.4</b>   | <p>Employees and surrounding communities should be made aware of its existence and that complaints or suggestions may be made at any time.</p> <p><b>- Minor compliance -</b></p> | <p>Employees &amp; Stakeholders are made aware that the complaints or suggestions can be made at any time to the management. They are frequently reminded during the meetings conducted with the workers representatives and leaders of the long houses.</p> <p>Training on Request and Complaint Procedures was conducted by the mill management for the workers on 06.08.2020 attended by 201 workers.</p> <p>During the interview with the employees and surrounding communities, it was understood that they are aware that complaints or suggestions can be made any time and the modes available for them to voice out the complaints or suggestions.</p> | Complied   |
| <b>4.4.2.5</b>   | <p>Complaints and solutions within the past 24 months shall be documented and be made available to affected stakeholders upon request.</p> <p><b>- Major compliance -</b></p>     | <p>The management retain complaints and resolution records for the last 24 months in accordance to the Complaints &amp; Grievances Procedures. Sighted the Complaints and Grievances File consist of records for the last 24 months.</p>  | Complied   |
| <p><b>Criterion 4.4.3:</b> Commitment to contribute to local sustainable development</p> |   |   |            |

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| <b>4.4.3.1</b>                                      | <p>Palm oil miller should contribute to local development in consultation with the local communities. Where the mill is an integral part of plantation, such contribution to local community development may be regarded as a joint effort by the mill and the plantation.</p> <p><b>- Minor compliance -</b></p> | <p>Both estates are have contributed to local development. The contribution was made to the internal and external stakeholders. Among the management contributions are as follows: -</p> <ol style="list-style-type: none"> <li>1. Provided 32 units of Water Tanks to Rumah Lichong (Longhouse) amounting to RM 17, 280.00.</li> <li>2. Rice Distribution on 19<sup>th</sup> September 2020 for a total of 77 workers amounting to RM 1, 078.00.</li> <li>3. Emergency Allowance of RM 200.00 monthly is provided to every worker to help them manage the Covid-19 crisis.</li> </ol>   | Complied   |
| <b>Criterion 4.4.4: Employees safety and health</b> |   |  |            |
| <b>4.4.4.1</b>                                      | <p>An occupational safety and health policy and plan which is in line with Occupational Safety and Health Act 1994 and Factories and Machinery Act 1967 (Act 139) shall be documented, effectively communicated and implemented.</p> <p><b>- Major compliance -</b></p>   | <p>Keresa Plantation Sdn. Bhd. has established Occupational Safety and Health Policy signed by the Managing Director dated 17/10/2017. In the policy stated the company commitment to ensure and promote the safety work environment for the workers and operations. The policy was communicated through training, briefing and displayed on notice board.</p> <p>The estates visited has established safety and health plan FY 2020 covering on training, OSH audit, workplace inspection, OSH meeting and etc.</p> <p>Sighted the implementation of the Safety and Health Plan as follows</p> <ol style="list-style-type: none"> <li>1. Latest LEV monitoring was conducted by competent assessor with DOSH reg. no. HQ/14/JHII/00/193 on 17/8/2020. Refer report no. HQ/14/JHII/00/193 – 2020/033). Additionally, the mill conducted LEV monitoring on monthly basis. Sighted LEV monitoring records for the month of September and August 2020.</li> </ol> | Complied   |

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|                       |  | <p>2. Latest medical surveillance was conducted on 17/7/2020 by competent OHD with reg. no. HQ/18/DOC/00/00187. 4 employee were send for surveillance and found fit to work as chemical handler.</p> <p>3. Noise exposure monitoring was conducted on annually basis. Sighted the latest report available at the mill for monitoring conducted on 2-3/10/2019 by Noise Risk Assessor with reg. no. HQ/15/PEB/00/149.</p> <p>4. Latest audiometric test was conducted on 12/9/2020 as per communication letter dated 7/9/2020. The report has yet been received by the mill.</p>   |            |
| <b>4.4.4.2</b>        | <p>The occupational safety and health plan should cover the following:</p> <p>a) A safety and health policy, which is communicated and implemented.</p> <p>b) The risk of all operations shall be assessed and documented.</p> <p>c) An awareness and training programme which includes the following requirements for employees exposed to chemicals used at the palm oil mill:</p> <ul style="list-style-type: none"> <li>i. All employees involved are adequately trained on safe working practices;</li> <li>ii. All precautions attached to products should be properly observed and applied;</li> </ul> <p>d) The management shall provide the appropriate PPE at the place of work to cover all potentially hazardous operations as identified in the risk assessment and control such as Hazard Identification, Risk Assessment and Risk Control (HIRARC).</p> | <p>Keresa Plantation Sdn. Bhd. has established Occupational Safety and Health Policy signed by the Managing Director dated 17/10/2017. In the policy stated the company commitment to ensure and promote the safety work environment for the workers and operations. The policy was communicated through training, briefing and displayed on notice board.</p> <p>The mill assess risk for all operations and documented in the HIRARC register. The HIRARC was reviewed at minimum of once every 2 year or when accident occur. The mill has established HIRARC review committee. Risk assessment sampled were at Reception of FFB and grading by Graders, operation of vertical Sterilizer, Boiler and Combustion Engines, Oil clarification station, sampling of CPO, treated water at WTP and effluent discharge, CPO dispatch bay, Kernel Silo and Workshop activities, etc. The latest HIRARC review was conducted on 14/6/2020 for Gasifier Station.</p> | Complied   |

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| <p>e) The management shall establish Standard Operating Procedure for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labeling) Regulation 1997 Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000.</p> <p>f) The management shall appoint responsible person(s) for workers' safety and health. The appointed person(s) of trust shall have knowledge and access to latest national regulations and collective agreements.</p> <p>g) The management shall conduct regular two-way communication with their employees where issues that affect their business such as those related to employees' safety, health and welfare are discussed openly. Records from such meeting shall be kept ant the concerns of employees and any remedial actions taken shall be recorded.</p> <p>h) Accident and emergency procedures shall exist and instructions shall be clearly understood by all employees.</p> <p>i) Employees trained in First Aid shall be present at all mill operations. First Aid equipment should be available at each worksite.</p> <p>j) Records shall be kept of all accidents and be reviewed periodically at quarterly intervals.</p> <p><b>- Major compliance -</b></p> | <p>The mill has provided all the workers with PPE as per HIRARC recommendation. Noted during site visit and interview FFB grader, Press station operator, Boilerman, Fireman and Laboratory operator, they were provided with appropriate PPE.</p> <p>The employee were continuously provided training by the mill Manager, Assistant Manager, Supervisor and supplier with knowledge in the mill operation. Sampled training as per criteria 4.4.6.1.</p> <p>Keresia Mill Sdn. Bhd. has established SOP for handling of chemicals to ensure proper and safe handling and storage in accordance to Occupational Safety Health (Classification Packaging and Labelling) Regulation 1997 and Occupational Safety Health (Use and Standard of Exposure of Chemical Hazardous to Health) Regulation 2000 documented in Safe &amp; Standard Operating Procedure for Oil Palm</p> <p>Mill (SSOP) dated January 2011. Refer document no. KP2-5 on state upkeep, crop evacuation, chemical and agrochemical management, transportation of workers, utilities management, pest control, highly toxic pesticides, working at height etc.</p> <p>The mill has established Safety and Health Committee lead by the Mill Manager as Committee Chairman. The Chairman has appointed committee member consist of secretary, employer representative and employee representative as per letter signed by the Mill Manager. The committee conducted meeting to discuss on safety and health issue in the estate on monthly basis. Sighted the minutes meeting conducted on 16/1/2020, 19/2/202 19/7/2020. Additionally, the mill has conducted Emergency Safety comitee meeting on the Conditional Movement Control Order (CMCO) implementation in the KMSB due to COVID-19 in 19/5/2020.</p> |            |



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|   |  | <p>First aid was provided at strategic station in the mill. The item provided in the first aid box as per Prosedur kerja Selamat (1.0): Peti Kecemasan dated 30/11/2018. Noted during site visit, the first aid box at boiler room and laboratory plant was adequate. The first aid box inspection was conducted on weekly basis. Sighted the sampled first aid box inspection records for boiler room and laboratory.</p> <p>The mill has submitted accident report to DOSH through MyKKP. JKPP 8 for FY 2019 for both estates was submitted on 11/1/2020. 2 accident cases was recorded FY 2019 with 33 LTA.</p>  |            |
| <b>Criterion 4.4.5: Employment conditions</b> |  |   |            |
| <b>4.4.5.1</b>                                | <p>The management shall establish a policy on good social practice regarding human rights in respect of industrial harmony. The policy shall be signed by the top management and communicated to the employees.</p> <p><b>- Major compliance -</b></p> | <p>The management has established a policy on good social ethics regarding human rights such as Human Rights Policy dated 30.11.17, Equal Rights Policy dated 1st December 2009, Prevention of Sexual Harassment &amp; Domestic Violence in the Workplace Policy dated 1st December 2009, Freedom of Association Policy dated 1st December 2009, etc. has been signed off by Managing Director of the group.</p> <p>The "Keresas Sustainability Policy" is displayed in notice boards inside the office as well as outside the office. The policy also publicly available through the official website: <a href="http://www.keresas.com.my">http://www.keresas.com.my</a></p> <p>The policy has been communicated to all workers and stakeholders during morning muster briefings, displayed at strategic places such as office and line sites and communicated during meetings with the workers and relevant stakeholders.</p> | Complied   |

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| <p><b>4.4.5.2</b> The management shall not engage in or support discriminatory practices and shall provide equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p><b>- Major compliance -</b></p> | <p>Keresia Plantation Sdn. Bhd. has established Equal Rights Policy, signed by Managing Director dated 1<sup>st</sup> December 2009 to ensure equal opportunity and treatment regardless of race, colour, sex, religion, political opinion, nationality, social origin or any other distinguishing characteristics.</p> <p>Inspection of a sample of pay records and interviews of staff and workers at the mill identified that no workers were discriminated in any way.</p>   | <p>Complied</p> |
| <p><b>4.4.5.3</b> Management shall ensure that employees’ pay and conditions meet legal or industry minimum standards as per Collective Agreements. The living wage should be sufficient to meet basic needs and provide some discretionary income based on minimum wage.</p> <p><b>- Major compliance -</b></p>        | <p>There is a contract and agreement for staff and workers including foreign workers and pay and conditions are documented and are in accordance with the industry minimum standard. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker. During the interview with the staff and workers, it was confirmed that they are paid adequately in accordance with the legal and industry standards.</p> <p>Sampled Workers checked for Employment Agreement and Play Slips for the mill;</p> <ol style="list-style-type: none"> <li>1. Worker ID: E0769</li> <li>2. Worker ID: E0817</li> <li>3. Worker ID: E0804</li> <li>4. Worker ID: E0760</li> <li>5. Worker ID: E0761</li> </ol> | <p>Complied</p> |

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| 4.4.5.4               | <p>Management should ensure employees of contractors are paid based on legal or industry minimum standards according to the employment contract agreed between the contractor and his employee.</p> <p><b>- Minor compliance -</b></p>   | <p>Finance Department for KERESA Mill Sdn. Bhd. is responsible for arranging contracts for the purchase of goods and services, including those with FFB suppliers. The contract clearly stated that the contractor must strictly follow all applicable national and ratified international laws.</p> <p>Interviews of contractors indicated that they understand their contracts. Further interview with the contractor’s workers found that they were paid in accordance to the minimum wages’ requirement.</p> | Complied   |
| 4.4.5.5               | <p>The management shall establish records that provide an accurate overview of all employees (including seasonal workers and subcontracted workers on the premises). The records should contain full names, gender, date of birth, date of entry, a job description, wage and the period of employment.</p> <p><b>- Major compliance -</b></p> | <p>Keresa Mill has a register of all staffs and workers at the premise. The detail includes full name, gender, date of birth, date joined and job title. The copy of passport and permit etc. were maintained in the employee’s personnel files.</p>   | Complied   |
| 4.4.5.6               | <p>All employees shall be provided with fair contracts that have been signed by both employee and employer. A copy of employment contract shall be made available for each and every employee indicated in the employment records.</p> <p><b>- Major compliance -</b></p>  | <p>There are Employment Contracts for all staffs and workers including foreign workers. Pay and conditions are documented in the employment contract and are in accordance with the Minimum Wages Standards. Inspection of a sample of employee contracts confirmed that terms and conditions are clearly outlined and have been signed by the worker for the respective estates and the management representatives.</p> <p>Sampled the contract agreements of the following workers in the mill.</p>            | Complied   |

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|-----------------------|---|--|------------|
|                       |   | 6. Worker ID: E0769<br>7. Worker ID: E0817<br>8. Worker ID: E0804<br>9. Worker ID: E0760<br>10. Worker ID: E0761   |            |
| <b>4.4.5.7</b>        | <p>The management shall establish a time recording system that makes working hours and overtime transparent for both the employees and employers.</p> <p><b>- Major compliance -</b></p>  | <p>Working hours is 8 hours a day from Monday to Saturday. Keresa POM has obtained approval from JTK (Sarawak) to increase the overtime maximum 120 hours.</p> <p>The mill maintains time recording system to record the worker's attendance. Each worker has their time recording card which is available for verification.</p> | Complied   |
| <b>4.4.5.8</b>        | <p>The working hours and breaks of the individual worker indicated in the time records shall comply with legal regulations and collective agreements. Overtime shall be mutually agreed upon and shall meet the legal requirements applicable.</p> <p><b>- Major compliance -</b></p> | <p>The working hours and break time have been clearly stated in the Employment Contract.</p> <p>Sighted in the Contract Agreement the rate of overtime which is agreed by both parties.</p> <p>There is no complaint received regarding payment or forced to work on overtime during site interview.</p>                         | Complied   |
| <b>4.4.5.9</b>        | <p>Wages and overtime payment documented on the pay slips shall be in line with legal regulations and collective agreements.</p> <p><b>- Major compliance -</b></p>   | <p>Salary slips clearly shows the calculations of gross salary, all legal deductions and net salary of a worker. Workers interviewed confirmed that they are being paid in accordance with the minimum wage requirements.</p>  | Complied   |

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|                       |  | <p>Individual payslips were distributed to all workers on salary day. A copy of payslip is also kept in the estate office. Payment to worker is pay by cash during pay day.</p> <p>Sighted payslip for following workers;</p> <ol style="list-style-type: none"> <li>1. Worker ID: E0769</li> <li>2. Worker ID: E0817</li> <li>3. Worker ID: E0804</li> <li>4. Worker ID: E0760</li> <li>5. Worker ID: E0761</li> </ol>   |            |
| <b>4.4.5.10</b>       | <p>Other forms of social benefits should be offered by the employer to employees, their families or community such as incentives for good work performance, bonus payment, support of professional development, medical care provisions and improvement of social surroundings.</p> <p><b>- Minor compliance -</b></p> | <p>Interviews with local and foreign workers indicated that they are satisfied with the standard of housing and facilities provided by Keresa Plantation. Electricity and water are provided without charges. Keresa Plantation Sdn. Bhd. has provided transport from Jiba Estate, Sujan Estate and Keresa Mill for children to school located at Jiba Estate. Health Clinic has been provided for the employees and family members with free treatment.</p> <p>Outturn incentive for daily attendance on the muster and incentive of contract extension for foreign workers if they renew for three year and above. Local employees have yearly bonus based on personal performance.</p> | Complied   |

| Criterion / Indicator |   | Assessment Findings   | Compliance |
|-----------------------|---|---|------------|
|                       |   | Due to the Covid 19 Pandemic all workers are provided with Emergency Allowance to help them during the crisis.  |            |
| <b>4.4.5.11</b>       | In cases where on-site living quarters are provided, these quarters shall be habitable and have basic amenities and facilities.<br><br>- <b>Major compliance</b> -                                    | Residents at all estate housing have access to facilities established by the company, such as health clinic, sports field, community hall, crèche, and places of worship. The estates provide electricity and water to all workers for free. Additional to that, all workers are given monthly emergency allowance due to the ongoing Covid-19 Pandemic to manage the crisis.<br><br>The Medical Assistant conducts weekly Labourline and Housing Inspection at the Workers Quarters to ensure that the area is maintained at an acceptable standard. Sighted the weekly Labourline and Housing Inspection Records for the mill.                        | Complied   |
| <b>4.4.5.12</b>       | The management shall establish a policy to prevent all forms of sexual harassment and violence at the workplace.<br><br>- <b>Major compliance</b> -   | Keresa Plantation Sdn. Bhd. has established Prevention of Sexual Harassment & Domestic Violence in the Workplace Policy signed by Managing Director dated 1st December 2009 and displayed at strategic locations. Interviews of internal and external stakeholders confirmed awareness and understanding of the Policy.<br><br>Woman & Children Association of Keresa Plantations conduct regular meetings to address the issues such as sexual harassment, domestic violence and also to organize activities among the women community of the estates. The latest Women & Children Association Meeting was conducted on 22 <sup>nd</sup> January 2020. | Complied   |
| <b>4.4.5.13</b>       | The management shall respect the right of all employees to form and join trade union and allow workers' own representative(s) to facilitate collective bargain in accordance with applicable laws and | Keresa Plantation Sdn. Bhd. has established Freedom of Association Policy signed by Managing Director dated 1st December 2009 and displayed at strategic locations. Interviews of internal and external stakeholders confirmed awareness and understanding of the Policy.   | Complied   |

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|   | <p>regulations. Employees shall be given freedom to join trade unions relevant to the industry or organize themselves for collective bargaining. Employees shall have the right to organize and negotiate their work conditions. Employees exercising this right should not be discriminated against or suffer repercussions.</p> <p><b>- Major compliance -</b></p> | <p>Interviews of staff and workers confirmed that the mill supports freedom of association. At the estates, there is a local committee made up of workers representatives elected by workers. Joint Consultative Committee Meeting has been conducted for the internal stakeholder with the company management staffs. The last meeting for all estates were conducted on 17.06.2020 at Mill Conference Room, chaired by Mr. P. Shailendran (Mill Manager). Interview of Staff and Workers also confirmed their awareness of freedom of association but there were no worker unions being formed at the moment.</p> |            |
| <b>4.4.5.14</b>                                 | <p>Children and young persons shall not be employed or exploited. The minimum age shall comply with local, state and national legislation.</p> <p><b>- Major compliance -</b></p>  | <p>Keresa Plantations have a Minimum Age Policy dated 1 December 2009 undersigned by the managing Director that states the commitment of the organization to ensure that the plantations and mill will not use child labour, those below the age of 18.</p> <p>Inspection of a sample of personnel files at the estate’s office confirmed recruits’ ages were checked against their Identity Card for Malaysian workers or their passport in the case of foreign workers. Under-age persons were not observed at any of the work locations visited.</p>   | Complied   |
| <b>Criterion 4.4.6: Training and competency</b> |  |   |            |
| <b>4.4.6.1</b>                                  | <p>All employees and contractors shall be appropriately trained. A training programme shall include regular assessment of training needs and documentation, including records of training.</p> <p><b>- Major compliance -</b></p>  | <p>The mill conducted training need analysis to identify training required for the employee.</p> <p>The mill as established the training plan base on the training need analysis conducted. Sighted the sampled training records as follows:</p> <ol style="list-style-type: none"> <li>1. SSOP for Sterilizer Station training dated 18/9/2020</li> </ol>  | Complied   |

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|-----------------------|--|---|------------|
|                       |  | <ol style="list-style-type: none"> <li>2. SSOP for Kernel plant training dated 17/9/2020</li> <li>3. SSOP for EB press station training dated 17/9/2020</li> <li>4. Company Policy training dated 3/8/2020</li> <li>5. Sexual Harassment Prevention, Domestic violence and reproductive right policy training dated 4/8/2020</li> <li>6. SSOP Water treatment plant training dated 24/6/2020</li> <li>7. SSOP Oil room training dated 11/6/2020</li> <li>8. SSOP for boiler training dated 28/5/2020</li> <li>9. SSOP for gasifier training dated 15/6/2020</li> <li>10. Fire extinguisher awareness training dated 19/2020</li> <li>11. HIRARC for shovel training dated 4/1/2020</li> <li>12. First aid training dated 14/8/2020</li> </ol> |            |
| <b>4.4.6.2</b>        | <p>Training needs of individual employees shall be identified prior to the planning and implementation of the training programmes in order to provide the specific skill and competency required to all employees based on their job description.</p> <p><b>- Major compliance -</b></p> | <p>The mill has conducted training needs assessment prior to prepare the annual training plan for the year 2020 for all the employee groups including new and existing workers and staffs. Training programs are based on worker’s competency requirements. Workers must be properly trained before assigned to the respective work units.</p> <p>Based on the training need analysis conducted, 19 training were identified and scheduled to be conducted throughout the year.</p> <p>On-site observation or assessment will be carried out by field staff and assistant to monitor training effectiveness.</p>  | Complied   |



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|   |  | The mill has also conducted assessment to the training attendees to assess the effectiveness of the training conducted. Base on the results, training needs analysis was conducted to identify training requirement of the employees.  |            |
| <b>4.4.6.3</b>  | A continuous training programme shall be planned and implemented to ensure that all employees are well trained in their job function and responsibility in accordance to the documented training procedure.<br><br>- <b>Minor compliance</b> - | Continuous training program is planned and implemented covering all employees and contractors as per the documented training procedure.  | Complied   |
| <b>4.5 Principle 5: Environment, natural resources, biodiversity and ecosystem services</b> |  |  |            |
| <b>Criterion 4.5.1: Environmental Management Plan</b>                                       |  |  |            |
| <b>4.5.1.1</b>  | An environmental policy and management plan shall be in line with the relevant country and state environmental laws shall be established, effectively communicated and implemented.<br><br>- <b>Major compliance</b> -                         | Keresa Mill Sdn. Bhd. has established Environmental Policy signed by the Managing Director dated 27/12/2016. In the policy stated the company commitment to ensure and promote clean environment for all its employee and operations. The policy was communicated to all workers through briefing and displayed on the notice board. | Complied   |
| <b>4.5.1.2</b>  | The environmental management plan shall cover the following:<br>a) An environmental policy and objectives;<br>b) The aspects and impacts analysis of all operations<br><br>- <b>Major compliance</b> -   | The mill has conducted the aspects and impacts analysis of all operations and documented in Risk Assessment control and Environmental Aspect/Impact.<br><br>The mill has established the environmental management plan and documented in Significant Impact Register List and Environmental Management Plan 2019.                    | Complied   |

| Criterion / Indicator |   | Assessment Findings  | Compliance |
|-----------------------|---|--|------------|
| 4.5.1.3               | <p>An environmental improvement plan to mitigate the negative impacts and to promote the positive ones, shall be developed, implemented and monitored.</p> <p><b>- Major compliance -</b></p> | <p>The mill has established the environmental management plan and documented in Significant Impact Register List and Environmental Management Plan 2020. Sighted the implementation of the management plan as follows:</p> <ol style="list-style-type: none"> <li>1. River water analysis was conducted on monthly basis and the report was submitted to DOE on quarterly basis through Quarterly Return Form. Sighted the report for first and second quarter of 2020.</li> <li>2. The mill monitored the inventory of scheduled on monthly basis and reported to DOE through system. Sighted the inventory records through E-SWISS for the month of July and August 2020</li> <li>3. Sighted during site visit at the perimeter drain, oil trap was install at every final discharge. Sighted the Oil trap near the Scheduled waste store, there no evidence of contaminated water been discharge into the field drain.</li> </ol> | Complied   |
| 4.5.1.4               | <p>A programme to promote the positive impacts should be included in the continual improvement plan.</p> <p><b>- Minor compliance -</b></p>   | <p>The mill has established program to promote the positive impacts and documented in Significant Impact Register List and Environmental Management Plan 2020 and GHG Emission-Reduction/Minimization Plan. Sampled program to promote positive impact as follows:</p> <ol style="list-style-type: none"> <li>1. Application of SRBC press cutter to cut EFB for boiler fuel (reduce consumption of diesel)</li> <li>2. Geotube for effluent ponds to capture solid and methane</li> </ol>   | Complied   |

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|--|--|--|------------|-----------|-----|------|-----|------|-----|------|----------|
| 4.5.1.5  | An awareness and training programme shall be established and implemented to ensure that employees understand the policy, objectives and management plans and are working towards achieving objectives.<br><br>- Major compliance -   | The mill continuously provided awareness training to all employee on environmental policy, objectives and management plan as per training plan established.  | Complied   |           |     |      |     |      |     |      |          |
| 4.5.1.6  | The management shall organize regular meetings with workers where concerns of workers about the environmental quality are discussed.<br><br>- Major compliance -   | The mill has established the Environmental Regulatory Compliance Monitoring Committee. The committee conducted meeting to discuss matters related to the environmental issue on quarterly basis.   | Complied   |           |     |      |     |      |     |      |          |
| <b>Criterion 4.5.2: Efficiency of energy use and use of renewable energy</b> |  |  |            |           |     |      |     |      |     |      |          |
| 4.5.2.1  | Consumption of non-renewable energy shall be optimized and closely monitored by establishing baseline values and trends shall be observed within appropriate timeframe. There should be a plan to assess the usage of non-renewable energy including fossil fuel, electricity in the operations over the base period<br><br>- Major compliance - | <p>The Mill maintains records of energy usage, which is recorded monthly. The use of the steam turbine for electricity generation has been optimized in order to reduce the dependence on diesel fossil fuel. The monitoring of non-renewable energy usage was conducted on monthly basis. Sighted the sampled monitoring records for diesel usage/MT FFB processed FY 2020 as follows:</p> <table border="1"> <thead> <tr> <th>Month</th> <th>L/Ton FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>0.67</td> </tr> <tr> <td>Feb</td> <td>0.74</td> </tr> <tr> <td>Mar</td> <td>0.59</td> </tr> </tbody> </table> | Month      | L/Ton FFB | Jan | 0.67 | Feb | 0.74 | Mar | 0.59 | Complied |
| Month  | L/Ton FFB  |  |            |           |     |      |     |      |     |      |          |
| Jan  | 0.67   |  |            |           |     |      |     |      |     |      |          |
| Feb  | 0.74   |  |            |           |     |      |     |      |     |      |          |
| Mar  | 0.59   |  |            |           |     |      |     |      |     |      |          |

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|-----------------------|--|--|------|--|------------|-------|-------|--|--|--|----------|
|                       |  | Apr  | 0.52 |  |            |       |       |  |  |  |          |
|                       |  | May  | 0.36 |  |            |       |       |  |  |  |          |
|                       |  | Jun  | 0.21 |  |            |       |       |  |  |  |          |
|                       |  | Jul  | 0.35 |  |            |       |       |  |  |  |          |
|                       |  | Aug  | 0.28 |  |            |       |       |  |  |  |          |
|                       |  | <p>The mill has established management plan to reduce/minimize the usage of non-renewable fuel and documented in Significant Impact Register List and Environmental Management Plan 2020 and GHG Emission-Reduction/Minimization Plan.</p>   |      |  |            |       |       |  |  |  |          |
| <b>4.5.2.2</b>        | <p>The oil palm premises shall estimate the direct usage of non-renewable energy for their operations, including fossil fuel, and electricity to determine energy efficiency of their operations. This shall include fuel use by contractors, including all transport and machinery operations.</p> <p><b>- Major compliance -</b></p> | <p>The mill estimate the usage of non-renewable energy (diesel) for genset and mobile machineries in annual budget as sighted in Keresa Mill Annual Budget FY 2020.</p>  |      |  | Complied   |       |       |  |  |  |          |
| <b>4.5.2.3</b>        | <p>The use of renewable energy should be applied where possible.</p> <p><b>- Minor compliance -</b></p>  | <p>The mill use the shell and fiber as boiler fuel. Sighted the records of renewable energy usage FY 2020 as follows:</p> <table border="1" data-bbox="1086 1292 1736 1356"> <thead> <tr> <th>Month</th> <th>Fiber</th> <th>Shell</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> <td></td> </tr> </tbody> </table> |      |  | Month      | Fiber | Shell |  |  |  | Complied |
| Month                 | Fiber  | Shell  |      |  |            |       |       |  |  |  |          |
|                       |  |  |      |  |            |       |       |  |  |  |          |

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|---|--|---|---------|---------|---|---|----------|
|   |  | Jan   | 3076.90 | 1318.67 |   |   |          |
|   |  | Feb   | 2914.15 | 1248.92 |   |   |          |
|   |  | Mar   | 3249.72 | 1392.74 |   |   |          |
|   |  | Apr   | 3616.65 | 1549.99 |   |   |          |
|   |  | May   | 4049.05 | 1735.31 |   |   |          |
|   |  | Jun   | 4150.58 | 1778.82 |   |   |          |
|   |  | Jul   | 4155.00 | 1780.71 |   |   |          |
|   |  | Aug   | 4059.75 | 1739.89 |   |   |          |
| <b>Criterion 4.5.3:</b> Waste management and disposal |  |   |         |         |   |   |          |
| <b>4.5.3.1</b>  | All waste products and sources of pollution shall be identified and documented.<br><br>- <b>Major compliance</b> - | <p>The mill has identified the waste products and source pollution documented in Waste Register and Management. Waste Management Plan has been established as per waste identified. The waste has been identified as follows</p> <table border="1"> <tr> <td>                     Mill Plant<br/>                     i. EFB<br/>                     ii. Shell<br/>                     iii. Fibre                 </td> <td>                     Water treatment plant<br/>                     i. chemical solution and solvents<br/>                     ii. chemical containers                 </td> </tr> </table> |         |         | Mill Plant<br>i. EFB<br>ii. Shell<br>iii. Fibre | Water treatment plant<br>i. chemical solution and solvents<br>ii. chemical containers | Complied |
| Mill Plant<br>i. EFB<br>ii. Shell<br>iii. Fibre       | Water treatment plant<br>i. chemical solution and solvents<br>ii. chemical containers                              |   |         |         |   |   |          |

| Criterion / Indicator |  | Assessment Findings   |  | Compliance |
|-----------------------|--|---|--|------------|
|                       |  | <ul style="list-style-type: none"> <li>iv. Decanter solid</li> <li>v. Boiler Ash</li> <li>vi. Waste oils, lubricants</li> </ul>                             | <ul style="list-style-type: none"> <li>Workshop</li> <li>i. Filters</li> <li>ii. Lubricant</li> <li>iii. Battery</li> <li>iv. Rags and gloves</li> <li>v. Tyres</li> <li>vi. Scrap iron</li> <li>vii. chemical solution and solvents</li> <li>viii. chemical containers</li> </ul> |            |
|                       |  | <ul style="list-style-type: none"> <li>Mill Chemical labs</li> <li>i. Chemical containers</li> <li>ii. chemical solution and solvents</li> </ul>            | <ul style="list-style-type: none"> <li>Construction sites</li> <li>i. Wood</li> <li>ii. Cement debris</li> <li>Lineste</li> <li>i. Sewage</li> <li>ii. Greywater</li> <li>Clinic</li> <li>i. Clinical waste</li> </ul>   |            |
|                       |  | <ul style="list-style-type: none"> <li>Store Chemicals</li> <li>i. Chemical containers</li> <li>ii. Cardboard boxes</li> </ul>                              |  |            |
|                       |  | <ul style="list-style-type: none"> <li>Store fertilizers</li> <li>i. Fertilizers bags</li> </ul>  |  |            |
|                       |  | <ul style="list-style-type: none"> <li>Genset room</li> <li>i. Filters</li> <li>ii. Lubricant</li> <li>iii. Battery</li> <li>iv. Rags and gloves</li> </ul> |  |            |

| Criterion / Indicator   | Assessment Findings   | Compliance                    |
|---|---|-------------------------------|
| <p><b>4.5.3.2</b> A waste management plan shall be developed and implemented, to avoid or reduce pollution. The waste management plan should include measure for:</p> <ul style="list-style-type: none"> <li>a) Identifying and monitoring sources of waste and pollution.</li> <li>b) Improving the efficiency and recycling potential of mill by-products by converting them into value-added products.</li> </ul> <p><b>- Major compliance -</b></p>     | <p>The estates visited has established waste management plan base on the waste identification conducted and documented in Waste Management procedure in Keresia Plantation Sdn. Bhd. and Keresia Mill Sdn. Bhd. Sighted the implementation of the management plan for both estates visited as follows:</p> <ol style="list-style-type: none"> <li>1. The mill monitored the inventory of scheduled on monthly basis and reported to DOE through system. Sighted the inventory records through E-SWISS for the month of July and August 2020</li> <li>2. Method of handling the domestic/general wastes are segregation at the collection point from offices and housing area before being disposed through Sujana Estate landfill. Sighted the landfill area located in field P05K2 located at 1400 m from the housing area. Sighted only domestic waste were disposed in the landfill as per SOP established.</li> </ol> | <p>Complied</p>               |
| <p><b>4.5.3.3</b> The palm oil mill management shall establish Standard Operating Procedure for handling of used chemicals that are classified under Environmental Quality Regulations (Scheduled Waste) 2005, Environmental Quality Act, 1974 to ensure proper and safe handling, storage and disposal. Scheduled waste shall be disposed as per Environmental Quality Act 1974 (Scheduled Waste) Regulations, 2005</p> <p><b>- Major compliance -</b></p> | <p>SOP for scheduled waste dated 15/10/2009 was established. For scheduled wastes, the handling was done according to the legal requirement where a scheduled waste store was constructed in each operating unit for storage.</p> <p>The estates visited also have a proper Scheduled Waste Store for storing scheduled waste until time of disposal by DOE authorized waste disposal contractor. Stores for scheduled waste were inspected and disposal was done by scheduled waste disposal company authorized and licensed by Department of Environment.</p> <p>Sighted the sampled of Scheduled Waste Disposal</p> <ol style="list-style-type: none"> <li>1. 10/8/2020, SW 430, C/N no. 12755</li> </ol>  | <p>Minor Non - Compliance</p> |

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|---|---|--|------------|
|   |   | 2. 10/8/2020, SW 417, C/N no. 10627<br>3. 10/8/2020, SW 306, C/N no. 10628<br>4. 10/8/2020, SW 305, C/N no. 12756<br><br>During site visit at the laboratory, it was noted that the temporary storage of spent chemical was not in appropriate container and mitigation measures to prevent/control spillage is not effectively implemented.<br><br>Thus minor NC were raised. |            |
| <b>4.5.3.4</b>  | Domestic waste should be disposed as such to minimize the risk of contamination of the environment and watercourse.<br><br><b>- Minor compliance -</b>  | Method of handling the domestic/general wastes are segregation at the collection point from offices and housing area before being disposed through Sujan estate landfill.  | Complied   |
| <b>Criterion 4.5.4: Reduction of pollution and emission</b> |   |  |            |
| <b>4.5.4.1</b>  | An assessment of all polluting activities shall be conducted, including greenhouse gas emissions, particulate and soot emissions, scheduled wastes, solid wastes and effluent.<br><br><b>- Major compliance -</b> | The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact analysis. A management plan has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack sampling. The plan was reviewed on annual basis.    | Complied   |
| <b>4.5.4.2</b>  | An action plan to reduce identified significant pollutants and emissions shall be established and implemented.<br><br><b>- Major compliance -</b>   | The mill has conducted assessment of all polluting activities in the Environmental Aspect Impact analysis. A management plan has been established based on the significant aspect and DOE license compliance schedule which include scheduled waste storage and disposal record, POME final discharge BOD and boiler stack   | Complied   |



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|--|--|--|--|---------------------------------|---------------------------------|--|---|---------------------------------|---------------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--|--|--|--|---|---|--|--|--|
|  | <p>sampling. The plan was reviewed on annual basis. Sighted the implementation of the management plan as follows:</p> <p>As per compliance schedule for contradiction license, the mill are required to conduct the stack sampling on quarterly basis. Sighted the sampled if stack sampling conducted as follows:</p> <p>1<sup>st</sup> quarter 2020</p> <table border="1" data-bbox="1088 655 1868 1398"> <thead> <tr> <th data-bbox="1088 655 1285 703">Boiler 1</th> <th data-bbox="1285 655 1482 703">Boiler 2</th> <th data-bbox="1482 655 1677 703">Report no.: L-GB-TC2007CTP-0387</th> <th data-bbox="1677 655 1868 703">Report no.: L-GB-TC2007CTP-0387</th> </tr> </thead> <tbody> <tr> <td data-bbox="1088 703 1285 860">Report no.: SESB/SS/KMS B/FEBRUARY/2020/QTR1</td> <td data-bbox="1285 703 1482 860">Report no.: SESB/SS/KMS B/MARCH/2020/QTR1</td> <td data-bbox="1482 703 1677 860">Report no.: L-GB-TC2007CTP-0387</td> <td data-bbox="1677 703 1868 860">Report no.: L-GB-TC2007CTP-0387</td> </tr> <tr> <td data-bbox="1088 860 1285 975">Date sampled: 19/2/2020</td> <td data-bbox="1285 860 1482 975">Date sampled: 11/3/2020</td> <td data-bbox="1482 860 1677 975">Date sampled: 20/7/2020</td> <td data-bbox="1677 860 1868 975">Date sampled: 20/7/2020</td> </tr> <tr> <td data-bbox="1088 975 1285 1270">Result: 357 mg/m3 @ 12.0% CO2 higher than the allowable emission of 150 mg/m3.</td> <td data-bbox="1285 975 1482 1270">Result: 359 mg/m3 @ 12.0% CO2 higher than the allowable emission of 150 mg/m3.</td> <td data-bbox="1482 975 1677 1270">Result: 147.7 mg/m3 @ 12.0% CO2 lower than the allowable emission of 150 mg/m3</td> <td data-bbox="1677 975 1868 1270">Result: 147.7 mg/m3 @ 12.0% CO2 lower than the allowable emission of 150 mg/m3</td> </tr> <tr> <td data-bbox="1088 1270 1285 1398">Keresas POM has obtain approval license no.</td> <td data-bbox="1285 1270 1482 1398">Keresas POM has obtain approval license no.</td> <td data-bbox="1482 1270 1677 1398"></td> <td data-bbox="1677 1270 1868 1398"></td> </tr> </tbody> </table> | Boiler 1   | Boiler 2   | Report no.: L-GB-TC2007CTP-0387 | Report no.: L-GB-TC2007CTP-0387 | Report no.: SESB/SS/KMS B/FEBRUARY/2020/QTR1 | Report no.: SESB/SS/KMS B/MARCH/2020/QTR1 | Report no.: L-GB-TC2007CTP-0387 | Report no.: L-GB-TC2007CTP-0387 | Date sampled: 19/2/2020 | Date sampled: 11/3/2020 | Date sampled: 20/7/2020 | Date sampled: 20/7/2020 | Result: 357 mg/m3 @ 12.0% CO2 higher than the allowable emission of 150 mg/m3. | Result: 359 mg/m3 @ 12.0% CO2 higher than the allowable emission of 150 mg/m3. | Result: 147.7 mg/m3 @ 12.0% CO2 lower than the allowable emission of 150 mg/m3 | Result: 147.7 mg/m3 @ 12.0% CO2 lower than the allowable emission of 150 mg/m3 | Keresas POM has obtain approval license no. | Keresas POM has obtain approval license no. |  |  |  |
| Boiler 1   | Boiler 2   | Report no.: L-GB-TC2007CTP-0387  | Report no.: L-GB-TC2007CTP-0387  |                                 |                                 |  |   |                                 |                                 |                         |                         |                         |                         |  |  |  |  |   |   |  |  |  |
| Report no.: SESB/SS/KMS B/FEBRUARY/2020/QTR1                                   | Report no.: SESB/SS/KMS B/MARCH/2020/QTR1  | Report no.: L-GB-TC2007CTP-0387  | Report no.: L-GB-TC2007CTP-0387  |                                 |                                 |  |   |                                 |                                 |                         |                         |                         |                         |  |  |  |  |   |   |  |  |  |
| Date sampled: 19/2/2020  | Date sampled: 11/3/2020  | Date sampled: 20/7/2020  | Date sampled: 20/7/2020  |                                 |                                 |  |   |                                 |                                 |                         |                         |                         |                         |  |  |  |  |   |   |  |  |  |
| Result: 357 mg/m3 @ 12.0% CO2 higher than the allowable emission of 150 mg/m3. | Result: 359 mg/m3 @ 12.0% CO2 higher than the allowable emission of 150 mg/m3.   | Result: 147.7 mg/m3 @ 12.0% CO2 lower than the allowable emission of 150 mg/m3 | Result: 147.7 mg/m3 @ 12.0% CO2 lower than the allowable emission of 150 mg/m3 |                                 |                                 |  |   |                                 |                                 |                         |                         |                         |                         |  |  |  |  |   |   |  |  |  |
| Keresas POM has obtain approval license no.                                    | Keresas POM has obtain approval license no.  |  |  |                                 |                                 |  |   |                                 |                                 |                         |                         |                         |                         |  |  |  |  |   |   |  |  |  |

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|-----------------------|--|--|---|---|--|------------|
|                       |  | JPLP/UB/2019 /003422.  | JPLP/UB/2019 /003422.   |   |  |            |
|                       |  | 2 <sup>nd</sup> quarter  |   |   |  |            |
|                       |  | <p>Boiler 1</p> <p>Report no.: SESB/SS/KMSB/MA RCH/2020/QTR2</p> <p>Date sampled: 28/5/2020</p> <p>Result: 357 mg/m3 @ 12.0% CO2 higher than the allowable emission of 150 mg/m3.</p> <p>Keresia POM has obtain approval license no. JPLP/UB/2019/003 422.</p> | <p>Boiler 2</p> <p>Report no.: SESB/SS/KMSB/JU NE/2020/QTR2</p> <p>Date sampled: 18/6/2020</p> <p>Result: 359 mg/m3 @ 12.0% CO2 higher than the allowable emission of 150 mg/m3.</p> <p>Keresia POM has obtain approval license no. JPLP/UB/2019/003 422.</p> | <p>Report no.: L-GB-TC2007CTP-0387</p> <p>Date sampled: 20/7/2020</p> <p>Result: 147.7 mg/m3 @ 12.0% CO2 lower than the allowable emission of 150 mg/m3</p> |  |            |
| <b>4.5.4.3</b>        | Palm oil mill effluent (POME) shall be treated to ensure compliance with standards as stipulated in the relevant Environmental Quality (Prescribed Premises) (Crude Palm Oil) Regulations 1977. POME | Treated POME discharge was regularly monitored as prescribed under "Jadual Pematuhan". Limit of Biochemical Oxygen Demand (BOD) discharge is 20 mg/l. Regular monitoring was done on   |   |   |  | Complied   |

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|---|---|--|------------|-----|-----|-----|----|------|------|------|-----|-------|-------|-------|----------|------|-------|-------|--|-----|-----|-----|----|------|------|------|-----|------|-------|-------|----------|-------|-------|------|--|
|   | <p>discharge limits and method should be in accordance with the respective state and national policies and regulations.</p> <p><b>- Major compliance -</b></p>                                      | <p>monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.</p> <p>Sighted the quarterly return form FY 2020as follows:</p> <p>1<sup>st</sup> quarter</p> <table border="1"> <thead> <tr> <th></th> <th>Jan</th> <th>Feb</th> <th>Mar</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>8.00</td> <td>7.70</td> <td>7.20</td> </tr> <tr> <td>BOD</td> <td>36.80</td> <td>33.90</td> <td>19.10</td> </tr> <tr> <td>S. Solid</td> <td>8.60</td> <td>14.70</td> <td>16.80</td> </tr> </tbody> </table> <p>2<sup>nd</sup> quarter</p> <table border="1"> <thead> <tr> <th></th> <th>Apr</th> <th>May</th> <th>Jun</th> </tr> </thead> <tbody> <tr> <td>pH</td> <td>7.70</td> <td>7.70</td> <td>8.00</td> </tr> <tr> <td>BOD</td> <td>9.90</td> <td>29.60</td> <td>21.70</td> </tr> <tr> <td>S. Solid</td> <td>12.70</td> <td>10.00</td> <td>9.30</td> </tr> </tbody> </table> |            | Jan | Feb | Mar | pH | 8.00 | 7.70 | 7.20 | BOD | 36.80 | 33.90 | 19.10 | S. Solid | 8.60 | 14.70 | 16.80 |  | Apr | May | Jun | pH | 7.70 | 7.70 | 8.00 | BOD | 9.90 | 29.60 | 21.70 | S. Solid | 12.70 | 10.00 | 9.30 |  |
|   | Jan   | Feb  | Mar        |     |     |     |    |      |      |      |     |       |       |       |          |      |       |       |  |     |     |     |    |      |      |      |     |      |       |       |          |       |       |      |  |
| pH  | 8.00  | 7.70   | 7.20       |     |     |     |    |      |      |      |     |       |       |       |          |      |       |       |  |     |     |     |    |      |      |      |     |      |       |       |          |       |       |      |  |
| BOD   | 36.80   | 33.90  | 19.10      |     |     |     |    |      |      |      |     |       |       |       |          |      |       |       |  |     |     |     |    |      |      |      |     |      |       |       |          |       |       |      |  |
| S. Solid  | 8.60  | 14.70  | 16.80      |     |     |     |    |      |      |      |     |       |       |       |          |      |       |       |  |     |     |     |    |      |      |      |     |      |       |       |          |       |       |      |  |
|   | Apr   | May  | Jun        |     |     |     |    |      |      |      |     |       |       |       |          |      |       |       |  |     |     |     |    |      |      |      |     |      |       |       |          |       |       |      |  |
| pH  | 7.70  | 7.70   | 8.00       |     |     |     |    |      |      |      |     |       |       |       |          |      |       |       |  |     |     |     |    |      |      |      |     |      |       |       |          |       |       |      |  |
| BOD   | 9.90  | 29.60  | 21.70      |     |     |     |    |      |      |      |     |       |       |       |          |      |       |       |  |     |     |     |    |      |      |      |     |      |       |       |          |       |       |      |  |
| S. Solid  | 12.70   | 10.00  | 9.30       |     |     |     |    |      |      |      |     |       |       |       |          |      |       |       |  |     |     |     |    |      |      |      |     |      |       |       |          |       |       |      |  |
| <b>Criterion 4.5.5: Natural water resources</b> |   |  |            |     |     |     |    |      |      |      |     |       |       |       |          |      |       |       |  |     |     |     |    |      |      |      |     |      |       |       |          |       |       |      |  |
| <b>4.5.5.1</b>                                  | <p>The management shall establish water management plans to maintain the quality and availability of natural water resources (surface and ground water). The water management plan may include:</p> | <p>Keresa Mill Sdn Bhd has established and documented the water management plan in Keresa Mill Sdn Bad Water Management Plan (WMP) dated 20/07/2017. The management plan include specific parameters for WMP to promote efficient use of water and meet</p>  | Complied   |     |     |     |    |      |      |      |     |       |       |       |          |      |       |       |  |     |     |     |    |      |      |      |     |      |       |       |          |       |       |      |  |

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|--|---|------------|-----------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|------|-----|------|--|
| <p>a) Assessment of water usage and sources.</p> <p>b) Monitoring of outgoing water which may have negative impacts into the natural waterways at a frequency that reflects the mill's current activities.</p> <p>c) Ways to optimize water and nutrient usage and reduce wastage (<i>e.g.</i> having in place systems for re-use, night application, maintenance of equipment to reduce leakage, collection of rainwater, etc.).</p> <p><b>- Major compliance -</b></p> | <p>water conservation requirements under Sarawak Water Resource Enactment 1998 and Interim National Water Standards for Malaysia. Sighted the implementation of the management plan as follows:</p> <p>The mill monitor the water consumption on monthly basis. Water consumption monitored include firefighting, housing, boiler and mill operation. Sighted the Water consumption FY 2020 as follows:</p> <table border="1" data-bbox="1088 751 1646 1347"> <thead> <tr> <th>Month</th> <th>L/Ton FFB</th> </tr> </thead> <tbody> <tr> <td>Jan</td> <td>1.86</td> </tr> <tr> <td>Feb</td> <td>1.92</td> </tr> <tr> <td>Mar</td> <td>1.94</td> </tr> <tr> <td>Apr</td> <td>1.72</td> </tr> <tr> <td>May</td> <td>1.58</td> </tr> <tr> <td>Jun</td> <td>1.62</td> </tr> <tr> <td>Jul</td> <td>1.78</td> </tr> <tr> <td>Aug</td> <td>1.57</td> </tr> </tbody> </table> | Month      | L/Ton FFB | Jan | 1.86 | Feb | 1.92 | Mar | 1.94 | Apr | 1.72 | May | 1.58 | Jun | 1.62 | Jul | 1.78 | Aug | 1.57 |  |
| Month  | L/Ton FFB   |            |           |     |      |     |      |     |      |     |      |     |      |     |      |     |      |     |      |  |
| Jan  | 1.86  |            |           |     |      |     |      |     |      |     |      |     |      |     |      |     |      |     |      |  |
| Feb  | 1.92  |            |           |     |      |     |      |     |      |     |      |     |      |     |      |     |      |     |      |  |
| Mar  | 1.94  |            |           |     |      |     |      |     |      |     |      |     |      |     |      |     |      |     |      |  |
| Apr  | 1.72  |            |           |     |      |     |      |     |      |     |      |     |      |     |      |     |      |     |      |  |
| May  | 1.58  |            |           |     |      |     |      |     |      |     |      |     |      |     |      |     |      |     |      |  |
| Jun  | 1.62  |            |           |     |      |     |      |     |      |     |      |     |      |     |      |     |      |     |      |  |
| Jul  | 1.78  |            |           |     |      |     |      |     |      |     |      |     |      |     |      |     |      |     |      |  |
| Aug  | 1.57  |            |           |     |      |     |      |     |      |     |      |     |      |     |      |     |      |     |      |  |

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|---|--|--|------------|-------------|--|-----|--|-----------|-------------|-----------|-------------|-----|-----|-----|------|------|-----|-----|-----|------|-----|-----|-----|-----|------|------|--|
|   |  | <p>The mill monitored water quality at Sg. Sujan on monthly basis by conducting water analysis. Sighted the water analysis record as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">pH</th> <th colspan="2">BOD</th> </tr> <tr> <th>Upstre am</th> <th>Downs tream</th> <th>Upstre am</th> <th>Downs tream</th> </tr> </thead> <tbody> <tr> <td>May</td> <td>6.8</td> <td>7.1</td> <td>&lt;2.0</td> <td>&lt;2.0</td> </tr> <tr> <td>Jun</td> <td>7.8</td> <td>7.5</td> <td>&lt;2.0</td> <td>2.8</td> </tr> <tr> <td>Jul</td> <td>5.4</td> <td>5.7</td> <td>&lt;2.0</td> <td>&lt;2.0</td> </tr> </tbody> </table> |            | pH          |  | BOD |  | Upstre am | Downs tream | Upstre am | Downs tream | May | 6.8 | 7.1 | <2.0 | <2.0 | Jun | 7.8 | 7.5 | <2.0 | 2.8 | Jul | 5.4 | 5.7 | <2.0 | <2.0 |  |
|   | pH   |  |            | BOD         |  |     |  |           |             |           |             |     |     |     |      |      |     |     |     |      |     |     |     |     |      |      |  |
|   | Upstre am  | Downs tream  | Upstre am  | Downs tream |  |     |  |           |             |           |             |     |     |     |      |      |     |     |     |      |     |     |     |     |      |      |  |
| May                                     | 6.8  | 7.1  | <2.0       | <2.0        |  |     |  |           |             |           |             |     |     |     |      |      |     |     |     |      |     |     |     |     |      |      |  |
| Jun                                     | 7.8  | 7.5  | <2.0       | 2.8         |  |     |  |           |             |           |             |     |     |     |      |      |     |     |     |      |     |     |     |     |      |      |  |
| Jul                                     | 5.4  | 5.7  | <2.0       | <2.0        |  |     |  |           |             |           |             |     |     |     |      |      |     |     |     |      |     |     |     |     |      |      |  |
| <b>4.5.5.2</b>                          | <p>Where open discharge of POME into water course is practiced, mills should undertake to gradually phase it out in accordance to the applicable state or national regulations.</p> <p><b>- Major compliance -</b></p> | <p>Treated POME discharge was regularly monitored as prescribed under "Jadual Pematuhan". Limit of Biochemical Oxygen Demand (BOD) discharge is 20 mg/l. Regular monitoring was done on monthly basis and every quarterly via "Borang Penyata Suku Tahun" to DOE for compliance.</p>   |            |             |  |     |  |           |             |           |             |     |     |     |      |      |     |     |     |      |     |     |     |     |      |      |  |
| <b>4.6 Principle 6: Best Practices</b>  |  |  |            |             |  |     |  |           |             |           |             |     |     |     |      |      |     |     |     |      |     |     |     |     |      |      |  |
| <b>Criterion 4.6.1: Mill Management</b> |  |  |            |             |  |     |  |           |             |           |             |     |     |     |      |      |     |     |     |      |     |     |     |     |      |      |  |
| <b>4.6.1.1</b>                          | <p>Standard operating procedures shall be appropriately documented and consistently implemented and monitored.</p> <p><b>- Major compliance -</b></p>  | <p>Keressa Mill Sdn. Bhd has established SOP for the as a guidance on the daily mill operation. Refer Keressa Mill Sdn. Bhd. SOP for Mill Operation. The SOP cover all station and Operation in the mill. Latest review was conducted on 14/6/2020 for Gasifier station. Refer document no. SOP/KMSB/Gasifier Plant/R0 dated 14/6/2020.</p> <p>Keressa Mill has established a system for monitoring and control of best practice implementation. This includes the programme of</p>  | Complied   |             |  |     |  |           |             |           |             |     |     |     |      |      |     |     |     |      |     |     |     |     |      |      |  |

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|   |  | regular internal audits by Mill Advisory, Sustainability and Compliance Department Inspectors for maintaining and improving the production.  |            |
| <b>4.6.1.2</b>  | All palm oil mills shall implement best practices.<br><b>- Major compliance -</b>  | External Mill Advisor and Sustainability and Compliance Department inspect and report on the operations on annual basis. The on-site managers develop Action Plans from the Advisory Reports for improvement of the operations. Review of Advisory Reports, Action Plans and site inspections confirmed consistent records of implementation of SOPs. This to ensure that performance is on track and best practices being consistently implemented.<br><br>Sighted the latest Mill Advisor report for visit conducted on 13/1/2020. | Complied   |
| <b>Criterion 4.6.2: Economic and financial viability plan</b> |  |  |            |
| <b>4.6.2.1</b>  | A documented business or management plan shall be established to demonstrate attention to economic and financial viability through long-term management planning.<br><b>- Major compliance -</b> | Annual business plan in the form of annual budget and the projection for 5 years prepared as guidance for future planning. Sighted the Business Plan of Keresia Mill Sdn. Bhd. GY 2021 to 2025. The business plan contains as follows: <ul style="list-style-type: none"> <li>1. FFB processed</li> <li>2. Sales Volume (CPO and PK)</li> <li>3. Income (Sales of CPO and PK)</li> <li>4. Cost of Sale</li> <li>5. Gross Profit</li> <li>6. Financing cost</li> </ul>  | Complied   |

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| Criterion / Indicator                                      |  | Assessment Findings   | Compliance |
|--|--|---|------------|
|  |  | 7. Other income.  |            |
| <b>Criterion 4.6.3:</b> Transparent and fair price dealing |  |   |            |
| <b>4.6.3.1</b>   | Pricing mechanisms for the products and other services shall be documented and effectively implemented.<br><br>- <b>Major compliance</b> -                     | The pricing method has been clearly stated in the contract and contractors are explained on the term of contracts prior to the signing of contract.<br><br>Sample contract and payment record verification together with interviews of POM management found that the payments have been made as per contract.   | Complied   |
| <b>4.6.3.2</b>   | All contracts shall be fair, legal and transparent and agreed payments shall be made in timely manner.<br><br>- <b>Major compliance</b> -                      | Sample contract and payment record verification together with interviews of Mill management found that the payments have been made as per contract.<br><br>For Keresa Mill, sampled contractor’s payment details as below:<br><br>a) Contractor Aventure Sdn Bhd (1314667 – K) Refer to tax invoice; No: A20KM003 dated on 31 July 2020 amounting to RM 76, 513.92. Payment has been made on 25 <sup>th</sup> August 2020 through RHB IBG (Reference Number – 200821422984)<br><br>b) Contractor WH Contractor (166/2005). Refer to tax invoice; No: WH-200704 on 31.07.2020 amounting to RM 69,965.51. Payment has been made on 25 <sup>th</sup> August 2020 through RHB IBG (Reference Number – 200821443461) | Complied   |
| <b>Criterion 4.6.4:</b> Contractor                         |  |   |            |
| <b>4.6.4.1</b>   | In case of the engagement of contractors, they shall be made to understand the MSPO requirements and shall provide the required documentation and information. | Keresa Mill has cascaded the MSPO awareness to all its contractors. Latest MSPO awareness briefing to contractors was conducted on 13.07.2020 by Sustainability and Compliance Team. Interview with   | Complied   |

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|-----------------------|---|---|------------|
|                       | - Major compliance -  | <p>the contractors found that they understand the MSPO requirements.</p> <p>All the contractors aware that POM is certified under MSPO. Therefore, the contractor has been instructed by POM management to follow the MSPO standard requirement.</p>  |            |
| 4.6.4.2               | <p>The management shall provide evidence of agreed contracts with the contractor.</p> <p>- Major compliance -</p>   | <p>Keresia Plantation Sdn. Bhd. has prepared a standard contract for all the contractors. The signed copy of the contract available at the estate office. Sample of contract agreement as follows;</p> <ol style="list-style-type: none"> <li>1. WH Contractor<br/>           Project: Empty Fruit Bunches (FFB) Transportation<br/>           Commencement Date: 01.01.2019<br/>           Expiry Date: 31.12.2019</li> <li>2. Aweventure Sdn. Bhd.<br/>           Project: CPO and PK Transport<br/>           Commencement Date: 18 May 2020<br/>           Expiry Date: 30 June 2021</li> </ol> | Complied   |
| 4.6.4.3               | <p>The management shall accept MSPO approved auditors to verify the assessments through a physical inspection, if required.</p> <p>- Minor compliance -</p> | <p>Keresia Plantation Sdn. Bhd. has no objections to allow BSI auditors to verify the assessment through physical inspection as and when required in accordance with the MSPO Standards.</p>  | Complied   |



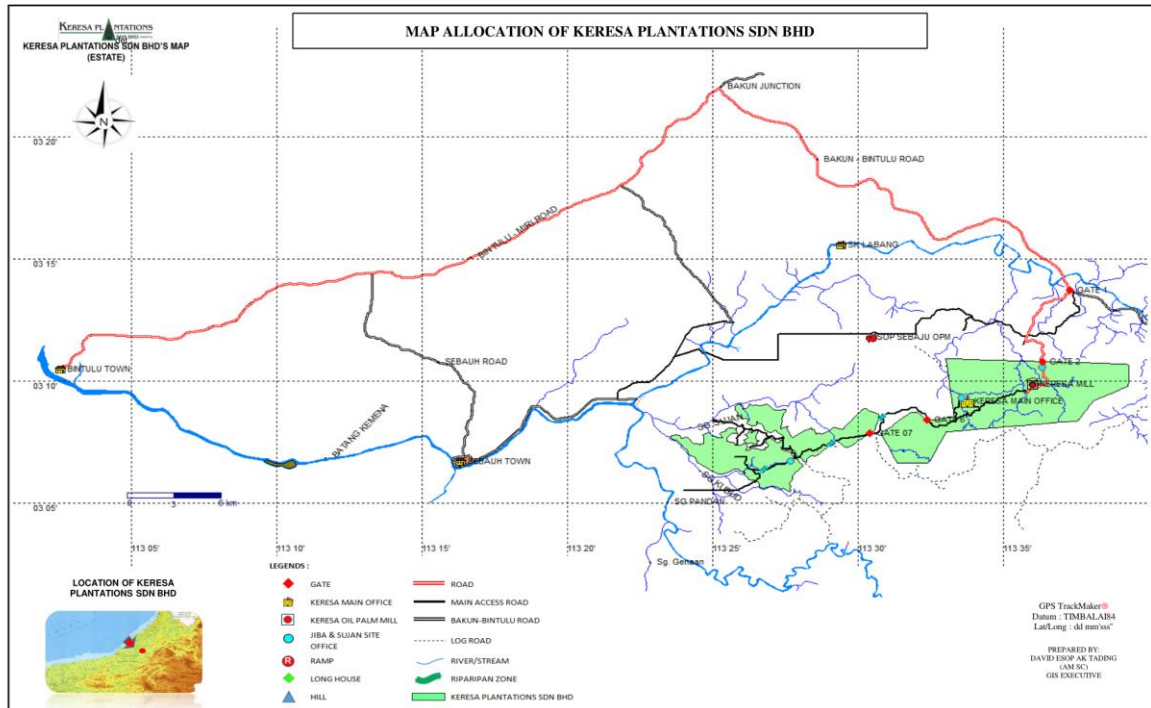
**Appendix B: List of Stakeholders Contacted**

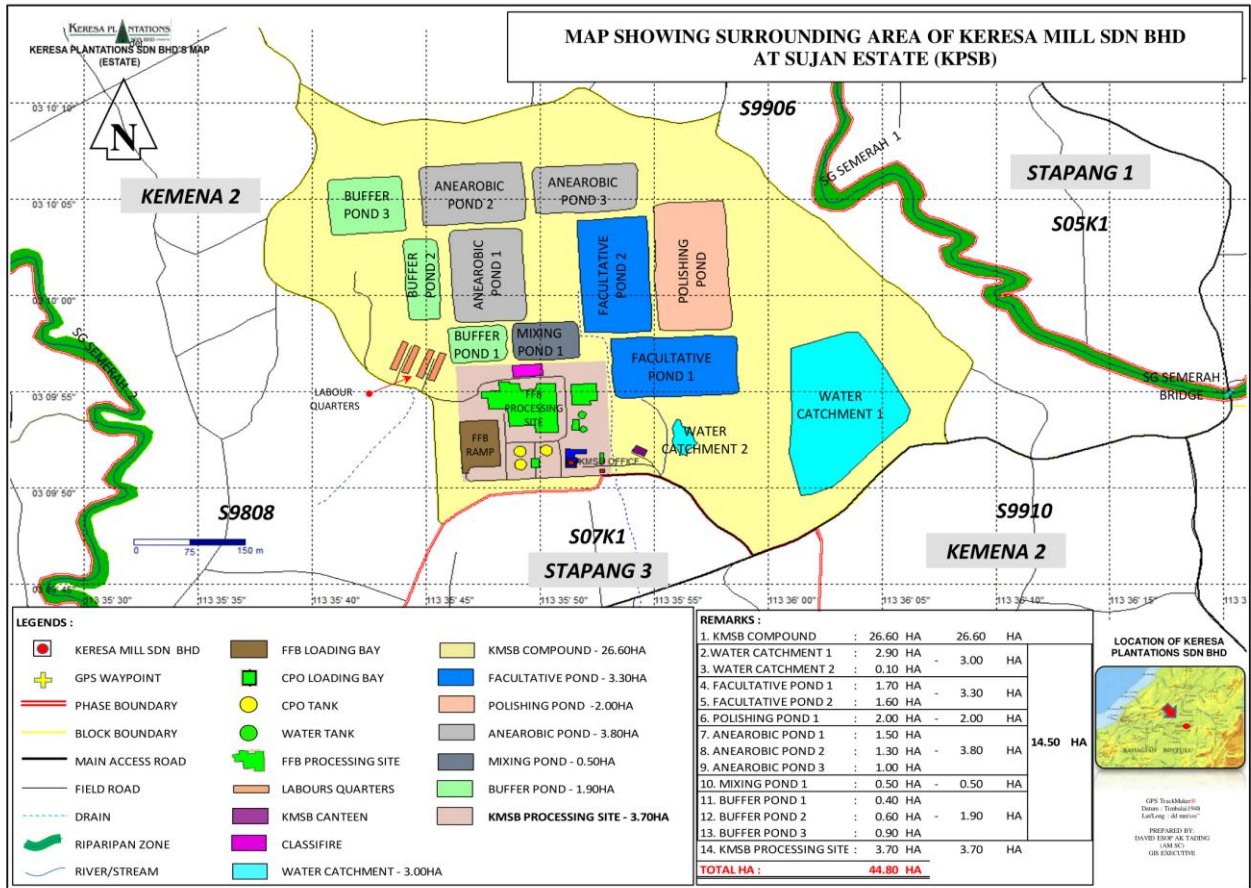
|   |   |
|---|---|
| <p><b>Government Officer:</b><br/>N/A</p>   | <p><b>Community/neighbouring village:</b><br/>Rh. Majang</p>  |
| <p><b>Suppliers/Contractors/Vendors:</b><br/>Wagro Trading S/B<br/>K.C. Chan<br/>Paul Tao Chung Chao<br/>Wong Yuk Zung<br/>PNS Jaya Sdn Bhd</p> | <p><b>Worker’s Representative/Gender Committee:</b><br/>Gender Committee Representatives<br/>Foreign &amp; local workers<br/>NUPW Representatives</p> |

**Appendix C: Smallholder Member Details**

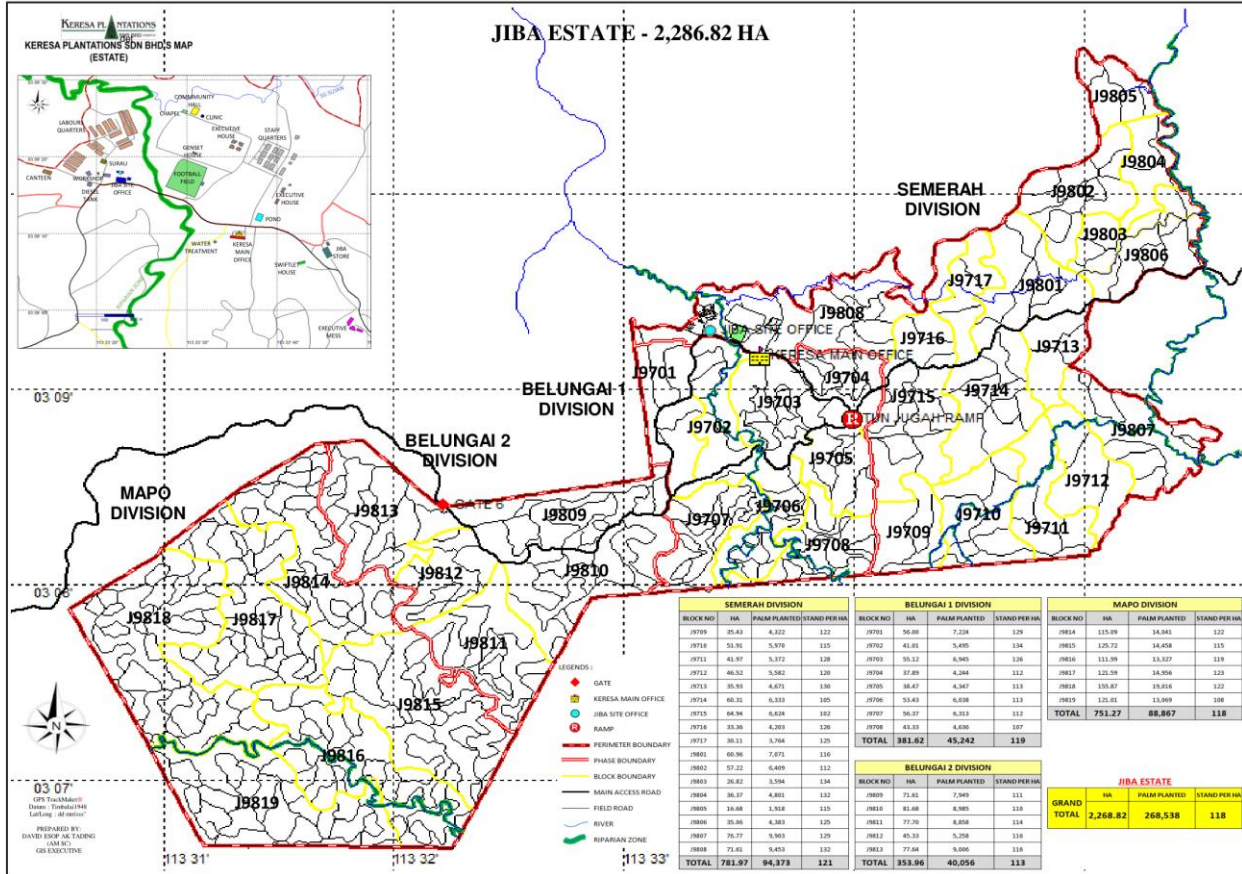
| No. | Smallholder |                     | Location of Planted Area (District) | GPS Coordinates | Certified Area (ha) | Planted Area (ha) |
|-----|-------------|---------------------|-------------------------------------|-----------------|---------------------|-------------------|
|     | Name        | MPOB License Number |                                     |                 |                     |                   |
|     | N/A         |                     |                                     |                 |                     |                   |
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**Appendix D: Location and Field Map**

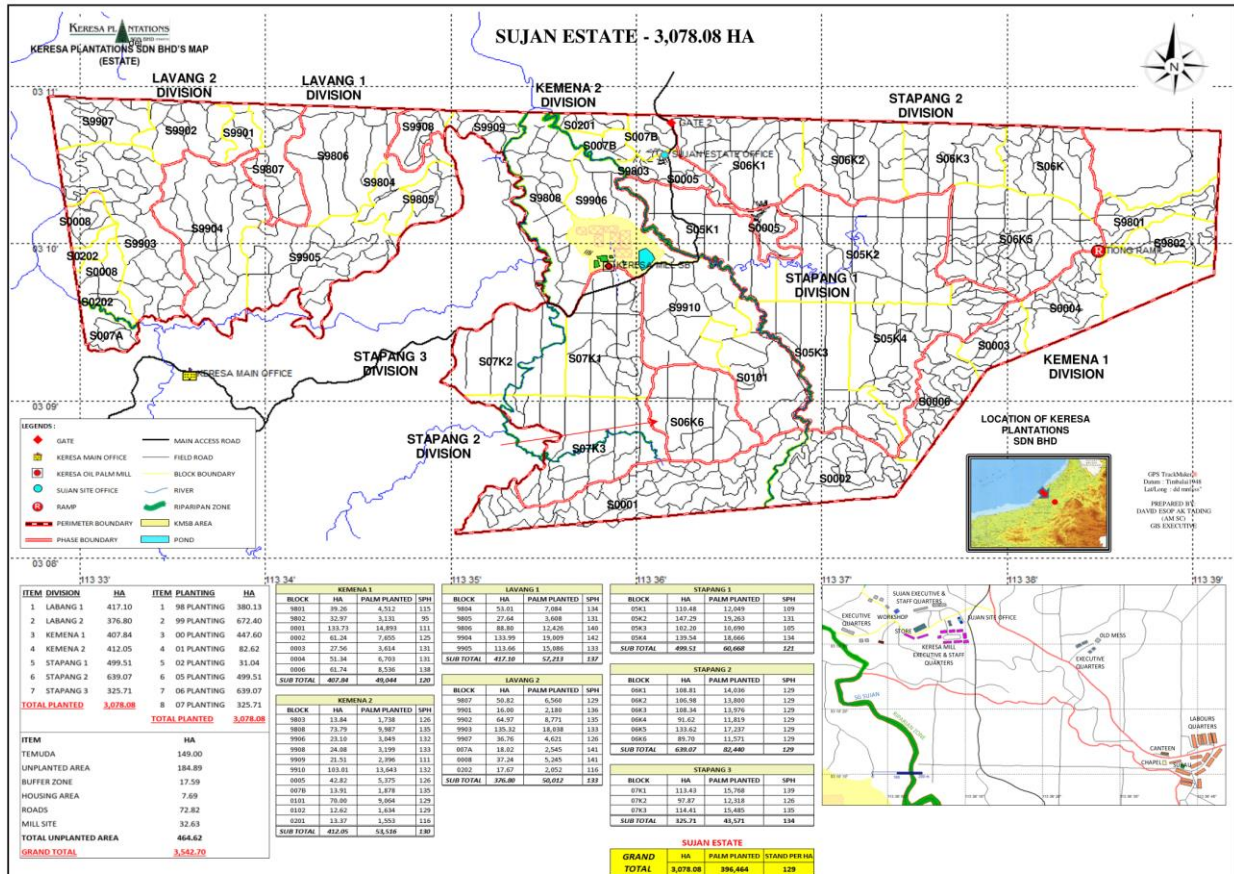




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**Appendix E: List of Abbreviations**

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