Malaysian Sustainable Palm Oil (MSPO)
Audit Summary Report

<table>
<tr><td>Organization:</td><td colspan="3">KTS Agriculture Development Sdn. Bhd.</td></tr>
<tr><td>Address:</td><td colspan="3"><u>Headquarters (HQ)</u>
7th Floor Crown Towers, 88 Jalan Pending, 93450 Kuching, Sarawak

Contact person.: Ms Adeline Lau (Director)
Mr William Tham (Assistant Manager)

Contact No.: 082-345033

<u>Estate Address</u>
Lot 559, Block 0, Kabang Land District, Sibu Sarawak (6,233 ha)</td></tr>
<tr><td>Standard(s):</td><td>MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders</td><td colspan="2">Accreditation Body(s): DEPARTMENT STANDARDS MALAYSIA</td></tr>
<tr><td>Representative:</td><td colspan="3">Ms Adeline Lau (Director)
Mr William Tham (Assistant Manager)
Mr. Awang Idris Bin Awang Ahmad (Estate Manager)</td></tr>
<tr><td>Site(s) audited:</td><td>KTS Agriculture Development Sdn. Bhd.</td><td>Date(s) of audit(s):</td><td>15th August 2019</td></tr>
<tr><td>EAC Code:</td><td>Nil</td><td>NACE Code:</td><td>Nil</td></tr>
<tr><td>No. of Employees:</td><td>356</td><td>No. of Shifts:</td><td>Normal 1 shift</td></tr>
<tr><td>Lead auditor:</td><td>Abdul Khalik Bin Arbi (AKA)</td><td>Additional team member(s):</td><td>Jeffrey Denis Ridu</td></tr>
</table>

1. Audit objectives

The objectives of this audit were:

to confirm that the management system conforms with all the requirements of the audit standard;
to confirm that the organization has effectively implemented the planned management system;
to confirm that the management system is capable of achieving the organization's policy objectives.

2. Scope of certification

The audit covered one site performing certification scope:

Production of Fresh Fruit Bunches (FFB) for Plantations in compliance to the MSPO Certification Standard MS2530-3:2013 Part 3 : General Principles For Oil Palm Plantations And Organized Smallholders

The audit covered the MS 2530:2013 requirements particularly MSPO Certification Standard **MS2530-3:2013 Part 3**

Validation of processes for production and service provision

Has this scope been amended as a result of this audit?	☐ Yes	☑ No
This is a multi-site audit and an Appendix listing all relevant sites and/or remote locations has been established (attached) and agreed with the client	☐ Yes	☑ No

3. Current audit findings and conclusions

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives required by the standard(s). The audit methods used were interviews, observation of activities and review of documentation and records.
The structure of the audit was in accordance with the audit plan and audit planning matrix included as annexes to this summary report.

The audit team concludes that the organization ☒ has ☐ has not established and maintained its management system in line with the requirements of the standard and demonstrated the ability of the system to systematically achieve agreed requirements for products or services within the scope and the organization's policy and objectives.

Number of nonconformities identified: 3 Major 0 Minor

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

☒ Granted / ☐ Continued / ☐ Withheld / ☐ Suspended until satisfactory corrective action is completed.

4. Previous Audit Results

The results of the last audit of this system have been reviewed, in particular to assure appropriate correction and corrective action has been implemented to address any nonconformity identified. This review has concluded that:

☐ Any nonconformity identified during previous audits has been corrected and the corrective action continues to be effective.

☐ The management system has not adequately addressed nonconformity identified during previous audit activities and the specific issue has been re-defined in the nonconformity section of this report.

5. Audit Findings

The audit team conducted a process-based audit focusing on significant aspects/risks/objectives. The audit methods used were interviews, observation of activities and review of documentation and records.

The management system documentation demonstrated conformity with the requirements of the audit standard and provided sufficient structure to support implementation and maintenance of the management system.	☒ Yes	☐ No
The organization has demonstrated effective implementation and maintenance / improvement of its management system.	☒ Yes	☐ No
The organization has demonstrated the establishment and tracking of appropriate key performance objectives and targets and monitored progress towards their achievement.	☒ Yes	☐ No
The internal audit program has been fully implemented and demonstrates effectiveness as a tool for maintaining and improving the management system.	☒ Yes	☐ No
The management review process demonstrated capability to ensure the continuing suitability, adequacy and effectiveness of the management system.	☒ Yes	☐ No
Throughout the audit process, the management system demonstrated overall conformance with the requirements of the audit standard.	☒ Yes	☐ No
Certification claims are accurate and in accordance with SGS guidance ☒N/A	☐ Yes	☐ No

6. Significant Audit Trails Followed

The specific processes, activities and functions reviewed are detailed in the Audit Plan. In performing the audit, various audit trails and linkages were developed, including the following primary audit trails, followed throughout:

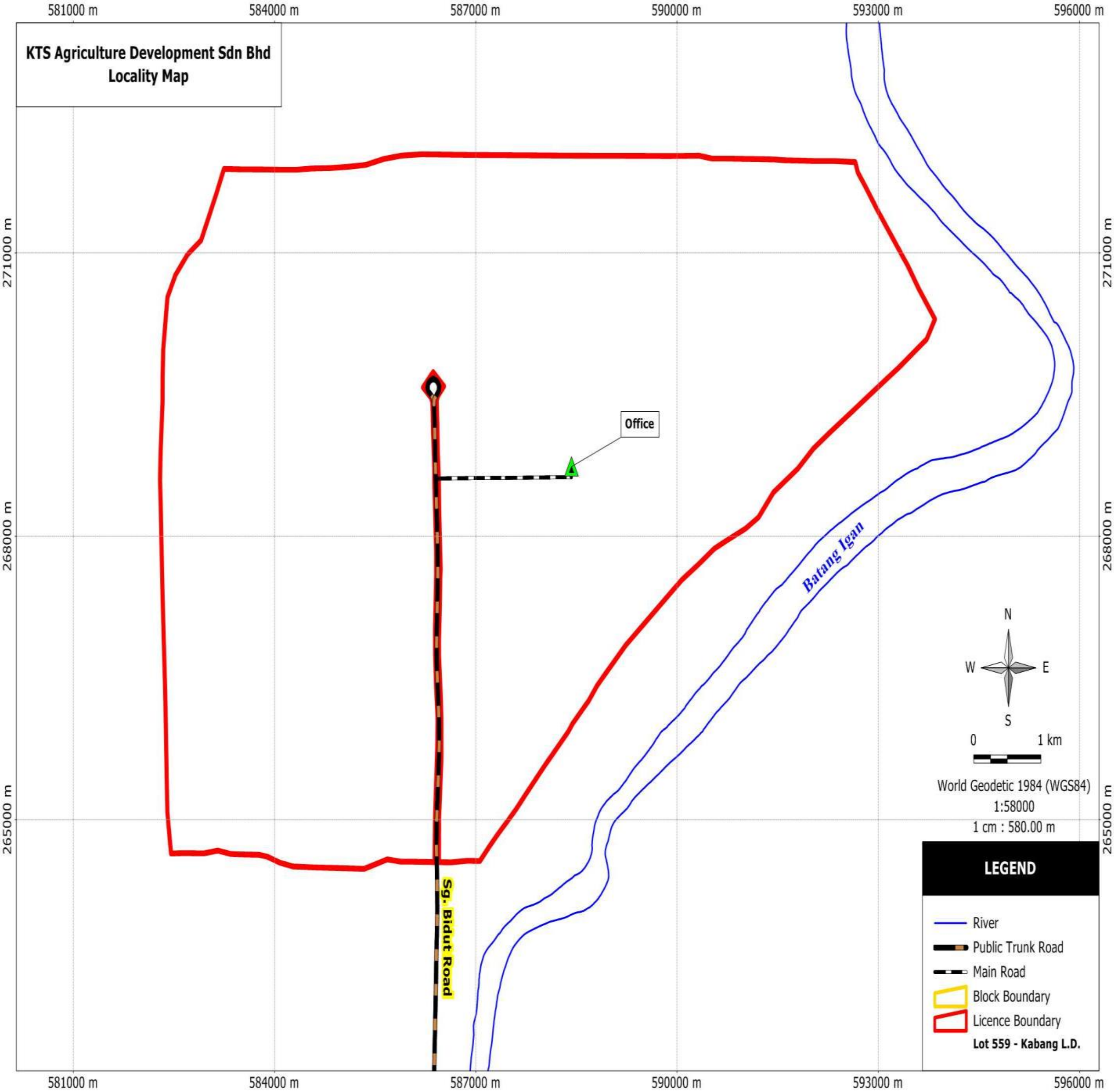
Organization:	**KTS Agriculture Development Sdn. Bhd.**		
Address	Lot 559, Block 0, Kabang Land District Sibu Sarawak		
MPOB License No.:	MPOB Licence 552398002000, with size register 6,233 ha	**Expiry date:**	01/09/2019 – 31/08/2020
Scope of Activity:	*Menjual dan Mengalih FFB#*	**Next Audit Plan**	**June 2020**
Visit Number:	**02 (Stage 2)**	**Actual Visit Date:**	**15th August 2019**
Visit Due by Date:	**Nil**	**For auditor information only**	
Lead Auditor :	Abdul Khalik Bin Arbi (AKA)		
Audit Member	Jeffrey Denis Ridu (JDR)		
Additional Attendees and Roles	Nil		
Standard(s):	**MSPO MS2530-3:2013 Part 3: General principles for oil palm plantations and organized smallholders**		
Audit Language:	English & Malay		
Audit Scope:	1.The audit covered Three (3) site performing the following scope: Operations, comprising of management systems, process of Fresh Fruit bunches (FFB), documentation and site assessment.		

Audit Plan

Date	Time	Auditor	Organizational and Functional Units/ Processes and activities	Key Contact
15th August 2019	7.10 am 7.45 am	AKA & JDR	Depart from Bintulu Airport Arrived at Sibu Airport	Estate Personnel
	7.45 am	AKA & JDR	Depart to KTS Agriculture Development Sdn. Bhd. (Estate)	Estate Personnel
	8.30 am	AKA & JDR	Arrive at Estate Opening Meeting Audit Process (Site Visit) • Principal 1: Management commitment and responsibility • Principle 2: Transparency • Principle 3: Compliance to legal requirements • Principal 4: Social responsibility, health, safety and employment condition • Principal 5: Environment, natural resources, biodiversity and ecosystem services • Principal 6: Best Practice • Principal 7: New Development of New Planting	Estate Personnel
	12.30pm	AKA & JDR	Rest/ Lunch	
	1.00pm	AKA & JDR	Continue Audit Process (Document review, Policies, local law compliances, deduction and pay slip, Safety and health procedures, environment procedure, minimum wages monitoring, social benefits)	
	4.00 pm	AKA & JDR	Audit Discussion	
	5.00 pm	AKA & JDR	Audit Closing for Stage 2	
	6.00 pm	AKA & JDR	End of Audit Depart to Sibu Town	
16th August 2019	9.40 am	AKA & JDR	Depart from Sibu Airport to Kuching Airport	

Location and Maps

The Project area is located within Loba Kabang Forest Reserve, beside Batang Igan, extending northwards from Tg. Panggai to Tg Kelupu over a distance of about 13 km. The nearest public roads to the Project area is Jalan Aup and Rantau Panjang Road.



The GPS locations of the state are shown in Table 1.

Table 1: GPS Location

Supply Base / Estates:	Location Address:	GPS Coordinate(s):	Area Certified(HA):
KTS Agriculture Development Sdn. Bhd.	Lot 559, Block 0, Kabang Land District, Sibu Sarawak	2°25'52.0"N 111°47'43.4"E	6233.00

Description of Estate Production

The FFB are sourced from the estate which are individually managed by KTS Agriculture Development Sdn. Bhd. through its parent company Bintulu Lumber Development Group of companies. The crop yield from these estate is mention in **Table 2** below.

Table 1: FFB Production

Month	KTS Agriculture Development Sdn. Bhd.	
	2018 (Actual)	2019 (Projection)
January	2,911.08	3,874.67
February	2,466.43	2,804.58
March	3,416.65	2,740.63
April	3,608.24	3,615.31
May	4,131.54	4,292.42
June	4,063.82	3,741.13
July	3,861.44	3,544.81
August	5,148.55	6,110.00*
September	6,237.30	7,565.00*
October	6,137.64	7,005.00*
November	4,487.45	6,545.00*
December	4,593.28	5,884.00*
Total	51,063.42	57,722.55
**Projection*		

Stakeholder Consultation and List of Stakeholders Contacted

A public announcement was made 30 days prior to the audit.
https://www.sgs.com/en/certified-clients-and-products/fcm/malaysia/kts-agriculture-development-sdn-bhd

Stakeholder consultation took place in the form of meetings and interviews. Due to this is the main assessment, meetings with stakeholders were held in the respected estate office. Detail can be referred to **Appendix 2:**

Comment on MS2530-3 Compliance Status:

Comment on Principle 1	Policy on Implementation of MSPO – It was sighted MSPO Policy was available in the estate copy. The policy was sign by top management Mdm Adeline Lau Kor See (Director) on 10th December 2018. The policy was displayed at estate office workshop, canteen, labour line and stores Based interview with 1) Patrica Ita Anak Meringai (Office Girl), she aware and understand the policy. 2) Suriani (TKI work as Checker), she aware and understand the policy. 3) Mr Awang Idris Bin Awang Ahmad (Estate Manager), he aware regarding the policy. 4) Beatrice Anak Mut (Admin Clerk), she aware regarding the policy. The policy was emphasize commitment to continual improvement. The policy statement stated as below: We are committed towards implementing principles of MSPO Sustainable Palm Oil and complying with applicable statutory and regulatory requirements. Thus, we strive to achieve sustainability palm oil operations through the followings but not limited to the followings: i. Safety & Health ii. Good Social Practices iii. Harassment & Violence Prevention iv. Environment By our commitment towards the above, we shall consider any opportunities for continual improvement of the plantation operations and practices in line with new information and techniques. Internal Audit It was sighted the internal audit report was planned and conduct accordingly. Frequency of the internal audit will audit at least once a year or whenever deem necessary by the Management. MSPO internal audit procedures prepared approved by Mdm Adeline Lau Kor See (Director) to be conducted at least once a year or whenever deemed necessary by management.

	Based on internal audit procedures, list of preparation need to do as follows: i. Planning: Internal Audit was conduct on 23rd April 2019, audit plan was issue on 8h April 2019 by lead auditor Mr. Gurriah A/L Simmathiri. ii. Preparation: Lead auditor select the competent auditor. The internal auditor was training by internal trainer which attend the MSPO course. Training course for the internal auditor was conduct on 22nd April 2019. Personnel sighted as followed: - Gurriah A/L Simmathiri (Lead Auditor) - Wellington Untan ak Francis Saga - Boyingtine ak Howel - Ngadi Ak Ujah - Rhody Mac ak Alfrancis - Jim Anyan - Hanrry Joe ak Arthur - Augustine Suden ak Peter Tohey - Wan Zen Wan Saleh - Wang Idris Awang Ahmad - Siaw Ing Wei iii. Conduct MSPO Internal Audit: conduct on 23rd April 2019. iv. Follow-up: Based on audit, 9 findings was addressed, some of the issues as follows: • Principle 3: Boundary peg was hard to find. Corrective action was done on 24.04.2019 by Mr Wellington, by construct new boundary pegs. • Principle 4: Social and local community survey had conducted, dated 2nd March and 3rd April 2019. However, social impact assessment (SIA) report was not ready. Corrective action was done on May 2019. It was sighted SIA Summary Report for KTS Agriculture Development Sdn. Bhd. was available. v. MSPO Internal Audit Completion, It was sighted Internal Audit was performed on 23rd April 2019. MSPO internal audit procedures prepared approved by Mdm Adeline Lau Kor See (Director) to be conducted at least once a year or whenever deemed necessary by management. <u>Management Review</u> – Management Review meeting was conducted on the 9th May 2019 chaired by Mdm Adeline Lau (Chairman) attended by all MSPO Committee members and invited members. Agendas and minute of the said meeting was viewed in file (ref no.: KADSB/ MRR/19/05/01). It was review ny Mdm Adeline Lau, dated on 9th May 2019. The agendas of this meeting are to review following: 1) Environmental and social requirement such as follow:

	a. Environmental and Social Impacts b. New Techniques c. New technologies d. New industry standards New information on good agricultural practices. <u>Continual Improvement</u> - The action plan for continual improvement sighted as follow. Topic: Factories and machinery (Notification, certificate of fitness and inspection) Regulations 1970. Action taken: to ensure the air compressor will obtain certificate of fitness for united pressure vessels. Chemical store/ chemical transit store Rennovation planning, it was complete on 22.04 2019. Workshop Rennovation, it was complete on 10.08.2019
Comment on Principle 2	<u>Transparency of information and documents relevant to MSPO requirements</u> The management communicate with relevant stakeholders by conduct stakeholders meeting on 27th March 2019, attended by 27 participants from several agencies such as: Badan Berkanun a. Natural Resources Environmental Board (NREB) Jabatan Kerajaan b. SK Bahagia Jaya Teku Sibu Syarikat Swasta c. BLD Igan Palm Oil Mill **<u>27th March 2019.</u>** Attend by External (27 attendees). All of the stakeholders have invitation letter from the estate management. As an evidence, some of the stakeholders list name as below: i. Pengurus Central Store, KTS Trading Sendirian Berhad, Sibu, Mr Lau Sion Beng, letter dated 27th Mac 2019. ii. Pengurus KTS Timber Management Sdn Bhd, Sibu, letter dated 27th Mac 2019. iii. Pengurus BLD Kabang 1, Sibu, dated 11th Mac 2019 Facilitator: Mr Wan Zen Wan Saleh All the document can be verified in Stakeholders File B01. In the stakeholder meeting Agenda discuss on: *i. Pengenalan mengenai MSPO* *ii. Piawaian Kemampanan* *iii. Pembangunan Piawaian Malaysia MSPO* *iv. Bahagian bahgaian dalam MSPO* *v. Prinsip prinsip MSPO* *vi. Aduan Penambah Baikan dan Kesalahan* *vii. Sesi Soal Jawab*

	The minutes meeting prepared by Mr Ngadi Ujah, dated 28th March 2019 and verified by Mr Wan Zen Wan Saleh, Dated 29th March 2019. List of stakeholders Government agency, Badan Berkanun, Local Community, Internal, Contractor and Consultant Transparent method of communication and consultation It was observed the estate management had established and communication with relevant stakeholders. With Document Name: Transparent Method and Document Ref: KADSBH-03-TM03REV0. Appointment letter for social liaison officer was available in Document Ref: KADSB-01-TM04REV0, Sign by Mdm Adeline Lau (Director) dated 10th December 2019. Name: Mr. Wan Zen Bin Wan Saleh (Person Incharge), Assist by Mr KNgadi ak Ujah (Assistant). Traceability Standard Operating Procedures on Traceability was available with Document ref no.: KADSB-03-TM04REV0, date updated on 10th January 2019. Based on cross check with document FFB harvested all documents was record in Traceability system inspection sheet. Sample verified on Weighbridge advice ticket no.: 336570, dated.: 22nd May 2019 with weight of FFB 5360 kg. The management had taken necessary action to make sure the traceability system in place such as conduct traceability system inspection. Appointment letter for traceability officer was available in Document Ref: KADSB-01-TM04REV0, Sign by Mdm Adeline Lau (Director) dated 10th December 2019. Name Mr. Awang Idris Awang Ahmad (In-Charge) and assist by Mr Wellington Untan ak Francis Saga. Appointment letter for traceability officer was available in Document Ref: KADSB-01-TM04REV0, Sign by Mdm Adeline Lau (Director) dated 10th December 2019. Name Mr. Awang Idris Awang Ahmad (In-Charge) and assist by Mr Wellington Untan ak Francis Saga. All the inspection records were recorded in Traceability System Inspection.
Comment on Principle 3	Regulatory requirements The company personnel are generally quite knowledgeable on the applicable laws and regulations pertaining to oil palm plantation development and operations. Compliance with relevant government agencies list as below: **Akta Lembaga Minyak Sawit Malaysia 1998**. MPOB Licence: 552398002000, licence activity: Menjual dan Mengalih FFB#, address Lot 559, Block 0, Kabang Land District, Sibu, Sarawak.(13/03/2019 – 31/08/2019). **Natural Resources Environmental Board (NREB)** EIA Approval number: Ref.: (10) NREB/ 6-4/1249, approved on 3rd March 2004, which sign by both parties Project Proponent and EIA Consultant of the Project and Witness by Controller of NREB (Chong Ted Tsiung).

	The Businesses, Professions and Trading Licensing Ordinance, With licence No.:A 659467 validity 30.07.2018 till 20.08.2019 All the laws and regulations relevant to oil palm plantation are listed in Legal Requirement File C01. The update of list of laws was done monthly basis. The latest updated of laws on National Wages Consultative Council Act 2011 (Act 732) Minimum Wage Order (Amendment) 2018. The record was keep in soft and hardcopy. Land Use Rights It was observed the KTS Agriculture Development Sdn. Bhd. , was operation on Lot 559, Kabang Land District. Detail of the said land as below: TRN: 03-LCLS-006-000-00559 Land Description: Lot 559 Kabang Land District Area: 6,233 ha Locality Kabang, Sibu Map Sheet Number: K9-12-1(4.3) Classification of Land: Mixed Zone Land Term: 60 Years Date Reg.: 19/10/2005 It can verified in Environmental Impact Assessment (EIA) report, where development of Oil Palm Plantation obtain EIA approval from NREB Sarawak. EIA Approval number: Ref.: (10) NREB/ 6-4/1249, approved on 3rd March 2004, which sign by both parties Project Proponent and EIA Consultant of the Project and Witness by Controller of NREB (Chong Ted Tsiung). Customary Rights No customary rights claim on the said company's land.
Comment on Principle 4	Social Impact Assessment (SIA) It was observed the Social Impact Assessment (SIA) report was available during the document assessment. With title KTS Agriculture Development Sdn. Bhd. . May 2019. The SIA report was carried out by the estate management itself to comply with the principle 4 (Social responsibility, health, safety and health employment condition) to the Malaysian Sustainable Palm Oil (MSPO). Wherein, SIA is defined as the process of analyzing, monitoring and managing the intended unintended social consequences, both positive and negative of planned interventions and any social change process invoked by the interventions mentioned above. Social impacts from the project development were identified and actions plans are implemented to mitigate the negative impacts and to promote the positive. The management communicate with relevant stakeholders by conduct stakeholders meeting on 27th March 2019, attended by 27 participants from several agencies such as: Badan Berkanun a. Natural Resources Environmental Board (NREB)

	Jabatan Kerajaan b. SK Bahagia Jaya Teku Sibu Syarikat Swasta c. BLD Igan Palm Oil Mill **<u>27th March 2019.</u>** Attend by External (27 attendees). All of the stakeholders have invitation letter from the estate management. As an evidence, some of the stakeholders list name as below: iv. Pengurus Central Store, KTS Trading Sendirian Berhad, Sibu, Mr Lau Sion Beng, letter dated 27th Mac 2019. v. Pengurus KTS Timber Management Sdn Bhd, Sibu, letter dated 27th Mac 2019. vi. Pengurus BLD Kabang 1, Sibu, dated 11th Mac 2019 Facilitator: Mr Wan Zen Wan Saleh All the document can be verified in Stakeholders File B01. <u>Complaints and grievances</u> The Grievance and Complaint form was made available at the front of estate office. SOP for complaints and grievances procedure was made available in the estate, Standard Operating Procedure F01 File. With Document ref.: KADSB-03-SR02REV0. Date updated 3rd December 2018. Based on interview with 1) Patrica Ita Anak Meringai (Office Girl), 2) Suriani (TKI work as Checker), 3) Mr Awang Idris Bin Awang Ahmad (Estate Manager), 4) Beatrice Anak Mut (Admin Clerk) All of them aware regarding the procedure of complaints and grievances. Records of complaints form was sighted in Complaint & Grievance D01 File. It was sighted 4 complaints was made by the complainer for this year 2019. All the issues raised by the complainer was closed within the time. <u>Commitment to contribute to local sustainable development</u> Based on interview with Mr Wan Zen bin Wan Saleh (person incharge) for social liaison officer, there was no record was made for contribute of hamper to the locals and school nearby. Currently the estate management do road maintenance for Rh Randi (Photo was sighted for verification). <u>Employees safety and health</u> Safety policy (Occupational Safety & Health) was available in the estate office and display, which is sign by Dato Henry Lau Lee Kong (Director), dated 18th July 2013. Safety and health policy was documented, communicated via display at the notice board and implemented at this estate. Policy was provided in English and Bahasa Melayu languages. It was observed the safety policy was display at the site office, workshop, labour quarters and chemical

	store. The occupational safety and health were cover the following: a) Safety policy (Occupational Safety & Health) was available in the estate office and display, which is sign by Dato Henry Lau Lee Kong (Director), dated 18th July 2013. Safety and health policy was documented, communicated via display at the notice board and implemented at this estate. Policy was provided in English and Bahasa Melayu languages. It was observed the safety policy was display at the site office, workshop, labour quarters and chemical store. b) It was sighted, HIRARC was made available in the estate management. The current review was done 2nd January 2019 and next review will be done on 2nd January 2020. c) Annual training programme on safety and health training program 2019 was made available. Based on the training record, it was observed the Safety Operation was conduct in the estate which focus with workers operation. The training list as below: **Safety and health plan** It was observed the management have provide training plan for year 2019. Which consist of: 1. Occupational Safety & Health Awareness 2. Chemical Awareness 3. Emergency Response Awareness The target group for the training plan for all workers, all staffs and workers involve in chemical (Field & Non- Field). It was sighted, training record regarding safety and health issue as below: 1. Training on "Aturcara yang betul semasa mengendalikan Jentera Berat", Venue at KAD estate dated on 21st May 2019, department "*Pemandu Jentera Perladangan". With objective: "Mempastikan pekerja memahami cara yang betul mengendalikan mesin mesin berat*". Competency of heavy machinery can be verified in Competency Register D14 File. Two samples was sighted name Sappara Bin Sibo (Backhoe) with certificate number D2019-02 (KDI 1085) and Maskur Abd Rahim (Farm Tractor) with certificate number D2018-07 (KDI 0873) d) Appropriate Personal Protective Equipment (PPE). PPE issuance and replacement record, it was observed the Management had issuance of Personnel Protective Equipment (PPE) to the workers, it can be verified in File D07 Personnel Protective Equipment (PPE). Based on the record, it was sighted harvester (Muhammad Sabir, Sansir Lalo and Andi Budiman) was acknowledge received of PPE such as safety helmet and shoes.

	e) The management had established SOP for handling of chemicals to ensure proper and safe handling of chemicals to ensure proper 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. With document no.: KADSB-03-SH06REV0 dated 3rd December 2018. It can be verified in File SOP F01. f) The management had appointed responsible person (s) for workers safety and health. As evidence, it can be verified in Safety and Health Committee D04. Evidence sighted, appointed Mr Awang Idris Awang Ahmad (Estate Manager) as Chairman dated on 17th November 2016 and Mr. Augustine Suden Peter Tohey as OSH committee dated on 2nd January 2018. g) It was sighted latest OSH Committee meeting for year 2019 was conducted on 26.07.2019 for (Bil: 3/2019). Venue of meeting: Meeting Room KAD Estate, time 3.00 pm. In the agenda meeting, it discusses on a. *Perbincangan Keselamatan & Kesihatan Pekerjaan (Mesyuarat Lepas 26th April 2019)* b. *Perbincangan Keselamatan & Pekerjaan Sesi – 2019 & isu terkini* c. *Program Latihan keselamtan dan kesihtan di tempat kerja* d. *Program-program yang dirancangkan untuk tempoh tiga bulan seterusnya.* e. *Pemeriksaan tempat kerja.* It can be verified in file D04 Safety and Health Committee. Minutes of meeting prepared by Wellington Untan ak Francis Saga and verified by Mr Awang Idris Awang Ahmad. h) Accident and emergency procedure was available in the estate record with title Accident Investigation & Reporting, Document ref.: KADSB-03-SHO5REV0. Last update on 3rd December 2018. Currently no accident occur. i) First aider was made available at all field operation. List of First aider list as below: a. Harry Joe Anak Arthur Danson, Expiry date: 7th December 2020, certificate number: SN: FA16821/17/25371 b. Affindy Gerang Ak Unjie, Expiry date: 7th December 2020, certificate number: SN: FA16831/17/25363 The certificate was issue by CERT ACADEMY. j) Records all of accident will kept in File D11, Accident Reporting (JKKP6, JKKP7 and JKKP8). Currently no accident occurs. Major 1 (4.4.4.2) Implementation of safety and health aspects was found lacking. During site visit the following were sighted:

	1. Used tyres were not handled properly at Block A1010 and near workshop as evident by water being collected which became mosquitoes breeding ground. 2. Evidence of wood burning was sighted at Block A1010 near the guard house and a "buffer zone and prohibitions" signage. 3. Petrol kept in used chemical containers were not properly stored at labour quarter. 4. A conventional knapsack sprayer was not handled properly at labour quarter Employment Conditions The management had established policy on good social practices regarding human rights in respect of industrial harmony. It was incorporated in MSPO Policy. The policy was signed by the top management (Mr Ting Jack Hui), she is Director of the company, dated 2nd January 2019 and communicated to the employees by display at the site office, line site and workshop area. It was observed the equal opportunity statement by the top management was include in the MSPO policy. Welfare Women Committee was form to ensure welfare of women in the estates take care and handle in equal. Major 2 (4.4.5.2) Equal opportunity and treatment regardless of sex was not adhered to. It was observed that, there was no female representative trained as first aider. Training and Competency It was observed the management have provide training plan for year 2019. Which consist of: i. Lifesaving equipment inspection 9Fire Extinguisher, First Aid Box) - Document sighted for Monthly Fire Inspection Checklist, Month of April 2019, 2, inspect by Mr Osman Kasuari and confirmed by Mr Stephen Lee 9Senior Plantation Manager). It can be verified in File Lifesaving equipment D06. ii. Workplace Inspection - Document sighted Workplace Inspection Report, Section: Store, Chemical Store, Fertilizer, Diesel, Skid Tank, General store and Water Treatment Plant. Dated on 19th & 20th February 2019. iii. Safety and Health Committee Meeting Safety and Health Meeting was conducted on 23.03.2019, venue Bilik Mesyuarat Estate 1, Time 3.00 pm – 4.30 pm. iv. Health Surveillance Program v. Emergency Drill (fire and Chemical Spill) vi. First Aid Training
Comment on Principle 5	Environmental Management Plan Environmental policy was sighted and display at the site office, workers camp and estate facilities, which commit by Director, Mr Ting Jack Hui, sign 2nd January 2019. In the environment • Meeting applicable environmental rules and regulations in the palm oil industry through proper management practices. • Preventing pollution by striving to minimize waste generations and resource consumptions. • Monitoring and managing environmental components of our daily

	operations in accordance to environmental rules and regulations of relevant governing body. • Maintain the culture of caring for environment within the workforce. • Conduct biodiversity assessment with continuous monitoring at conservation area to protect wildlife, flora and fauna. It was observed Oil Palm Plantation Within Belaga Tree Plantation in Bintulu/ Kapit Division, Sarawak.. The estate obtain Environmental Impact Assessment (EIA) approval from Natural Resources Environmental Board (NREB) dated 7th October 1999 with ref.no.: (1)NREB/6-4/148 which sign by Controller of Environmental Quality Mr James Dawos Mamit. In line with that, the monitoring was conducted to monitor plantation activities on site by provide analyses on pesticides/ weedicides every 6 months in the Environmental Monitoring Report (EMR). The latest report was made available on 17th January 2019 (1st quarter 2018). Based on the report the estate was comply with mitigating measures required by EIA Approval. It was observed the Training plan for year 2019 related with environment available. The training involved a briefing on no manuring and weeding activities within buffer zone area, dated 14.01.2019, time: 5.30 am, venue Muster Ground E1, attended by 20 attendees <u>Efficiency of energy use and use of renewable energy</u> Record and usage of Non-renewable Energy (Diesel Consumption). As we can see at the table below, the consumption of diesel waste increased from 2017 to 2018 due to increasing of operation in the estate. <table><tr><td></td><td>2017</td><td>2018</td><td>2019</td></tr><tr><td></td><td colspan="3">Litre</td></tr><tr><td>Actual usage</td><td>947,922</td><td>1011,677</td><td>309,997</td></tr><tr><td>Estimated Budget</td><td>1,152,000</td><td>1,152,000</td><td>1,152,000</td></tr></table>*latest asApril* <u>Usage of Diesel VS FFB 2018</u> Lowest FFB 3,742.02 mt, diesel 94,973 L Highest FFB 7,032.73 mt, diesel 71,948 L The electricity for estates was supply from genset. <u>Waste Management and Disposal</u> Based on interview with Plantation Manage, Mr Jeli anak Jadam. He managed to identify the sources of pollution in the estate. List of the sources of pollution list as below: a. Unloading FFB at Ramp b. Transport, (FFB, road maintenance) c. Unloading FFB at Mill d. Genset e. Creche f. Genset g. Workshop h. Water Treatment Plant

	i. Chemical Store j. Fertilizer store k. Lubricant Oil Store l. Scheduled waste store m. Canteen n. Clinic o. Diesel Tank p. Culvert Factory q. Dumping Site r. Harvesting/ Pruning s. Spraying t. Manuring u. Building Upkeep v. Labour line It was sighted the waste management plan to avoid or reduce pollution was developed and implemented. For example: Transport (FFB, Road maintenance), dust from moving vehicle near housing and office area. The action taken by estate management The estate management put the speed limit signage and speed bump to avoid vehicle reduce the speed. It was observed record disposing for empty containers was made available in estate management records. It was stored at estate store. All of empty containers was do triple rinse before it sent to recycle center. <u>Reduction of pollution and emission</u> It was observed the assessment of all polluting activities was available in continuous improvement on pollution prevention and environment plan. The management had taken necessary action to identify pollutant. It can be referring in Environmental Aspect and Impact Assessment (EAIA) Register. Recommended action list as follow: a. Handling of chemical by provide secondary containment and emergency spill kit b. Storage of lubricant by provide secondary containment and emergency spill kit. c. Storage of diesel by provide secondary containment and bund wall. d. Fertilizers application by no fertilizers application at the buffer and riparian zone. e. Chemical spraying by no chemical spraying at the buffer & riparian zone. It was observed the estates was commit to zero open burning. <u>Natural water resources</u> It was observed there was water management plan was available in the estate. The document title KTS Agriculture Development Sdn. Bhd. , Water Management Plan (2019). Currently Environmental Monitoring Report for estate was available. It was observed Oil Palm Plantation Within Belaga Tree Plantation in Bintulu/ Kapit Division, Sarawak.. The estate obtain Environmental Impact Assessment (EIA) approval from Natural Resources Environmental Board (NREB) dated 7th October 1999 with ref.no.: (1)NREB/6-4/148 which sign by Controller of Environmental Quality Mr James Dawos Mamit.

	In line with that, the monitoring was conducted to monitor plantation activities on site by provide analyses on pesticides/ weedicides every 6 months in the Environmental Monitoring Report (EMR). The latest report was made available on 17th January 2019 (1st quarter 2018). Based on the report the estate was comply with mitigating measures required by EIA Approval. Based on the Environmental Monitoring Report (EMR) it was observed there was 2 water samples was collect to monitor the water quality. Based on the Environmental Monitoring Report (EMR) 1st Q 2019. It can be conclude that the In-situ and laboratory test results for the surface/ river water indicate that all of the parameter sampled and analysed conformed to the Class IIB of the National Water Quality Standards for Malaysia except for BOD_5, COD and TFC for both water samples. Major 3 (4.5.5.1) Ways to optimize water usage to reduce wastage was not properly implemented. It was observed water leakage was seen dripping from a water pipe at the labour quarters <u>Status of rare, threatened, or endangered species and high biodiversity value area.</u> It was observed the biodiversity report was made available. Information sighted as follows: a) Identification of biodiversity such as flora and fauna. Example of biodiversity sighted as follows: <u>Flora</u> Ferns <u>Fauna</u> Bird such as *burung pipit, but but and Kruak, Kuching Hutan, monyet and hornbill.* b) Conservation status, there was no area was fall under IUCN status. Only area that left undisturbed and along the river as riparian area. <u>Zero Burning Practices</u> It was observed the estate was practice zero burning policy in the estate. The SOP for planting and replanting was available and practice on site
Comment on Principle 6	<u>Site Management</u> Standard Operating Procedures on management practices approved Manual Doc Ref KADSB-01-TM01REV0 dated 10/01/2019: Procedure: Accident Investigation & Reporting Doc Ref: KADSB-03-SH04Rev0 dated 10/03/2019. Energy Management Doc Ref: KADSB-03-EN02Rev0 dated 10/03/2019. Waste Management Doc Ref: KADSB-03-EN05Rev0 dated 10/03/2019. Employment Doc Ref: KADSB-03-HR01Rev0 dated 10/03/2019. Complaints & Grievances Doc Ref: KADSB-03-SR02Rev0 dated 10/03/2019. Internal Audit Doc Ref: KADSB-03-TM01Rev0 dated 10/01/2019.

	Work Instruction: Harvesting Activities Doc Ref KADSB-04-SH16REV0 dated 10/03/2018; Manuring Activities Doc Ref KADSB-04-SH17REV0 dated 10/03/2018; Economic and Financial Viability Plan Business or management plan which includes operational plan for at least 2 years projection to be made available to Auditor in the Stage 2 audit. Profit and Loss Estimates to be made available during Stage 2 Audit. Budget / 2018 / 2019 Ha / 6,233.00 / 6,233.00 MT / 51,063.42 / 57,722.55 MT/Ha / 8.19 / 9.26 Transparent and fair price dealing A monthly estate account is prepared for plantations according to Financial Controller made available for us to view. All contractors are provided with contracts: i) Kunci Raya Sdn. Bhd. (Contract No. 5688) for Transport of Stones from Telabit Quarry to GM 1 Estate. ii) Asiantec Water Sdn. Bhd. (Contract No,: 5726) for Repair and upgrade of existing water treatment plant. Contractor All contracts are mutually agreed to and signed by the contractors with clear terms and conditions stated in the Contract Agreement, for example with: i) Kunci Raya Sdn. Bhd. (Contract No. 5688) for Transport of Stones from Telabit Quarry to GM 1 Estate. ii) Asiantec Water Sdn. Bhd. (Contract No,: 5726) for Repair and upgrade of existing water treatment plant. Training of contractors for awareness and compliance to MSPO have been carried out: i) Kunci Raya Sdn. Bhd. (Contract No. 5688) represented by Mr. Wong Park Tat on 02/10/2018. ii) Asiantec Water Sdn. Bhd. (Contract No,: 5726) represented by Mr. Lee Ling Wei on the 26th September, 2018.

7. Nonconformities

Corrective Action Request and Observation
MS2530-3 Part 3: General Principles for Oil Palm Plantations and Organised Smallholders

<table>
<tr><td>Non-Conformity</td><td colspan="2">N°1 of 3</td><td colspan="2">Major 1</td><td colspan="2"></td></tr>
<tr><td></td><td>Date Recorded></td><td>15th August 2019</td><td>Due Date></td><td>15th November 2019</td><td>Date Closed></td><td>11th Sept 2019</td></tr>
<tr><td>Department / Function:</td><td colspan="2">Administrative</td><td colspan="2">Standard Ref.:
Indicator</td><td colspan="2">MSPO 2350-Part 3
4.4.4.2</td></tr>
<tr><td>Document Ref.:</td><td colspan="2">Criteria 4: Employees safety and health</td><td colspan="2">Issue / Rev. Status:</td><td colspan="2">Closed</td></tr>
<tr><td>Details of Nonconformity:</td><td colspan="6">Implementation of safety and health aspects was found lacking</td></tr>
<tr><td>Objective Evidence:</td><td colspan="6">During site visit the following were sighted:

1. Used tyres were not handled properly at Block A1010 and near workshop as evident by water being collected which became mosquitoes breeding ground.
2. Evidence of wood burning was sighted at Block A1010 near the guard house and a “buffer zone and prohibitions” signage.
3. Petrol kept in used chemical containers were not properly stored at labour quarter.
4. A conventional knapsack sprayer was not handled properly at labour quarter.</td></tr>
<tr><td>Close-out evidence:</td><td colspan="6">1. Rectification has been done on 16/08/2019.
i. The tyre has been relocated to Estate 1 as Boundary Marker (P23) at block B0311. (Refer to Appendix 1)
ii. The used tyres recycled for beautification near workshop area has been filled with sand to avoid the waterlog prior to mosquito breading site. (Refer to appendix 1)
2. Wood burning ashes has been cleared.
i) Burned ashes has been removed and filled with sand. (Refer to Appendix 2a)
ii) Awareness on prohibition near buffer zone has been re-briefed to the workers to further enhance their awareness on the environmental issue. (Refer to Appendix 2b)
iii) Issuance of non-conformity notice on environmental awareness issue to relevant stakeholder. (Refer to appendix 2c)
3.& 4. Store has been built near labour quarter to store their personnel tools such as petrol kept in used chemical containers and knapsack spray pump. (Refer to Appendix 3)</td></tr>
</table>

Non-Conformity	N°2 of 3		Major 2			
	Date Recorded>	15th August 2019	**Due Date>**	15th November 2019	**Date Closed>**	11th Sept 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.4.5.2	
Document Ref.:	Criteria 5: Employment Conditions		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Equal opportunity and treatment regardless of sex was not adhered to.					
Objective Evidence:	It was observed that, there was no female representative trained as first aider.					
Close-out evidence:	i. The First Aid training and briefing has been done to female staffs on 16/08/2018 as planned in training program. (Refer to Appendix 4) ii. Selection of best female for outside advance training for CPR.					

Non-Conformity	N°3 of 3		Major 3			
	Date Recorded>	15th August 2019	**Due Date>**	15th November 2019	**Date Closed>**	11th Sept 2019
Department / Function:	Administrative		Standard Ref.: Indicator		MSPO 2350-Part 3 4.5.5.1	
Document Ref.:	Criteria 5: Natural water resources		Issue / Rev. Status:		Closed	
Details of Nonconformity:	Ways to optimize water usage to reduce wastage was not properly implemented.					
Objective Evidence:	It was observed water leakage was seen dripping from a water pipe at the labour quarters.					
Close-out evidence:	i. Maintenance team has completed the removal of the improper connection and repairing of water piping system at labour quarters by 17/08/2019. (Refer to Appendix 5) ii. Awareness briefing has been conducted to all workers on the improper connection of water piping system and electircity at labour quarters which need the approval from mangement.					

Appendix 1: Tyres were not handled properly	
Before: at (i) Block A1010 and	After: The tyre was relocated to Estate 1 as Boundary Marker (P23) at block B0311
i. 	i.  
Before: at (ii) near workshop as evident by water being collected which became mosquitoes breeding ground.	After: The used tyres recycled for beautification near workshop area has been filled with sand to avoid the waterlog prior to mosquito breading site.
ii.  	ii.  

Appendix 2a: wood burning at Block A 1010	
Before: wood burning at Block A 1010	After: Burned ash was removed and filled with sand.
	

Appendix 2b: Awareness re-briefing on buffer zone prohibition to workers.

Briefing to workers during morning roll-call

KTS AGRICULTURE DEVELOPMENT SDN. BHD. (58299-M)

TAJUK	Taklimat kesedaran alam sekitar.
LADANG	KDD ladang 1 dan ladang 2
TARIKH	20-08-2019
BAHAGIAN	Semua pekerja.
OBJEKTIF	Taklimat kesedaran tentang kawasan larangan penampan (Buffer Zone) kepada pekerja.

1. Larangan pembakaran terbuka di kawasan larangan penampan (Buffer Zone) kepada semua pekerja.
2. Larangan pembuangan sampah di kawasan penampan (buffer zone) kepada semua pekerja.
3. Kesedaran kepentingan menjaga alam sekitar kepada semua pekerja.
4. Pemberitahuan tentang denda sekiranya masih berlaku pembakaran terbuka dan pembuangan sampah di kawasan larangan penampan (buffer zone) kepada semua pekerja.
5. Menjaga tatasusila semasa berkerja di kawasan larangan penampan (buffer zone) kepada semua pekerja.

PEGAWAI BERTUGAS

NAMA: Boyingtine Howell

TARIKH: 20·08·2019

PENGURUS LADANG

NAMA: Awang Idris Ahmad

TARIKH : 20·08·2019

KTS AGRICULTURE DEVELOPMENT SDN. BHD. (58299-M)

SENARAI KEHADIRAN

TAJUK: Taklimat Kesedaran Alam Sekitar.

TARIKH: 20·08·2019

NO.	NAMA	ID PEKERJA	PEKERJAAN	EST/DIV	TANDATANGAN
1.	RISWAN LAYU	KDI 1217	HARVESTER	E1	
2.	AKBAR	KDI 1219	HARVESTER	E1	
3.	AGUS GASING	KDI 1225	HARVESTER	E1	
4.	MAMMING	KDI 1226	HARVESTER	E1	
5.	JUSRI	KDI 1229	HARVESTER	E1	
6.	SATTU	KDI 1210	HARVESTER	E1	
7.	HARIS BIN HAJA	KDI 1232	HARVESTER	E1	
8.	RITAL	KDI 1234	HARVESTER	E1	
9.	SYAHRUL HARUM	KDI 1235	HARVESTER	E1	
10.	SAHARUDDDIN BALLE	KDI 1249	HARVESTER	E1	
11.	ASO LIBI	KDI 1214	PRUNNER	E1	
12.	SUPRIADI	KDI 1215	PRUNNER	E1	
13.	ANITA	KDI 1216	PRUNNER	E1	
14.	SIDA AMIRUDDIN	KDI 1223	PRUNNER	E1	
15.	HASPAR BIN KAMARODDIN	KDI 1233	PRUNNER	E1	
16.	SALMA BINTI SODDING	KDI 1236	PRUNNER	E1	
17.	MUHAMMAD AMIN	KDI 1246	PRUNNER	E1	
18.	RATNASARI	KDI 1220	LOOSE FRUIT COLLECTOR	E1	
19.	SUNARTI	KDI 1231	LOOSE FRUIT COLLECTOR	E1	
20.	HASRIANI	KDI 1237	LOOSE FRUIT COLLECTOR	E1	
21.	NURJAYA	KDI 1250	LOOSE FRUIT COLLECTOR	E1	

Appendix 2c After: Notification to relevant stakeholder regarding the environment awareness related issues.

KTS AGRICULTURE DEVELOPMENT SDN BHD. (58299-M)

To : Mr Ngu Kuong Hui , Camp Manager Teleng Trading Sdn Bhd.

From : Mr Augustine Suden

Date : 19/8/2019

Subject : MSPO External Audit Finding.

The above matter refers:

As per MSPO external audit visit dated on the 15/8/2019, the findings are as per photograph attached. This used tyre was being found near to your watchman hut and the burning was also found nearby your watchman hut, so with this, as per MSPO requirement and also for the environment we are not allowed to throw used tyres anywhere unless we recycle them and on the burning we also are not allowed to burn.

Anyway this finding has been rectified by the estate personnel, so we look forward for your full cooperation in making KAD as a whole and the environment clean and free from pollution.

Your kind and full cooperation on this matter is highly appreciated.

Thank You.

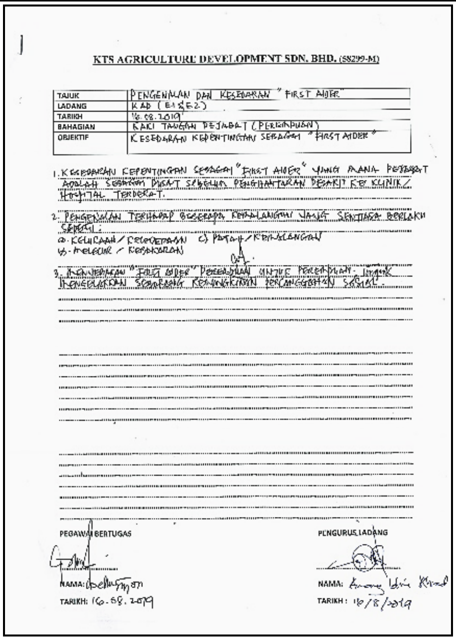
Regards,

(Augustine Suden)

Appendix 3: Petrol kept in used chemical containers & conventional knapsack spray pump has been relocated.	
Before: 3) Petrol kept in used chemical containers were not properly stored at labour quarter.	After: (3a) Housing keeping has been done.

	
Before: 4) A conventional knapsack sprayer was not handled properly at labour quarter.	After: (4a) Housing keeping has been done.
	
After: 3 & 4 (b) Store has been built for workers near labour quarter for their personnel’s tools & petrol storage purpose.	
	

Appendix 4: The First Aid training and briefing has been done to female staffs.
Before: It was observed that, there was no female representative trained as first aider.
After: The First Aid training and briefing has been done to female staffs.
i.



KTS AGRICULTURE DEVELOPMENT SDN. BHD. (58299-M)

TAJUK	PENGENALAN DAN KESEDARAN "FIRST AIDER"
LADANG	KAD (E1 & E2)
TARIKH	16.08.2019
BAHAGIAN	KAKI TANGAN PEJABAT (PEREMPUAN)
OBJEKTIF	KESEDARAN KEPENTINGAN SEBAGAI "FIRST AIDER"

PEGAWAI BERTUGAS

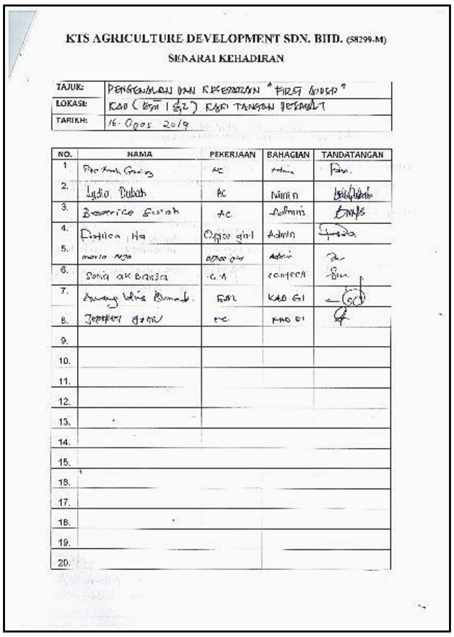
NAMA:

TARIKH: 16.08.2019

PENGURUS LADANG

NAMA:

TARIKH: 16/8/2019



KTS AGRICULTURE DEVELOPMENT SDN. BHD. (58299-M)

SENARAI KEHADIRAN

TAJUK:	PENGENALAN DAN KESEDARAN "FIRST AIDER"
LOKASI:	KAD (E1 & E2) KAKI TANGAN PEJABAT
TARIKH:	16 Ogos 2019

NO.	NAMA	PEKERJAAN	BAHAGIAN	TANDATANGAN
1		AC	Admin	
2.	Lydia Dubah	AC	Admin	
3.	Beatrice	AC	Admin	
4.		Office girl	Admin	
5.		Office girl	Admin	
6.	Sonia ak Bansa	C.A		
7.			KAD E1	
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				

Training Program

	Type of Training	Aug	Sep	Oct	Nov	Dec
A	*Internal Training*					
1	Introduction of First Aid					
2	Soft Tissue Injuries (Bleeding)					
3	Burn & Scalds					
4	Chocking & Shock					
5	Bone Faction & Spiral Injuries					
B	*External Training*					
1	CPR					

Appendix 5: It was observed water leakage was seen dripping from a water pipe at the labour quarters.	
Before: Water leakage was seen dripping from a water pipe at the labour quarters.	After: Removal of the improper connection and repairing of water piping system at labour quarters.

After: Awareness briefing has been conducted to all workers on the improper connection of water piping system and electircity at labour quarters which need the approval from mangement.

Briefing to workers during morning roll-call

KTS AGRICULTURE DEVELOPMENT SDN. BHD. (58299-M)

TAJUK	Taklimat kesedaran penggunaan sumber air dan elektrik.
LADANG	KAD Ladang 1 dan ladang 2
TARIKH	20-08-2019
BAHAGIAN	Semua pekerja
OBJEKTIF	Taklimat kesedaran pemasangan paip air dan penyambungan wayar elektrik tanpa kebenaran pengurusan ladang pekerja.

1. Kesedaran tentang penjimatan penggunaan bekalan air dan penggunaan elektrik kepada semua pekerja.

3. Pemberitahuan kepada semua pekerja ~~hendaknya~~, hendaklah memberitahu kepada pihak pengurusan ladang sekiranya berlaku kebocoran paip air.

2. Larangan penyambungan wayar elektrik dan pemasangan paip air sesuka hati tanpa kebenaran daripada pihak pengurusan ladang.

4. Pemberitahuan tentang denda sekiranya masih berlaku pembaziran bekalan air dan elektrik kepada semua pekerja.

5. Pemberitahuan ~~tenta~~ tentang penyambungan wayar elektrik secara haram boleh menyebabkan berlakunya kebakaran litar pintas electrik kepada semua pekerja.

PEGAWAI BERTUGAS

NAMA: Boyingtine Howell

TARIKH: 20-08-2019

PENGURUS LADANG

NAMA: Kuang Idris Khmad

TARIKH: 20-08-2019

KTS AGRICULTURE DEVELOPMENT SDN. BHD. (58299-M)

SENARAI KEHADIRAN

TAJUK: Taklimat Kesedaran Penggunaan Sumber Air dan Elektrik.

TARIKH: 20-08-2019

NO.	NAMA	ID PEKERJA	PEKERJAAN	EST/DIV	TANDATANGAN
1.	FIRMAN BIN MANGNGA	KDI 1230	HARVESTER	E2	
2.	JUNAIDIN	KDI 1239	HARVESTER	E2	
3.	KURNIATI	KDI 1245	LOOSE FRUIT COLLECTOR	E2	
4.	RISNA	KDI 1247	LOOSE FRUIT COLLECTOR	E2	
5.	HASMAH TUO	KDI 1248	LOOSE FRUIT COLLECTOR	E2	
6.	NURAMINA BT ALI SALASSA	KDI 1252	LOOSE FRUIT COLLECTOR	E2	
7.	SAMPARA	KDI 1251	MANURER	E2	
8.	HASMA SARIPO	KDI 1227	MANURER	E2	
9	AGUS MULYADIN	KDI 1241	SPRAYER	E2	
10.	IKBAL SYAMSUDDIN	KDI 1213	DRIVER TRACTOR	E2	
11.	NURWAHIDAH	KDI 1212	CHECKER	E2	
12.	BAKRI DOLE	KDI 1224	PRUNNER	E2	
13.	NUR KHAYRATI	KDI 1244	P&D WORKER	E2	

1. General Observations & Opportunities for Improvement

Positive Observations:

- The support from KTS Agriculture Development Sdn. Bhd. personnel, especially the ground staff contribute to the smoothness and successful of the audit process.
- The spirit of unity and enthusiasm of the personnel towards achieving MSPO certification is impressive.
- The unit has dedicated staffs who are assets to the company. Their cooperative, knowledgeable and hospitability are commendable
- Organised documentation & highly commitment towards certification

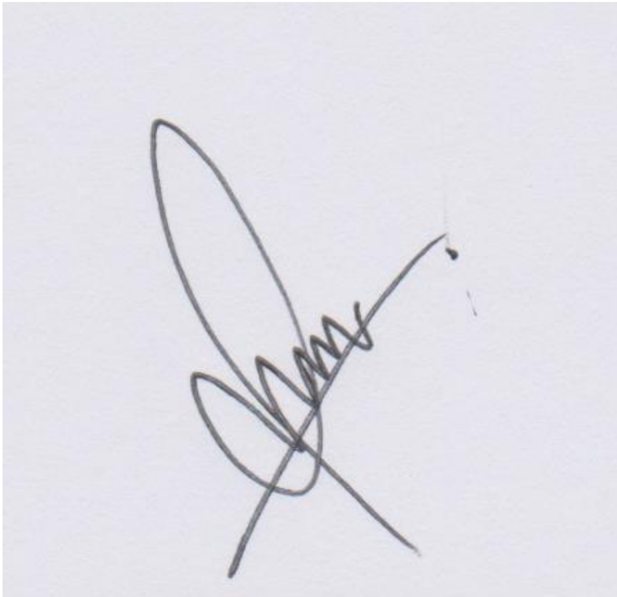
Important Observations and Opportunities for Improvements:

- The root causes of nonconformities should be clearly identified and tackle in appropriate method.
- The management should appoint suitable person to implement and maintain the traceability system to ensure all document recorded.
- Action taken on complaints and grievance by stakeholders should be highlight and discuss.
- Safety and health practices should be fully implemented.
- All waste products and sources of pollution are been identified and documented accordingly.

Appendix 1: List of Stakeholders Interviewed

Stakeholder	Issue Raised	Remarks
BLD Palm Oil Mill External Mill Manager	No issue raised	No Issue raised
Natural Resources Environmental Board External Environmental Officer	No issue raised	No Issue raised
Kunci Raya Sdn. Bhd External Transporter Owner Mr Hii Ka Hock 017 851 8339	No issue raised	No issue raised
WWF Interview via phone call WWF-Malaysia (Sarawak Office) Tel: 082-247420/ 257420 Interview via phone (time call: 1st Call: 2.15pm)	No issue raised	No issue raised
Worker A	No issue raised	No issue raised

Internal Harvesting		

Signed on behalf of **KTS Agriculture Development Sdn. Bhd.**	Signed on behalf of **SGS Malaysia Sdn Bhd**
	
Mr Awang Idris Awang Ahmad (Estate Manager)	Mr. Abdul Khalik Bin Arbi Lead Auditor