

EK91200001

25th September 2019

Dear Stakeholder,

Sir/Madam,

Invitation to Comment on RSPO Initial Certification Audit of Kretam Holdings Berhad, Syarikat Kretam Mill Sdn Bhd - Silimpopon Certification Unit

Kretam Holdings Berhad has commissioned SIRIM QAS International Sdn. Bhd. for the assessment and certification of its certification units against National Interpretation of RSPO Principles and Criteria for Sustainable Palm Oil Production.

RSPO was established in 2004 with the objective of promoting the production and use of sustainable palm oil. RSPO certification will enable oil palm growers and palm oil millers to claim that their product is produced sustainably. Among the requirements to market the claim are:

- Adoption appropriate plantation and milling best practices
- Compliance with legal requirements
- Environmental responsibility and conservation of natural resources and biodiversity
- Responsible consideration of employees and of individual and communities
- Continual improvement

In ensuring that the organization seeking certification meets the above requirements, SIRIM QAS International Sdn. Bhd. would like to invite interested parties to comment on the certification audit of Kretam Holdings Berhad, Syarikat Kretam Mill Sdn Bhd - Silimpopon Certification Unit.

The followings are information on Kretam Holdings Berhad, Syarikat Kretam Mill Sdn Bhd - Silimpopon Certification Unit. (Membership No.: 1-0189-15-000-00 / RSPO Member ID: RSPO_PO1000007945) and SIRIM QAS International Sdn. Bhd.:

Kretam Holdings Berhad (KHB) was incorporated on 4 February 1988 and listed on the Main Board of Bursa Malaysia Securities Berhad on 18 January 1989. KHB has been a member of the RSPO since 16 September 2015 and has mature plantations in Sandakan and Lahad Datu, Sabah. The principal activities of KHB Group are:

- a) Oil palm plantation
- b) Production and sale of:
 - i) Oil palm products
 - ii) Refined palm oil products
 - iii) Processed palm oil
 - iv) Fertilizers
- c) Investment holding

KHB group has 23,873 hectares of plantation land, 3 palm oil mills, a refinery and a fertilizer plant.



ISO/IEC 17021-1:2015 QS 02121999 CB 01
ISO/IEC 17021-1:2015 EMS 17122002 CB 02
ISO/IEC 17065:2012 PC 05102004 CB 01
ISO/IEC 17021-1:2015 OSH 06122005 CB 01
ISO/IEC 17021-1:2015 HACCP 05052008 CB 03
ISO/IEC 22003:2013 FSMS 23122008 CB 01
MS-ISO/IEC 17021:2011 FMC 10122009 CB 02
MS-ISO/IEC 27006:2011 ISMS 17022011 CB 01
ISO/IEC 17021-1:2015 ENMS 03012014 CB 01
ISO/IEC 17021-1:2015 MOQMS 30052015 CB 04
ISO/IEC 17021-1:2015 CMP 09102015 CB 04
ISO/IEC 17021-1:2015 MSPO 25072017 CB 05
ISO/IEC 17024:2012 PS 09032017 CB 03

MS ISO/IEC 17025
CALIBRATION /TESTING
SMM NO 085 SMM NO 086
SMM NO 087 SMM NO 219
SMM NO 735 SMM NO 240
SMM NO 734 SMM NO 377

MS ISO/IEC 17020
MIBAS NO. 003

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SIRIM QAS International Sdn. Bhd. is the oldest and leading certification, inspection and testing body in Malaysia. SIRIM QAS International Sdn. Bhd. provides a comprehensive range of certification, inspection and testing services which are carried out in accordance with internationally recognised standards. SIRIM QAS International Sdn. Bhd. has considerable experience in providing quality, environmental, and occupational health and safety management system certification services to the oil palm estates, palm oil mills and other downstream activities.

SIRIM QAS International Sdn. Bhd. plans to carry out the initial certification audit of Kretam Holdings Berhad, Syarikat Kretam Mill Sdn Bhd - Silimpon Certification Unit starting from 29 October 2019 until 31 October 2019. Standard of RSPO Principle & Criteria MYNI, 2014 and RSPO Supply Chain Standards 2014 (Revised June 2017) will be used for this audit. Kretam Holdings Berhad, Syarikat Kretam Mill Sdn Bhd - Silimpon Certification Unit is located at Tawau, Sabah, Malaysia. Details of the certification unit can be referred to **Attachment 1** as attached in Appendix.

SIRIM QAS International Sdn. Bhd. has appointed:

Audit Team	Role / Area of Requirement	Qualification and Experience
Dzulfiqar Azmi	Audit Team Leader / Partial Certification, Environmental and Occupational Safety & Health Issues	<ul style="list-style-type: none"> • B.Sc. (Hons) In Plantation Technology and Management • More than 6 years working experience related to Oil Palm Plantation • Successfully completed Lead Auditor Integrated Management Systems (IMS) ISO 9001, ISO 14001 & ISO 45001 • Successfully Completed RSPO Lead Assessor Course by David Ogg
Ismail Adnan	Auditor / HCV Issues & Social Issues	<ul style="list-style-type: none"> • Diploma in Forestry - Institut Teknologi MARA • B.Sc. (Hons) In Forestry – University of Washington U.S.A • 12 years' experience in Forest related areas as a Forest Management Officer since 1974 • Collected more than 65 man-days in auditing MC&I (2016) as forest auditor • Attended a training on RSPO P & C Lead Auditor Training Course in October 2016 • Successfully passed EMS 14001: 2004 Lead Auditor Course, November 2015.
Rozaimie Rahman	Ab Auditor / Good Agricultural Practices (GAP) Issues, Supply Chain Issues	<ul style="list-style-type: none"> • Diploma in Fisheries - University Putra Malaysia • B.Sc. Agriculture (Hons) - University Putra Malaysia • More than 5 years working experience related to Oil Palm Plantation • Successfully completed Lead Assessor training for RSPO • Successfully Completed RSPO SC Lead Assessor Course by David Ogg • Successfully completed accredited Lead Assessor training for EMS • Successfully completed accredited Lead Assessor training for OHSAS • Assistant manager with IOI Plantation Sdn Bhd (2012 - 2015), Yayasan Pahang Plantation Holdings Sdn Bhd (2015 - 2016)

In relation to the forthcoming audits, SIRIM QAS International Sdn. Bhd. welcomes stakeholders to comment on the following topics:

- Environmental protection
- Biodiversity conservation
- Opportunities for employment
- Provision of housing, sanitation, amenities and educational support
- Company approach to community development
- Participation in decision making
- Any other topic / matter or issue of relevance to the audit or about the company/estates/mills or auditors

Comments received prior to the audit will be considered. Please direct your comments to:

Kamini A/P Sooriamoorthy

Head of Food, Agriculture and Forestry
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or

Mohd Masran Bin Hamzah

Head of HR & Sustainability
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Fax : +6089 275777
Email : masran@kretam.com

We thank you for your comments and feedback.

Yours sincerely



(KAMINI A/P SOORIAMOORTHY)
Section Head,
Food, Agriculture & Forestry
Management System Certification Department
SIRIM QAS International Sdn. Bhd.

Attachment 1

APPENDIX

Details of Kretam Holdings Berhad, Syarikat Kretam Mill Sdn Bhd - Silimpopon Certification Unit.

PALM OIL MILL (POM) FOR THIS AUDIT						
Name of Palm Oil Mill	Mill Capacity	Location	GPS Reference		Forecasted Annual Output (MT)	
(POM)	(MT/hr)	Address	Longitude	Latitude	CPO	Palm Kernel
Syarikat Kretam Mill Sdn Bhd - Silimpopon Mill	45	P.O. Box 62333, 91033 Tawau, Sabah.	E 117°28' 38.2	N 4°19' 31.9	52,846.00	10,708.00
ASSOCIATED SUPPLY BASE OF FFB TO THE ABOVE POM TO BE INCLUDED IN THIS AUDIT						
Name of Estate/ Association	Location Address	GPS Reference		Area Summary (Ha)		Annual Estimation FFB (MT)
		Longitude	Latitude	Total	Mature	
Silimpopon 1 Estate	KM 128, Tawau Kalabakan Highway Mukim Sg. Silimpopon 91000 Tawau Sabah	E 117°27' 32.88	N 4°19' 44.76	3,934.82	2,884.90	63,000.00
Total				3,934.82	2,884.90	63,000.00