

From | Control Union (Malaysia) Sdn. Bhd.

B-3-1, Prima Klang Avenue, Jalan Kota KS/1,
41100 Klang, Selangor, Malaysia

Subject | Public announcement of initial assessment of PT. JABONTARA EKA KARSA KLK GROUP

Date | 17-2-2017

Dear Sir/Madam,

PT. JABONTARA EKA KARSA KLK GROUP, an Indonesia plantation company, has applied to Control Union Malaysia Sdn Bhd to carryout certification activities in accordance with the RSPO BOG ENDORSED INDONESIA NI (INANI 2016) and RSPO SCCS (21st November 2014) of its palm oil production.

The **initial audit** is planned to commence on 20 MARCH 2017 and will be completed on 24 MARCH 2017.

Applicant	PT. JABONTARA EKA KARSA KLK GROUP
Contact details	IR. David Saragi Sr. Manager Sustainability Jalan Marsma Iswahyudi RT. 08 Kel. Rinding Kec. Teluk Bayur, Kab. Berau, Kaltim 0811532389 david.s@klk.co.id
RSPO membership number	1-0014-04-000-00 http://www.rspo.org/members/13/kuala-lumpur-kepong-berhad
Brief information about Applicant	<p>Kuala Lumpur Kepong Berhad</p> <p>Kuala Lumpur Kepong Berhad (KLK) is a Malaysian multinational company involved in plantation, manufacturing, retailing and property development. Whilst plantation remains KLK's core business, the Group has expanded downstream into resource-based manufacturing, in particular oleochemicals, cocoa processing and rubber processing. Through Crabtree & Evelyn, a worldwide brand, the Group is involved in the manufacture and retail of personal care products, toiletries, home fragrances and fine foods. Capitalising on the strategic location of its land bank in Malaysia, KLK has also ventured into property development. KLK is amongst the top plantation companies in Malaysia, with a land bank in excess of 360,000 acres, located in Peninsular Malaysia (160,000 acres), Sabah (100,000 acres) and Indonesia (100,000 acres). Oil palm is the predominant crop with an annual production of 1.9 million tonnes of Fresh Fruit Bunches (FFB) and which is expected to increase rapidly in the years ahead as the vast new plantings in Sabah and Indonesia are progressively brought into harvesting. Processing of the crop is carried out in KLK's own mills and refineries into crude palm oil, RBD palm olein and stearin, and kernel oil and cake. The declining rubber area in Peninsular Malaysia, in favour of oil palm, has been made up to an extent by the new rubber area from KLK's plantations in Indonesia. This will enable KLK to maintain a steady yearly production of about 25,000 tonnes of premium SIR/SMR grades and latex concentrate, meeting with the ISO 9002 standards.</p>

Palm Oil Mill (POM) for this Assessment						
Name of Palm Oil Mill	Mill Capacity	Location	GPS reference		Forecasted Annual output (MT)	
(POM)	MT/Hr	Address	Longitude	Latitude	CPO	Palm Kernel
Jabon Palm Oil Mill	60	Kampung Batu Putih Kecamatan Batu Putih Kabupaten Berau, Kalimantan Timur, 77373, Indonesia	118°19'6.5" E	1°14'08.8" N	29,367	3,446

ASSOCIATED SUPPLY BASE OF FFB TO THE ABOVE POM TO BE INCLUDED IN THIS ASSESSMENT						
Name of estate / association	Location	GPS reference		Area Summary (Ha)		Annual Estimation FFB (MT)
	Address	Longitude	Latitude	Total	Mature	
Kebun Sungai Raya	Kampung Batu Putih Kecamatan Batu Putih Kabupaten Berau, Kalimantan Timur, 77373, Indonesia	118°20'55.7" E	1°15'06.9" N	8,521.00	4,536	74,082
Kebun Sungai Jantui	Kampung Batu Putih Kecamatan Batu Putih Kabupaten Berau, Kalimantan Timur, 77373, Indonesia	118°17'28" E	1°15'06.9" N	5,565.00	4,157	36,060
Koperasi Plasma Rimba Perkasa	Kampung Batu Putih Kecamatan Batu Putih Kabupaten Berau, Kalimantan Timur, 77373, Indonesia	18°24'44.7" E	1°21'38" N	714.00	714	5,692
Total				14,800	9,407	115,834

Details on the audit team:

LEAD ASSESSOR

Muhammad Syafiq Abd Razak (Lead Auditor)

More than 5 years of working experience in plantation with various plantation company. Fully trained in similar agriculture certification programs such as RSPO and SCCS. Involved in RSPO assessment since 2014. Member of CUC RSPO audit team. Involved in audits conducted in Malaysia and Indonesia. Fluent in English and Bahasa Malaysia/Indonesia.

SUPPORTING ASSESSORS

Md. Jefri Sharaai (Auditor)

Bachelor Degree in Chemical Engineering and Master Degree (Science) in Quality & Productivity. Working experience in various industries and discipline since 1992. Auditing experience in Quality Management System (ISO9001), Environmental Management System (ISO14001) and Safety & Health (OHSAS 18001) since year 2008. Certified ISO 14001:2004 and OHSAS 18001:2007 Lead Auditor. Fluent in English and Bahasa Malaysia/Indonesia.

Arief Ari Wibowo (Auditor)

Experience auditor in several agriculture certification programs such as Organic, RSPO, ISPO, UTZ and RFS2. Also, involved in several forestry certification programs such as PEFC, FSC and IFCC. Have an agronomist background in palm oil and forestry. Trained in social, GAP as well in environmental issues. Fluent in English and Bahasa Malaysia/Indonesia.

Enjang Asri (Auditor)

Involved in RSPO auditing since 2014. Degree in Forestry with 2 years' experience in NGO and Certification Bodies. A qualified auditor for ISO 9001 (QMS), Indonesia Timber Legality Assurance System, IFCC (Indonesia Forestry Certification Cooperation), and RFS 2. Fluent in English and Bahasa Malaysia/Indonesia.

Control Union Malaysia Sdn Bhd is a member of the Control Union - an international inspection and certification body. CUC performs assessments and certification in many agricultural based fields such as FSC, RSPO, and Organic production, Sustainable Textile Production, Organic Exchange, GLOBALGAP, HACCP, BRC, GMP. Control Union Malaysia Sdn Bhd is accredited for RSPO (RSPO-ACC-021) for the scope of P&C (Single Site & Group) and SCCS worldwide. When requested, a copy of the accreditation certificate can be obtained from CUC.

Stakeholder consultation is one of the most important parts in certification process; during which relevant national, regional as well as local stakeholders are asked to give their views and opinions as to whether the applicant's certification units comply with the requirements of the applicable National Interpretation.

We invite all stakeholders to take part in this consultation procedure as you can make a positive contribution to the certification decision. We ask you to raise any issues, both positive and negative, by sending a written response by mail, fax or by E-mail to our Control Union Malaysia Sdn Bhd office as indicated below.

For your guidance, you may consider the following points:

- 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 issue, both positive and negative that you consider may be of relevance to the assessment.
- Issues relating to other plantations owned by the company not included in this assessment.
- A copy of the applicable RSPO standard for the country, in which the assessment is being conducted, is available from www.rspo.org. Alternatively please ask Control Union Malaysia Sdn Bhd for a copy.

Your responses will be dealt with in complete confidentiality and will only be distributed to the appropriate persons within the organizations of CUC, ASI and RSPO.

When required your reply will remain confidential. Please add "Confidential" in your response and when preferred your response can be added as anonymous in the public summary of the report. In that case please also add "Anonymous" in your response.

If requested by you, the audit team will make the necessary arrangements to allow you to meet with them during the evaluation.

Please direct your comments to:

Control Union Malaysia Office	
Supun Nigamuni, Scheme Coordinator, B-3-1, Prima Klang Avenue, Jalan Kota KS/1, 41100 Klang, Selangor, Malaysia	
E-Mail:	snigamuni@controlunion.com
Fax:	+603 3377 1800

Comments received within 30 days from the date of this letter will be considered in this Assessment. Please include the following information should we need to contact you for clarification on any issues raised:

Name : _____
Address : _____
E-Mail : _____
Phone Number : _____
Summary of Issue :

We thank you for the participation and feedback.

Yours Sincerely,



Supun Nigamuni
Scheme Coordinator,
Control Union Malaysia Sdn Bhd