

From | Control Union Malaysia Sdn Bhd,
B-3-1, Block B, Prima Avenue Klang,
Jalan Kota/KS1,
41000 Klang, Selangor,
Malaysia

Subject| **PUBLIC ANNOUNCEMENT OF INITIAL ASSESSMENT AUDIT OF KUALA LUMPUR KEPONG – PT KARYA MAKMUR ABADI POM**

Date | 12-10-2018

Dear Sir/Madam,

Kuala Lumpur Kepong – PT Karya Makmur Abadi, an Indonesian plantation company, has applied to Control Union Malaysia Sdn Bhd to carryout initial certification activities in accordance with the Indonesian National Interpretation (INANI 2016) of the RSPO Principle & Criteria 2013 as approved by the RSPO Secretariat on 30th September 2016 and RSPO Supply Chain Certification Standard (21st November 2014) revised on 14th June 2017, of its palm oil production.

The **initial assessment audit** is planned to commence on **19th November 2018** and will be completed on **23rd November 2018**.

Applicant	Kuala Lumpur Kepong
Contact details	Mr. Stephen Tiong Research & Development Director Jl. Batu Akik, No. 18 ^a , Kotawaringin Timur, Kalimantan Tengah, 74322 Kalimantan Tengah, Indonesia mi.tiong@klk.com.my
RSPO membership number	1-0014-04-000-00 https://www.rspo.org/members/13/Kuala-Lumpur-Kepong-Berhad/group-member
Brief information about Applicant	Kuala Lumpur Kepong Berhad (KLK) is a Malaysian multinational company involved in plantation, manufacturing, and property development. Started as a plantation company more than 100 years ago, plantations (oil palm and rubber) still lead as KLK's core business activity. Through various strategic acquisitions and sound management, the Group's plantation land bank now stands close to 270,000 hectares spread across Malaysia (Peninsular and Sabah), Indonesia (Belitung Island, Sumatra, Central and East Kalimantan) and Liberia. Since the 1990s, the Group has diversified into resource-based manufacturing (oleochemicals, derivatives and specialty chemicals) and vertically integrated its upstream and downstream businesses. The 1990's also saw the Group capitalizing on the strategic location of its land bank in Peninsular Malaysia by branching into property development.

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
PT. KMA Mill	60 Ton/Hour	Desa Pemantang, Kecamatan Mentaya Hulu, Kabupaten Kotawaringin Timur, Provinsi Kalimantan Tengah, Indonesia	112°29'23.25"E	02°02'32.41"S	27,624.80	2,622.83

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	
KMA Selatan	Desa Pemantang, Kecamatan Mentaya Hulu, Kabupaten Kotawaringin Timur, Provinsi Kalimantan Tengah, Indonesia	112°29'30.97"E	02°02'56.19"S	4,309.00	3,945	80,262.45
KMA Tengah	Desa Tumbang Sapiri, Kecamatan Mentaya Hulu, Kabupaten Kotawaringin Timur, Provinsi Kalimantan Tengah, Indonesia	112°27'13.62"E	01°59'33.67"S	4,561.00	3,169	43,915.61
KMA Utara	Desa Tumbang Tilap, Kecamatan Bukit santuai, Kabupaten Kotawaringin Timur, Provinsi Kalimantan Tengah, Indonesia	112°26'6.34"E	01°56'41.98"S	527.00	264	2,154.43
Total				9,397	7,378	126,332.49

Details on the audit team:

LEAD ASSESSOR

Ahmad Furqon

Post graduate qualification in agriculture with more than 5 years working experience in various plantation company. Fully trained in similar agriculture certification programs such as RSPO, ISPO and SCCS. Involved in RSPO assessment since 2016, in Indonesia. Completed and certified ISO 9001:2015, ISO 14001. Attended and successfully completed RSPO Lead Auditor training in October 2016.

SUPPORTING ASSESSORS

Rasyid Abdillah

He had a Master Degree on Agriculture from Jenderal Soedirman University, Indonesia. He has working experiences as an agriculture lecturer and Auditor for 5 years with various knowledge and skills in the sustainable agriculture, biotechnology, plant breeding and seed technology. Completed and certified as a lead auditor for ISO 9001: 2015 as well as qualified social auditor for SMETA and Understanding Responsible Sourcing Audit (URSA). Fully trained and qualified in similar agriculture certification, such as ISCC, Renewable Fuel Standard (RFS2), RSPO P&C, UTZ Certified (Tea, Coffee and Cocoa), Organic Certifications (USDA-NOP, EU Organic, and JAS) and Coffee Sustainable Certifications (4C Lead Verifier and Café Practices-Starbucks).

Nor Ashikin Shafinaz

Graduated from Universiti Kebangsaan Malaysia in Chemical Engineering. Been part of RSPO P&C and SCC team member during audits in Malaysia and Indonesia. Trained on ISO 9001 and GAP. 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	
Cheah Chi Ern, Scheme Coordinator, B-3-1, Prima Klang Avenue, Jalan Kota KS/1, 41100 Klang, Selangor, Malaysia	
E-Mail:	cecheah@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,



Cheah Chi Ern
Scheme Coordinator,
Control Union Malaysia Sdn Bhd