

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 AUDIT OF KUALA LUMPUR KEPONG BERHAD - PT. HUTAN HIJAU MAS**

Date | 12-7-2018

Dear Sir/Madam,

PT.Hutan Hijau Mas, Indonesia plantation company, has applied to Control Union Malaysia Sdn Bhd to carryout certification activities in accordance with the Indonesia National Interpretation (INANI 2016) of the RSPO Principle & Criteria, and RSPO Supply Chain Certification Standard (21st November 2014) revised on 14th June 2017, of its palm oil production.

The **initial audit** is planned to commence on 3/9/2018 and will be completed on 7/9/2018

Applicant	Kuala Lumpur Kepong Berhad – Pt. Hutan Hijau Mas
Contact details	Suresh A/L Uni Production Director PT. Hutan Hijau Mas Jln Marsma Iswahyudi RT08, KEL Rinding Kec Teluk Bayur, Kab Berau, 77313 East Kalimantan Indonesia suresh.u@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	<p>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.</p> <p>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.</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	Latitude	Longitude	CPO	Palm Kernel
Berau POM	120	Desa Gunung Saru, Kec Segah, Kab. Berau, Prov, Kalimantan Timur, Indonesia	117°09'58.5" E	2°12'42.4" N	31,114	4,089

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	
Estate Sungai Segah (Pt. Hutan Hijau Mas)	Kg Gunung Sari, Kec. Segah, Kab. Berau, Kalimantan Timur	117°09'15"E	2°13'05"N	3,922	3,741	76,018.5
Estate Sungai Pura (Pt. Hutan Hijau Mas)	Kg Gunung Sari, Kec. Segah, Kab. Berau, Kalimantan Timur	117°10'8.57"E	2°13'6.4"N	3,333	2,984	52,978.62
Estate Sungai Melamah (Pt. Malindo Mas Perkebunan)	Kg Gunung Sari dan Kg Punan Malinau, Kec. Segah, Kab, Berau, Kalimantan Timur	117°04'23.6"E	2°15'33"N	4,388	4,214	109,306.69
Estate Sungai atap (Pt. Malindomas Perkebunan)	Kg Gunung Sari dan Kg Punan Malinau, Kec. Segah, Kab, Berau, Kalimantan Timur	117°4'23.6"E	2°15'33"N	3,583	3,063	58,789.35
Total				15,226	14,002	297,093.16

Details on the audit team:

LEAD ASSESSOR

Muhammad Faizul Yusoff

Graduated with Diploma of Agriculture Science and Bachelor of Applied Chemistry holders which involved in MSPO, ISCC & ISO 9001 audit since 2014/15. Has undergone the necessary RSPO Lead Auditor Course for both P&C as well as the Supply Chain Certification System (SCCS). Also as a qualified auditor for MPOB Codes of Practice Nurseries, Estates, Palm Oil Mills, Refineries, Bulking Station and Kernel Crushers Plant. Possesses more than 7 years working experiences in palm oil plantation management and 3rd party auditing (ISO & Palm Oil Sustainability Standard). Has completed and passed the Lead Auditor Course for RSPO P&C, RSPO SCCS, MSPO, ISCC, MPOB CoP, ISO 9001, ISO 14001 & ISO 18001.

SUPPORTING ASSESSORS

Mohd Farul Bin Rosli

Diploma in mechanical engineering. Involved in RSPO auditing since 2012. Working experience as Sustainability and Safety in Oil Palm Plantation for 5 years. Trained and completed the lead auditor course for ISO 9001:2015, MSPO standard.

Enjang Asri

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	
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